



MOM'S HOUSE HOME STUDY COURSE

CHAPTER TEN

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Chapter Ten

In my 21 years of buying real estate, I've seen a lot...

You deal with families in emotional times. I've seen a ton of crazy stories and one that really bothered me. I tell it today, just because I think I'm just trying to show you the importance of what we do so much. I went and met with a lady that had two sons there with her and they wanted to sell the house. It was in a good part of town. I made them an offer and they said yes. And what I remember about the situation was that the two sons, probably their forties, late forties, were very domineering over their mother. I try hard not to judge other people's families. You're dealing with the human element. I don't do a lot of time judging.

What I should have done more in that situation was trust my gut.

In the negotiations, they very much didn't let mom talk. They controlled the conversation. Now keep in mind, what I do for a living is I help the adult children to help mom with where they're going to move. So it's not uncommon for me to not really talk to the seniors that much, but in this particular case, the mother had pretty much been enslaved by the sons. They were living off of her social security check. They didn't work. They actually held the mom in captivity there at the house with a locked door. I remember that day when I was looking at the house, that something didn't feel right.

I didn't take the steps to call the senior abuse hotlines and things that are out there.

And I wish I would have.

I found out about four months later, I see the picture on the nightly news of these two brothers, sons of this lady, they both got arrested for neglect.

So somebody had reported them and they both got arrested because of what they were doing with their mom.

Trust your gut in this business.

What we do is super important.

Had I helped, maybe I could have sped that process up with the mom. It bothers me to this day. I think I've been more diligent about if I see something wrong, I try to report it and try to help the seniors in their time of need. Because, as you know, seniors are one of those classes that needs to be protected more because people do take advantage. You don't think it would be your own son, or your sons plural, but in this case it was.

We had talked earlier about why the \$92,000 was so important, that number. Your mom has only so much money, and a lot of seniors have very little money, almost no savings. They have a small pension and that's about it, but they have the equity in their home. So when we talk about that \$92,000 private pay threshold is that some communities will let your mom move in, and if she can pay one year of private pay, they'll let her live out the rest of her days under the Medicaid payout plan. Not all communities do this, but some do.

Why that's so important is, you as the adult child, you want to give your mom the best and so, at least in St. Louis, the average price range of a house isn't under \$200,000, and so by the time you buy it as is, sometimes with what the house needs, the check is only around 100,000. If your check for that equity of the house can be enough to pay for mom's private pay nicer community for that one year, and you know, that even after that, the Medicaid plan will kick in and mom can continue to stay there, because the last thing you'd want to do is move mom out of the Taj Mahal and move her into a Medicaid facility or community, that how great it is that the thing that we do helps them get to that point.

The state's there to kick in once the money's gone, but if you can get past that \$92,000 threshold, you can have your mom's last days, two, three, four years be better than they would be if you weren't able to come up with that plan.

We deal with people all day long that are in very stressful times, your job is to be there, to be kind, to be a trustworthy person that they can take one of their biggest burdens off their plate.

When I get a house under contract with a family, I can almost see the weight get lifted off their shoulders, that they realize that mom now has the money to pay for this. I don't have to worry about where the money's going to come from. I'm not being asked to come up with the money. We've got enough money to have mom stay in this private pay for the rest of her days, and even after her money runs out that the Medicaid will kick in.

I think it's a very nice thing to do for the family to be able to help them get to their goal, which is always it's where can mom get the best care, our reputation that we have as real estate investors, at least in St. Louis, it's a big little town. What I mean by that is your reputation sticks with you. You're not going to get away with much if you're a bad actor. What is your reputation worth?

I hope it's priceless for you.

In this world of senior living, just do what you say you're going to do.

In our business, we know all the bad stories of getting things under contract and having 30 days of contingencies, and then at the last day calling up and saying, "Hey, I didn't get it sold so now I'm just going to let..."

In essence, getting out of a contract because you didn't wholesale it.

We're not looking to work with people like that.

We really want to work with people that have been in business long enough that they're the ones that have the cash behind the deal to actually take the house down, to rehab it, to get it back on the market, keep it as a rental and to sell it. When you think about what your reputation is worth, just know that when you're in this insulated world of senior living that if you get a bad reputation, it's over. You're not going to have any referrals from this business.

They want to work with people that have a good moral compass and will do what they say and help these families in their time of need. The big question is how do you build trust with these companies? For them to refer to you it's a big deal.

How do you build trust? We're going to talk about that in the next chapter.