

# REIA

REAL ESTATE INVESTORS ASSOCIATION  
**WAYNE COUNTY**

WEBSITE: [reiaawaynecounty.org](http://reiaawaynecounty.org)  
FACEBOOK: Wayne County REIA of Michigan  
24hr recording (313) 437-2945  
Fax: 313-386-7600

MAILING: **P.O. Box 5341**  
**Dearborn, Michigan 48128**

Volume 31

March 2015

Number 2

## NEXT MEETING

**TUESDAY MARCH 3, 2015**

**NETWORKING & DINNER  
RED LOBSTER**

**13999 Eureka Rd • SOUTHGATE**

**Next to 7-11, near Trenton Rd.**

6:00 - 7:15 ..... Dinner and Networking

7:30 ..... Meeting

## SPEAKER/TOPIC

**Matt McCormick** is the SE Michigan  
Representative for International Bancard.

He will be discussing how to accept credit cards from your tenant at no charge to the landlord.

He will also cover a history of credit cards and how they work. Also their referral program or how you can make money from his services.

**For Any Questions Please Call:**  
Wayde Koehler, President 313-819-0919  
or 24hr recording (313) 437-2945

# Welcome

## New & Returning Members

*Leonard Martindale*

*Noel Selewski*

*John Knappmaun*

*Dwayne Seals*

*Joe Wright*

*Kathleen Seneski*

*Judy Fredrick*

### YOU ARE INVITED TO THE MONTHLY INVESTOR GET-TOGETHER!

Hosted by our New Director

- **Bobbi Nied-Broderick**

### 3RD TUESDAY MEETING

**MARCH 17, 2015 @ 6:00PM**

**WHEN 3rd Tuesday of the month**

Join us for a casual evening with like-minded individuals to share your stories, discuss your issues and learn more about our investing community!

**FREE ADMITTANCE** just make sure you pay for your food. :)  
We hope to see many of you there, and feel free to bring a friend or two.

For More Info: **Bobbi (734) 946-6280 or Bill 734-934-9091**

# Membership Application

New Member ( ) Renewal ( )

**ANNUAL DUES** Family — \$125.00 - (One Address — 2 People)

Single meeting fee for non-members is \$20.00 per person, which will be applied to the annual dues if you join the next month.

*(we hope this will encourage people to join)*

Fill Out Form and Mail or Fax to: R.E.I.A. • P.O. Box 5341 • Dearborn, Michigan 48128

Make Check Payable to: REIA — 24hr recording (313) 437-2945 • Fax: 313-386-7600

Name \_\_\_\_\_ Spouse \_\_\_\_\_

Mailing Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Phone No.: Home \_\_\_\_\_ Work \_\_\_\_\_

How did you hear about us??: \_\_\_\_\_ Referred by a member?? Their Name \_\_\_\_\_

Business Name(if applicable) \_\_\_\_\_

**EMAIL ADDRESS** \_\_\_\_\_ Can you volunteer some time, talent or information??  
Tell us the companies you use and see if we can advertise for them.

**FOR RENEWING MEMBERS:** Any questions/comments on how to better our organization??

## NEXT MEETINGS

### MONTHLY MEETING

- Tuesday March 3, 2015
- Tuesday April 7, 2015

### BOARD OF DIRECTORS

- Tuesday March 10, 2015
- Tuesday April 14, 2015

**Investor Get-Together — March 17th**  
**Meeting Starts at 6:00pm**

## **Real Estate Investors Association of Wayne County**

P.O. BOX 5341 • Dearborn, Michigan 48128

24hr recording (313) 437-2945/Fax: 313-386-7600

WEBSITE: [www.reiawaynecounty.org](http://www.reiawaynecounty.org)

**Facebook — Wayne County REIA of Michigan**

### **\*\* OFFICERS \*\***

<b>PRESIDENT</b>	<b>WAYDE KOEHLER</b> (313) 819-0919
<b>TREASURER</b>	<b>WAYDE KOEHLER</b> (313) 819-0919
<b>VICE PRESIDENT</b>	<b>BILL BEDDOES</b> (734) 934-9091
<b>PARLAMENTARIAN</b>	<b>BILL BEDDOES</b> (734) 934-9091
<b>SECRETARY</b>	<b>Bob Cousino</b> (734) 782-1847

### **\*\* TRUSTEES \*\***

Jerry Kirschner	248-867-0744	Richard Nagy	734-283-1754
Rose Papp	313-383-6592	Bobbi Neid-Broderick	734-946-6280
Mike Brandau	734-231-0400	John O'Neil	603-848-8689

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from defects but NOT Guaranteed!!**

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**WWW.REIAWAYNECOUNTY.ORG**

## ATTORNEYS AT LAW

Free Simple Legal Advice

- Peter C. Rageas CPA, MST  
(313) 962-7777  
(313) 962-0581 fx

- John Payne  
(313) 562-5700

- Gary Segatti  
(248) 808-2711

- Aaron D. Cox  
(734) 287-3664

- RealChek, Thomas Moorhead  
(800) 955-2435  
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(This may be why we are all here????)

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**7:00 pm - 7:30 pm**

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3/15

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**Noel Selewski**  
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12/15

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Fax: (313) 886-6106

noelselewski@sbcglobal.net

## **Media Muddles Magnitude of May Tax Hike Vote**

It's \$2 billion

By TOM GANTERT

Approximately two billion dollars.

That's how much additional taxes will be collected if voters approve a May 5 ballot proposal, according to a Mackinac Center for Public Policy analysis based on figures projected by Michigan's legislative fiscal agencies.

The bottom-line figure has not been widely reported in the media. In fact, most readers would be hard-pressed to find it in newspapers or in press releases put out by politicians who favor the tax hike measure.

For example, Sen. Jim Stamas, R-Midland, issued a press release that stated: "Last year, the Legislature approved a bipartisan package projected to generate \$1.2 billion of additional revenue annually to repair Michigan's roads and bridges, while providing additional funding to our schools and local governments."

Stamas and some reporters devote many words to describing the amounts earmarked to various interests if the measure is approved, but their readers will have to do the math themselves to discover how much more the overall package will extract from their pocketbooks.

In one example, when a letter-to-the-editor on the proposal from reader Howard Bouwens Jr. of Laketown Township was posted in the Holland Sentinel, it referred to the measure as an overall \$1.9 billion tax hike. That number accurately reflects the initial fiscal agency analyses, which have been revised since to tack on another \$100 million.

However, Holland Sentinel Opinion Page Editor Jim Timmermann posted in the comments section of Bouwens' letter a 250-word response that mentioned only the \$1.3 billion collected by the sales tax increase. That left out another \$663 million in net gas, diesel and vehicle registration taxes that will be automatically triggered if the ballot measure passes.

(continued next page)

**Wayne County REIA of Michigan**  
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Partner

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Cell (734) 673-8658  
jcampeau@mspcpa.com

**(continued from Media Muddles Magnitude )**

In another story an MLive reporter asserted, “In total, it’s projected to raise \$1.2 billion.” The only hint to readers that the real amount is much higher was a reference to an opponent who “thinks this will end up costing voters about \$2.0 billion in increased taxes.”

The figure is not just one man’s opinion, however: it’s an accurate sum of how much the nonpartisan legislative fiscal agencies estimate the package’s new and increased levies will collect. The exact amount depends on unpredictable factors including the future cost of fuel, but even large swings in these would not change the \$2.0 billion bottom line very much.

Other media reports have also focused exclusively on the package’s \$1.3 billion annual increase in transportation spending, leaving it to readers to untangle the many earmarks and individual tax hikes before they can discover how much more citizens will pay in total.

The ballot measure’s sales tax increase by itself will collect an additional \$1.427 billion. If this is approved it will automatically trigger the imposition of \$523.9 million in additional tax increases in the first year, and \$663 million when all the fee increases are fully realized. If voters say “no” to the ballot measure these other tax hikes will not go into effect. They include:

- A net gas and diesel tax hike of \$463 million. The actual increase will depend on the cost of fuel.
- A \$50 million increase in annual truck registration taxes, and elimination of a vehicle registration tax “depreciation” discount that will raise \$10.9 million in the first year, and \$150 million when fully realized.

This is on top of a \$60 million Internet purchase sales tax that goes into effect regardless of the May 5 vote, which was enacted as part of the deal to put the sales tax increase on the ballot. The package also increases by \$260 million state spending on low wage household income enhancement subsidies distributed as tax credits, which is contingent on a “yes” vote.

Late last year the Michigan House passed a plan that would have gradually increased road funding by \$1.2 billion without raising taxes. The Senate responded with a \$1.2 billion gas tax hike for transportation. On the last day of a 2014 lame duck session, in the pre-dawn hours of Dec. 19, the two bodies “compromised” at a net tax hike of \$1.9 billion, which further analysis now pegs at around \$2.0 billion.

Reprinted from michigancapitolconfidential.com and submitted by Bill Beddoes, vice President, REIA of Wayne County

# TIP

## for SUCCESS

### Don't Take Home Your Tenants' Pests!

I know this topic will make some people squirm a little-but it must be said. Not all of our tenants are the best housekeepers in the world and some like to keep pets (cats, dogs, etc.). And, some tenants are just unfortunate, attracting pests or carrying them with them wherever they go. How's does this impact you as the landlord beyond the obvious?

Experienced landlords and maintenance staff understand all too well that by not properly preparing for buggy pests, we just might find ourselves with an infestation in our own home, office or in our personal vehicle-or in the next unit or two we visit. It's not uncommon for pests such as fleas to jump onto any live body within close proximity-including the landlord or maintenance person just dropping by a unit to do usual stuff. A good sign is fleas pole vaulting onto your legs, shoes and pants.

What should you do? Pack an extra set of clothes and shoes with you at all times and a large plastic bag into which you can place (or dispose of) the clothes you had on while visiting your units. Granted, you won't need to avail yourself of this emergency pest kit all the time, but if you think there is any chance you should, don't hesitate! Before going any further, find a public space where you can strip and change all your clothes, including your shoes. Tuck all the possibly tainted items into the plastic bag and throw them in the trunk. When you get home, take the proper steps to clean the tainted items or simply tie them up

tight and dispose of them outside of the home, office, etc. It won't hurt to spray your vehicle to kill any stray fleas or other such nasty critters that might have jumped on board without your knowledge too.

Reprinted from MICHIGAN LANDLORD  
and submitted by Rose Papp

### **NEW Member Application**

***Please fill out our form when you come to the meeting. We need your email address so we can send you the newsletter & alerts and updates!!***



## R.E.I.A. Membership Benefits

- *Socializing, Networking, Networking & Networking*
- *Monthly Newsletter & Guest Speakers*
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- *Liaisons with Local and State Government*
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- *Discount card for Sherwin Williams Paint & Office Max*  
*(ask and have your membership card.)*

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Email: [reiaawaynecounty.org](mailto:reiaawaynecounty.org)

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Ph: 313-383-6592



**Section 8 Questions???**  
**Call Jane Scarlett**


Wayne Metropolitan Community Action Agency  
Housing Agent for the Michigan State Housing  
Development Authority

734-284-6999  
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## BOARD MEMBERS INFORMATION

<u>NAME</u>	<u>PHONE</u>	<u>EMAIL</u>
. Wayde Koehler .....	313.819.0919 .....	housemgmt@comcast.net
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. Jerry Kirschner .....	248-867-0744 .....	gkirsch888@aol.com
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. Mike Brandau .....	734.231.0400 .....	mbrandau55@gmail.com
. John O'Neil .....	603.848.8689 .....	jr_oneill@yahoo.com

# **Holland's New "Excessive Complaint" Regulations**

Included in the recent ordinance changes in Holland is a limit on the number of "excessive crime calls" that can be filed against a property. If your property is the source of more than four (4) complaints in a 12 month period, the City of Holland will assess a fine and administrative fees and could do any or all of the following:

- re-inspection fees;
- a hearing before the 58th district court;
- suspension of your rental permit;
- placarding the property;
- or other legal action.

## CRIME CALLS/COMPLAINTS INCLUDE:

- public safety visits which result in a citation, arrest or other criminal activity;
- local ordinance violations which result in enforcement activity;
- violation of the long grass/weed ordinance;
- violations of the State of Michigan Tenant Law.

In reality, this isn't a change to address crime or deal with college student parties as alleged by the city staffers but a change to hammer landlords even harder-especially landlords they have issues with. Holland landlords will have to pay for fines and fees if they have ordinance violations and more fines and fees if they become "excessive."

The RPOA and local landlords fought hard to limit new ordinances' impact on the industry. Two successes included the elimination of a proposal to license landlords and relief for those that own units that were built to accommodate up to six tenants. Any unit currently housing six tenants before December 31, 2014 will be grandfathered in under the new ordinance that limits occupancy to no more than four unrelated persons.

Reprinted from MICHIGAN LANDLORD - WHERE LANDLORDS GO FOR HELP & submitted by Rose Papp

### **SPEAKERS COMMITTEE**

*Jerry Kirschner*

*248-867-0744*

*If you have any suggestions for speakers, drop us a line at: [www.reiawaynecounty.org](http://www.reiawaynecounty.org)*



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23062 Columbia Street  
Dearborn, MI 48124

7/14

## DOUG SMITH IS ON HIS DEATHBED....

Doug Smith is on his deathbed and knows the end is near. His nurse, his wife, his daughter and two sons are with him.

He asks for two witnesses to be present and a camcorder to be in place to record his last wishes and when all is ready he begins to speak:

"My son Bernie, I want you to take the Mayfair houses. My daughter Sybil, you take the apartments over in the east end. My son, Jamie, I want you to take the offices over in City Center. Sarah my dear wife please take all the residential buildings on the banks of the river."

The nurse and witnesses are blown away as they did not realize his extensive holdings and as Doug slips away, The nurse says "Mrs. Smith your husband must've been such a hard-working man to have accumulated all this property."

Sarah replies, "Property? That idiot had a paper route!"



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7/14

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— WEB SITE CORNER —

This new column of useful website addresses is a new addition to our newsletter format. If you wish to have a website featured in this column please email [reianews@aol.com](mailto:reianews@aol.com)

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[www.courts.michigan.gov/](http://www.courts.michigan.gov/) ..... Michigan Courts  
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**State Criminal Records:**

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<http://apps.michigan.gov/ichat/home.aspx> ..... Criminal History Check (ICHAT)  
<http://www.oakgov.com/crtsOO04/main> ..... Oakland County District Court Case Search  
[www.mipsor.state.mi.us/](http://www.mipsor.state.mi.us/) ..... Michigan Sex Offender: (PSOR)

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— **MEETING AGENDA** —  
**RED LOBSTER ON EUREKA • SOUTHGATE**  
*Next to 7-11, near Trenton Rd.*  
**6:00 - 7:15 ... Dinner and Networking**  
**7:30 - ..... Meeting — (\$20.<sup>00</sup> FOR GUESTS)**

# **The 10 Commandments of Property Management**

by Phil Pustejovsky

You're about to discover the 10 commandments of property management that a landlord should apply. These are simple principles. And although I read attended trainings on property management when I first got started, these commandments came from over a *decade* in The School of hard Knocks. Here are your 10 property management commandments:

## **1 CHOOSE YOUR TENANTS WISELY**

Ninety percent of property management is choice of tenant. When you choose the right tenant, property management is very straight forward. Choose your tenants wisely.

To choose wisely, you must advertise extremely aggressively, so that the entire pool of potential tenants in a given market knows your property is available. You must offer the right rental rate because good tenants are very sensitive to higher-than-market lease amounts.

Then, you must be very selective and choose the one that has the best overall application. Most important is how they *produce income*.

Nurses are fantastic because nurses always have employment opportunities, and if they ever fall behind on payments (which many tenants do), they can pick up extra shifts to catch up.

Self-employed people are the highest risk. They are the most likely to give you the sob story about why they can't pay rent this month. Sifting through and deciding on which tenant to select is extremely important and requires patience.

You're better off with a vacant property than one that is filled with a bad tenant. Choose your tenants wisely.

## **2 YOUR PROPERTIES MUST CASH FLOW WELL**

Too many investors buy properties that have very little cash flow. If the property doesn't cash flow extremely well, it's not worth the headaches and hassles of owning it because all kinds of things can go wrong.

The most common problem is that the tenant stops paying you-but doesn't move out. Then you have to make empty mortgage payments and cover the costs to evict and the expenses to renovate what the tenant destroyed. All kinds of things can go wrong and having the cushion of good cash flow can help offset the hazards.

It's far better to have fewer properties that all individually cash flow well than a huge portfolio of deals that barely break even.

## **3. ESTABLISH RESERVES UP FRONT**

In addition to cash flow, you should have reserves socked away for each property for when the inevitable storm comes your way. You can certainly save all your cash flow until you build up a reserve, but it's even better to establish reserves up front, *before the* tenants move in.

(continued next page #4)

*(Continued from 10 Commandments)*

If you are renting a single family home, consider offering the property as a rent-to-own because the tenant creates a reserve for you.

#### 4 MASTER YOUR LOCAL LAWS

The devil is in the details when it comes to landlord and tenant laws. It's the little things that can really trip you up and, if you don't bulletproof yourself, a professional tenant can wreck havoc. He could live for free for several months or take you to court and win some frivolous lawsuit because of some technicality you weren't aware of.

Landlord and tenant laws can vary tremendously from county to county-not just state to state-so you want to study the local landlord and tenant act for the county where your property is located.

Take a marker and highlight anything you don't fully understand. Then pay a local eviction attorney for a few hours of their time and sit in their office and have them educate you on everything you don't understand.

To find the best eviction attorney, head down to the eviction court for your county and note the attorneys whose names appear the most on the docket. In most counties, 80% of the eviction cases are handled by a handful of eviction attorneys. Work with the one that does a tremendous amount of eviction cases.

#### 5 PREPARE FOR EVICTION BEFORE A TENANT MOVES IN

You should prepare for the day of eviction before the tenant ever moves in. That includes having your eviction attorney review and make necessary changes to your lease

**OUR WEBSITE!!!**

**[www.reiawaynecounty.org](http://www.reiawaynecounty.org)**

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agreement.

During the "honeymoon phase" (before the tenant has moved in) is the time to get all the information an eviction attorney would need in the event you have to file for eviction. Ask the eviction attorney what the perfect eviction file looks like. It may include a copy of the tenant's driver's license, a picture of their license plates, a very thorough rental application, and more.

#### 6 EVICT TENANTS THAT DON'T PAY

Be very strict about following the payment terms and conditions in the lease. If the tenant doesn't pay on time, you charge a late fee. If they don't pay prior to the late fee period, start the eviction.

If you give a tenant an inch, they will take a mile. And if you can't stomach the idea of evicting someone for not paying their rent, it's best that you not own rental property. A tenant needs to be held accountable for not following the terms of the lease.

Evict tenants when they don't pay the rent or don't own rental property if you don't feel comfortable evicting.

#### 7 AUTO COLLECT RENT PAYMENTS

Waiting for checks in the mail is not efficient and breeds excuses from tenants. Instead, set up a merchant account and process the tenant's payments as an ACH directly from their checking account. As a back up, if the money is not available in the bank account, get their credit card information and process the rental payment on their credit card.

You'll have to get the proper authorizations in writing from the tenant prior to do this, but you can do that before they move in. And it's better to process the payments yourself

rather than use an outside company. Those outside companies sometimes allow the tenants to call them and request the payment not be processed that month.

That defeats the purpose altogether!

The power in direct drafting rent payments from a tenant's bank account is that they are forced to have the money in their account or they will get hit with insufficient funds fees. So they hustle to make sure that at least there is enough money in their bank account for the rent payment to go through.

## 8 PERIODICALLY INSPECT YOUR PROPERTIES

Keep a close eye on your rental portfolio. Periodically, inspect each of your properties to view the condition and how well the tenant is maintaining the property and if the tenant is breaking the lease in anyway.

Something as simple as not changing the A/C air filter can ruin an air conditioning system and although you can hire someone else to do periodic property inspections, nothing replaces you as the owner having your eyeballs on the property itself.

## 9 OWN CLOSE TO HOME

Owning close to home is helpful for productive landlording. You know your own backyard better than anywhere else, so you know where the best employers are (and therefore you know where to advertise your vacant rental units).

Your mastery of local laws can take years to fine tune, and it's far easier to learn in just one area rather than several. You can cultivate a relationship with a local eviction attorney, since the best ones usually specialize in just one county. You can easily keep an eye on your properties and your contractors.

Investors higher priced areas complain that the cost of a property in their area is twice or three times that of other areas, and they're tempted to buy long distance rather than close to home. Either own close to home or don't buy rental property.

## 10 WEIGH THE COSTS OF HIRING A PROPERTY MANAGER CAREFULLY

Many investors are quick to outsource their landlording duties to a property manager. But consider the costs of a property manager because it may be more cost effective to manage the property yourself.

Many property management firms charge 10% of gross rent, which can be a significant amount of money. Ten percent of a \$1,000 rental is \$100. If the total cash flow is \$200 per month, that property manager is getting 50% of net cash flow!

You may want to keep that money for yourself in exchange for managing the property. You can collect the payments on autopilot. If you don't get the rent money, you can call the attorney and start the eviction. You can forward maintenance calls to a 24/7 handyman service. It may be worth 10% of gross to do those few tasks yourself.

Although re-renting the property is a bit more hands on, it may be worth it to keep the first month's rent in exchange for that money. Plus, you'll advertise harder for the best tenant, whereas most property management companies do just *enough* to get it rented rather than spend a little extra to get the best tenant.

Everyone's situation is different, and you may discover that hiring a property manager is more cost effective than doing it yourself.

*Phil Pustejovsky is a real estate investor, mentor and coach that has been a part of over 1,000 real estate investing deals over the past decade. He has also trained investors from all over the US and Canada to new levels of financial freedom through his innovative and real world investing techniques and strategies.*

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# Man pleads no contest in Livingston County mortgage-scam case

By Lisa Roose-Church Michigan.com

A Detroit man who allegedly ran a mortgage-rescue scam operation that cost at least two people their homes is facing a jail term after pleading no contest to criminal charges in one of the cases.

Rolondo Sage Campbell, 44, who also goes by the name of Anthony Carter, was set for trial Monday in Livingston County Circuit Court, but instead reinstated an earlier no-contest plea to uttering and publishing, larceny of at least \$1,000 but less than \$20,000 by conversion and violation of the Credit Services Act.

The Michigan Attorney General's Office accused Campbell of fraudulently submitting legal documents to Livingston County District Court bearing the forged signature of a Howell woman. She ultimately lost her home because neither Campbell nor his business "completed the promised mortgage. rescue," the AG's office alleged.

The plea deal calls for Campbell to receive a sevenmonth county jail sentence.

A no-contest plea cannot be used as an admission of guilt in any related civil cases, but is accepted as such at sentencing, which is set for Jan. 22.

Campbell also faced charges in Macomb County and possible charges in Wayne County. It wasn't immediately clear Tuesday how those cases will be affected by the plea to the criminal charges in Livingston County.

The state alleged Campbell operated a mortgage-rescue company, E3A, between 2010 and 2011 and that he falsely represented it as a nonprofit entity.



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In Macomb County, Campbell was accused of promising a Macomb Township victim that he would repair the victim's credit and save the home from foreclosure by arranging a short sale on the home in which the bank would accept a deed in lieu of foreclosure, the Attorney General's Office said. The victim ended up losing his home, and his fees were never returned, the state said.

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Campbell is also the founder of Detroit Michigan Panthers Youth Organization. Its website notes it is "offspring of the nonprofit organization, E3A," which "was founded and established in 2004 by Rolondo Campbell, to enrich the community through education, economics, employment and athletics."

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Reprinted from the Detroit Free Press & submitted by Wayde Koehler, Pres, R.E.I.A. of Wayne County