

CORWYN:

Homeownership is the first step, but understanding and managing is hidden cause is what turns in a legacy in order to create your version of homeownership. Don't let the opportunity pass by. Good morning, good morning, great morning, guys. Welcome to another fabulous episode of [Exit Strategies Radio Show](#). Hey, I am your host, Corwyn J. Melette, broker and owner of [Exit Realty Low Country Group](#) in beautiful North Charleston, South Carolina. Hey, if this is your first time listening to the show, hey, you know what it is? Well, you should know, but you're about to find out our mission here is very simple as to empower our community through financial literacy and real estate education. Guys, we're legacy building. That is what we do. Always got to give a shout out to those who tune in faithfully. Love us so dearly and we love them even the more. Elder and Pastor Vanderbilt Evans senior. And please let me get that thing right. Pastor Vanderbilt Evans senior and his beautiful bride, Miss Elder Sandra Evans. Look here. Thank you all for tuning in. My mom out there in Moncks Corner. Y'all know, y'all know all the way back to Hollywood. What you know, no good. My people in Mullins and Marion. Guys, thank you all for tuning in. We really appreciate it. And we got an amazing show today. For anybody who's known me for any length of time knows that I am a creative thinker. That's just me. That's what I am. So today we're going to set our hook this way. So creative financing, guys, and the hitting cost of home ownership and building family legacy. That is our title today. Our theme, if you will, for our hook for many families, the dream of home ownership feels just out of reach. Rising interest rates, strict lending rules and unexpected costs can make it seem impossible. But what if they were ethical and creative ways to own property sooner, protect your investment and start building wealth that lasts for generations today? Our guest, Mr. [Caleb Christopher](#), is the guy, hey, a creative finance expert and cybersecurity professional. And he'll help us by revealing how innovative financing strategies can help families and investors secure real estate safely while avoiding hitting costs that can erode wealth and threaten our legacy, your legacy. So he is the founder of [Creative TC](#), [DOS Guard](#) and [Creative Title](#). That dude over here building businesses, he's going to help you all build some business and make some money. So the expert, again, of creative financial methods included subject to and seller finance deals. And he's a passionate advocate for helping families and professionals protect their assets and build wealth responsibly. Caleb, how are you doing, my man?

CALEB:

I'm wonderful today. Thank you for having me on. It's an honor.

CORWYN:

Well, thank you for taking time out of your business schedule to be here. So look here. I don't tell them people what I think you do. Tell them what you do in your own words.

CALEB:

Well, listen, if you're trying to buy a house or sell a house and it's not going over the normal way, sometimes you got to get creative and you can think outside the box. That's where I live. And so when you start thinking about how could I do this, maybe seller finance, that's actually pretty vanilla to me. So when you're talking about creative ways to buy or sell a house, that's where I come in and help. And it's really easy to paint yourself into a corner with a conversation like,

how are we going to do this or what are we going to do? And then you come to Caleb and you say, hey, this is what we were thinking of doing. And I'll say, great, I've done this 250 times before. Here's what you want to watch out for. You're going to want to structure it this way. Here's the paperwork you're going to want to use in the state you live in. This matters and this matters. What are your short term plans, your long term plans? Because when you do a nonstandard transaction, you're kind of stuck together for a while and you're going to be in a relationship with somebody. And I just help people think through that stuff. So I call myself a transaction consultant, and that's company number one, CreativeTC. I built what wasn't there for me when I had to do the deals.

CORWYN:

So for our listeners, we had a good tickle about this behind stage a little while ago, if you will, because as you framed it, like, OK, you got this, now what? Now, in my mind, immediately I started thinking people out here chasing opportunities and chasing as an investor, you're chasing deals, you're trying to figure out as someone who's looking to own a home, maybe you, OK, well, look, I'm trying to, maybe I'm trying to lease option or whatever it is I'm trying to do.

CALEB:

Sure.

CORWYN:

Once you done chased down the opportunity, now what? Now I frame it like the dog that done caught the car. You know, you see dogs chase cars all the time, right? And they catch the car and then all of a sudden you see them, they stop barking, they stop running, the car stop, and now they looking around like, what's next? So, say look, let's go talk about it.

CALEB:

It's really easy to get into these conversations where you've got an idea and both parties agree. But sometimes in my analogy, that's what we were joking about. You said that. And I love that analogy. And I said, you know what? I have a similar analogy where the dog has a stick that's too wide for the door and it's so excited. He's like, I've got what I'm looking for. I've been trying this whole time and into the doorframe. I'm the guy who's like, come on, little buddy. And we just grab the stick and twist it and then you get right inside. But that's your deal on paper. Hey, I've got the seller on the line. Hey, I've got the buyer on the line. This is what we want to do. Can you help us? Absolutely. Let's talk through it. And so that's what CreativeTC does.

CORWYN:

So let's define some of this stuff for our listeners, because not all of them do. Not all of them know. Seller financing, subject to. Let's start with seller financing because that is always an interesting one. So the two's are a little more complicated. But let's start with that. Define, give your definition of what seller financing is.

CALEB:

Seller financing is any time that the seller becomes the bank. And there's a whole different, a whole slew of different ways this can happen. However, generally, the easiest way to think of is an elderly person has a paid off house. This is the typical scenario. An elderly person has a paid off house and they say, yep, I'll take a down payment. You give me 10% down, 20% down, and you can make payments on the rest just like a regular mortgage and I'll be the bank. That's generally seller finance, but it can take on much more complex formats.

CORWYN:

And on the other side, you also made mention of subject to. So define that, if you will, for our listeners.

CALEB:

Subject to. Corwyn, if I buy your house, you give me the deed, right? You sign it over to me and now legally I own it. But I just agreed to pay your mortgage instead of going and bringing my own loan. Because if it makes sense, because you've got a 4% loan, I want that loan, baby. I can't get a 4% loan right now. If I can give you \$50,000 cash right now and then just take over your payments, that's a subject to. When I buy the house, subject to your loan staying in place.

CORWYN:

Let's take a short break. You found a perfect property. You got the vision. Now you need the capital. At [MelliFund Capital](https://mellifundcapital.com), we specialize in funding real estate deals for investors who want to build, blip or hold and don't have the time to chase after banks. Whether it's new construction, a fix and flip or long term rental, we offer simple terms, fast approvals and access to private capital. We even work with manufactured housing projects because we know what it takes to build value from the ground up. You bring the deal. We bring the money. Visit [MelliFundCapital.com](https://mellifundcapital.com) or call **843-619-7038** to get pre-qualified today. [MelliFund Capital](https://mellifundcapital.com), we fund what you build.

CORWYN:

So how easy it is, and let's start with the latter and then work ourselves back. So, as a matter of fact, hold on. I'm going to get a glass half full guy, right? So you heard I say how easy, not how difficult. It's like I'm not going to make it overly daunting. But how, what does that look like? And do it however you want to. You can be how difficult it is or how easy it is to put something like that together. And what does that look like?

CALEB:

I think you've got a good point that it is really easy. But the problem is it's a blank canvas. And so when you have a blank canvas, you can draw whatever picture you want, but you may not draw the right picture. So I've seen people get into subject to deals. You give me the deed. I make your payments. That's as simple as it is. They just write a purchase contract that says I'll make your payments and then the deed transfers and you're done. That's too easy because what if your buyer defaults on your mortgage? These are the conversations we need to have. So it should be a little harder than it is. And that's where attorneys have their place. I've got my place and I'm not an attorney and I work well with attorneys. They often learn from me because

this is all I do. Right. This is a little side rabbit trail for them, but it's all I do. And so respectfully, as an influencer, not a controller, I say, Mr. or Mrs. Attorney, respectfully, here's what I want to make sure we do. I've got great templates. You're welcome to check them. You know, in fact, do check them, send them back with corrections. That's a free attorney console for me. I don't care. I don't have an ego in the deal. I want to make sure this deal is safe, legal and ethical. And there's a lot of conversations that people don't have ahead of time. So now that they're under contract, let's go talk to Caleb and his team and see if we've got the right things in place. That means we're going to have to have a purchase contract, an addendum with a bunch of disclosures that says, hey, yes, my loan is on. My loan stays in place. Credit is on the line. If you don't make my payments, I can get foreclosure on my record if you don't make my payments. And now you start seeing the, oh, I got to think through all of that. Yeah. Why would anybody ever do that? There are plenty of reasons. Usually it comes down to money or reduction of pain. A lot of times people don't have equity in their house. And so if they got foreclosed on not only would they lose the house and make no money, but they may owe money even after losing everything. That's a pretty terrible position to be in. And if you've got an ethical investor who steps in and says I will catch up your payments. I'll reinstate your loan. So there's 10K out of my pocket. I'll give you \$10,000 for cash and moving expenses and stuff like that. So you go find another apartment or something. And then I will make your payments ongoing and I turn it into a rental. You go from pain to good promises and hopefully good results.

CORWYN:

So one of the things, Caleb, I'm going to throw this out there. And I don't want to necessarily stay in this space because there's a lot of other creative methods and options for ownership or acquiring real estate. But acceleration, how often do you see that come into play? And if you don't mind, start by explaining what acceleration is.

CALEB:

I was going to explain. A loan acceleration, they're speeding it up to the tune of 30 years becomes due in 30 days. Okay, that's a super acceleration, light speed. Basically, a loan acceleration happens if you default on the mortgage in a few different ways. One of the options that they have is to accelerate. So the bank can say, all right, I'm done messing with all this stuff. You've defaulted A, B, and C. You haven't followed instructions. Just pay me off in 30 days or else I'm going to take it to foreclosure. That's what a loan acceleration is. One of the ways, and I think this is where you were headed. One of the ways that you can default on the loan and get an acceleration is if you sell it without the bank's permission. So, Corwyn, if you sell your house to Caleb and we don't tell the bank because we won't and I start making your payments, if they notice, number one, and if they care, they can accelerate the loan. That's called a due on sale clause. They can say, ah, you sold it without my permission. I'm going to call it due on sale. We're accelerating the loan. Pay us off, please. So that's what the acceleration clause is in a mortgage and how it applies to a subject to transaction. Because the bank didn't sign up for Caleb to be the payer. They signed up for you to be the payer.

CORWYN:

Very true.

CALEB:

That's where the acceleration clause comes in. Now, how often does it happen? Was your question?

CORWYN:

Exactly.

CALEB:

Very rarely. My company closes, helps other people close. We're consultants. So we touch anywhere from 30 to 50 deals every month nationwide, except New York and New Jersey. I just don't deal with double attorneys. I'm sorry. There are people who do, that's fine. But we touch 30 to 50 transactions every month. And I think over three and a half years, I have had two dozen, not even, those weren't even the ones that were all with me. I think I've had six come back that were mine. I just fix other people's transactions that go due on sale as well. So I built that solution. Then I built a company because everybody asks, well, isn't there insurance against that? No, you can't eliminate the due on sale clause. It's the lender's right. And if you were the lender, I'll just finish this aside. If you were the lender, you would reasonably want that in your loan. If you're going to sell or finance a house to somebody, you should put a due on sale clause in there because it doesn't force you to accelerate the loan. It gives you the option. It gives you power and control. And if it's your money on the line, you want some control.

CORWYN:

So, Caleb, let's switch this up. And I want to make sure we got that out because we do see a number of subject to offerings, if you will. And just to be transparent, man, want people to know that, hey, these are the things, some of the pitfalls, some of the things you need to watch out for. Obviously, if you're considering or if this is appealing for a reason, so you need to consider that there's a reason why it works or why it may be a great idea, a good idea for you to do. So let's get this back over to some other options. Do you deal with a lot of lease option, purchase, those types of purchase methods or not?

CALEB:

My company and team, we typically don't. A lease is a lease and then you add an option to it. And so, yes, we'll do some of those. But a lease option is conceptually it's rent to own, except legally it's not. I just want to make sure we differentiate and we could do a whole episode on the difference between rent to own and lease option. But lease option is the way to go there overall. But they have the option to purchase the property. So the tenant can get a one year, a three year, a five year option where it's like, hey, I'm going to rent this house. I like the house. I like the location. I'm going to take good care of it. And I'll give you an extra fee up front if you'll give me the right to buy it for the next five years.

CORWYN:

Makes perfect sense.

CALEB:

That's a great way to negotiate homeownership. And given our target audience here, if you're a tenant right now, you can ask your landlord about, hey, what would it take for me to buy this? Can I buy it on seller finance? Can I have an option to buy this thing? That's absolutely a worthwhile conversation because some landlords are just like, I don't know what I'm going to do with this thing. I'm kind of tired of managing it. But if I get a responsible tenant who takes care of the property, who doesn't miss payments and they're going to bring their own financing, great.

CORWYN:

Exactly. So, obviously, you know, in your realm, you're probably, obviously there are some probably on occupants that you guys are doing consulting work with. But my imagination says majority are probably investors. Sounds about right. How do these strategies play out on the bigger field? Let's get off the lowly field, so to speak, and get on to the major league field. What does this look like as far as the employment of these strategies? And give us some of the successes that you may have had recently, if you can.

CALEB:

Yeah, so I bought a property subject to the loan back in December of 2022, 2023. 23, I think, I don't know. The couple had two houses. They were making payments. Their agent had told them, yes, we can get house number one sold. So don't worry about it. Go ahead and buy house number two. Well, it didn't sell. It's worth what's owed on it. And so even if they sold it with the agent, with agent fees, in case you guys didn't know this, you have to pay an agent fee as the seller. And so they were going to have to come out of pocket \$15,000 anyway, even if they sold it for what it was owed on the property. It just that was the unfortunate circumstance. So it sat for six plus months. And somebody, an investor, calls me and says, I can't take this deal, but I want to help these people. You're a smart guy. See if you can do something. Can I just give them a phone call with you? I said, sure, let's talk. And they said one of us works in financial services. We can't have any late payments or our job is in trouble. Got two house payments. We can't afford them anymore. We just had a kid. We moved 45 minutes away already. I don't want to deal with tenants. I don't know what to do. I can't afford to make this payment anymore. And I said, let me look at the numbers and I'll show you my spreadsheet. I'll show you my credit score. If I can help you and be your buyer, I'll do it. I looked at the house. It's OK. It's not the most desirable house. It's a nice house on kind of a less nice street. And I said, you guys, this general is honestly will not rent for what is owed every month on it. Here's my comps. I'll show you. I'm not trying to trick you or hide anything here. So here's my offer. If you paid me \$200 a month instead of the 1200, you're paying the mortgage company. I will make the mortgage payment. Put renters in. May go vacant for a while. I don't know. I don't think it's going to rent that well. But five years from now, this will be a great deal for me. Today, it's a terrible deal, which is why nobody's taking it. If you help me, I can help you. And so they saw the opportunity. They said they waited two days. They called me back and they said, we'll take that deal. We'll pay you \$200 a month for two years. And that was basically enough to offset the long fallen rent for the two years before I could raise rents to make up for it. And it did end up sitting vacant for a few months. And so I'm out of pocket on that. But that's OK, because I picked up an asset at 3.625% interest. So the investor picture, going back to your question, what's the bigger

picture here? Investors can acquire low interest properties loans that you can't get right now. Investor loans are 6, 7, 8% interest right now. So if I can go start talking to distressed homeowners and actually help people and build a portfolio with low cash outlay, who loses?

CORWYN:

It's a win.

CALEB:

Yeah. So that's the big plays. You can scale a portfolio. If you have \$50,000 cash and you're an investor, you could buy two sub two properties or one non sub two property. Well, it depends on your market and the prices and down payment range. But you get the idea. You can scale more with less cash and get better monthly payments.

CORWYN:

That's huge. That's huge. The thing that really stood out to me in that is that essentially you're transparent. You gave them, hey, look, this is what it is. This is where I am right here. This is everything else. This is what this looks like. This is what I need to need in order to make this work. If you're open to it, then great. If not, then best of luck.

CALEB:

Yeah. Can I tell you the three things I tell people, investors? Please. Creative finance transactions. And that's the category we're talking about. Like sub two seller finance contract for the lease option. Like name any of the strategies. These are creative strategies, and that means they're non bank financing, non institutional funds do the transaction. Any of these. It really matters that there's a story behind the deal because people don't do weird stuff for no good reason. Creative finance is weird. It's not normal. It's creative, which means it's not normal. So anytime you do not normal, there's got to be a good reason, which means there's a story behind it. Or you probably don't have a deal. You're tricking yourself into the deal. You're tricking somebody else into the deal. And a lot of those fall apart before closing. And a lot of those turn into very distressed relationships in the longterm if you don't get it right on the front end. And so the three things, man, I've got a long runway before I get to what I want to say. Don't I?

CORWYN:

No, no, no. You know, I'm looking here. We got to get some acceleration, man. We can't take off on a show. Yeah, man. Come on, man.

CALEB:

That's a steam train building up. So the three things that I recommend all investors and homeowners, if you're selling, all investors should be looking at these three things. Does a cash offer work? If they can take cash, do the cash offer. Simplest, it's arm's length and arm's length. By the way, people ask what's arm's length and what's not arm's length. Here's the illustration. Arm's length is I'm looking out for number one. You stay back. Not arm's length is like me and a buddy like, hey, let's, uh, I'll do this price, right? And we'll just tell him it was a different price. That's not arm's length. I know the person we're doing an inside deal. Arm's length is two

self-interested parties negotiating at a fair rate. So the cash offer is such an arm's length transaction. It's clean and you're done. It may not be the best deal for everybody, but it's a fast, clean exit. And it's smooth. If you can do that easiest. Number two, realtor, put it on the MLS. Is there a realtor? Is there an agent who can help you sell this house? Now go back to my story in Colorado, the cash offer. Wasn't going to work. Why do you remember?

CORWYN:

Uh, numbers do one ran.

CALEB:

So yeah, and it was worth what was owed on it, which means the cash offer, anybody who's buying for cash buys at a discount, which means they would have taken a loss. That would have been an offer of two 50 or a, it would have been an offer of one 50 to one 60 on a house. That's worth two 13. That's not going to work. So cash doesn't work. They tried the realtor route. They listed it, ran it for six months, had showings, nice house, bad street, just didn't sell. So they tried cash realtor and then keeping it. That was the last discussion point I had with them. I'm like, why don't you guys rent this out? It would be less lossy, right? It's the same proposition as if I rented out and you pay me \$200 a month. Why don't you do it? It's 45 minutes away. We don't want to deal with tenants. That freaks us out. Okay. So if the cash offer won't work, right. Because my offer would be one 60 and they're like, absolutely not. Yep. I get it. The realtor didn't work already and you don't want to put it under another six month listing agreement. Nope, definitely not. We're running out of time. Okay. And you don't want to deal with tenants, right? Absolutely not. Okay. Now the conversation shifts. Here's the magic of doing that. We go from me throwing offers and asking them to sell to me at my price on my terms. When they say those three normal things don't work, I say, here's how I can help you. And now I'm saying, I have this cash available. I have these terms available. If you'll do those, that helps me help you. And so I said, I will make your payments. Here's my credit score. I had a tenant not pay through all of COVID. Caleb never missed a payment. Caleb doesn't miss payments. He honors his commitments, hence the credit score. So if I take this house off your hands, I will make the payments. Even if there's no tenant, even if there is a tenant and they don't pay, that's building rapport and establishing that trust and it's providing a real solution to people. That's my favorite thing about creative finance. So cash, realtor, keeping it. If you can't rule out those three things, you shouldn't jump to creative finance. Creative finance is a last option. It's a very good option if the other three don't work.

CORWYN:

Well, it's funny you should even mention that because Caleb, oftentimes, a lot of times people approach things with creative financing before ruling out the other options. They, sometimes my phone will ring and I want to do this. Well, wait a minute. Why haven't you, have you looked at this? Have you looked at that? Tell me why. Don't just, let's leap to that because as you may mention of, if there are other options, you leap to a creative option and you'll either have an issue or problem or otherwise a transaction that fails because that wasn't the best option.

CALEB:

Yeah. Well, and I would still say, so I'm not against people leading with the creative finance offer. However, you still need to disqualify the other things because you're setting yourself up for some heartache and headaches if you don't do a good job disqualifying the wrong options.

CORWYN:

Makes very good, very, very good sense. Caleb, this is probably a very good time for us to drop in your contact information. How can people reach you? How can people get out to you and your team?

CALEB:

So the easiest central way is calebchristopher.io. And then you can find me my email. I do, I share my monthly business and real estate financials. There's no guru crap where we're hiding and putting a wall of BS up front. If I lose money in a month, I tell people I show red numbers. You don't get the full P and L, but we show real numbers. So you can follow my businesses. You can follow the real estate portfolio. So if you're dabbling in like, I wonder if I should buy houses and rent. There are some hard months. I'll tell you that's all right. That's life. And I'll share the honest truth with you. So you can find my email, the newsletter, and then all the businesses that I own. So creativeTC, that's going to be creativetc.io. But again, you can find all of that stuff in one spot. And we just opened a title company in Colorado.

CORWYN:

So look, Caleb, I want to touch on, because you guys have this new company, a new work company, [Do As Guard](#). So tell our listeners about that. We talked about a little bit ago.

CALEB:

So the do on sale clause, that's pretty scary. Yes. I would say it's kind of like shark bites though. Very intense, very scary. But infrequent. Okay. So you want some protection. People ask me for a couple of years, where is due on sale insurance? Somebody give me due on sale insurance. Caleb, surely you can make due on sale insurance. I'm like, it's not a thing. You can't get insurance for that, but I will fix due on sale. And if I can't, I'll give you your money back. And so we just turned that into a productized offer. So if you're buying or selling a house subject to, you can get [DOS Guard](#), D-O-S, due on sale as a prepaid remediation with a money back guarantee. If we can't fix it, you can have your money back. So it's as close to an insurance policy as I can get, but I definitely don't want to be regulated by calling it insurance because it's not.

CORWYN:

I like that. Okay. Closest thing too. That's awesome. So you guys obviously have built an entire business around this particular arena of creative financing and the pitfalls, and again, you're trying your best to fill in the gaps and things of that nature to protect people, but also educate people in the process and assist them to make sure they get it done the right way. So kudos to you guys for what you guys have done, because it definitely speaks volumes as to what your intent is to educate people.

CALEB:

As a broker, you yourself and your agents, you have a fiduciary responsibility to your sellers and your buyers. And so I understand, I just want to say this. I understand why agents say no, because if you don't understand what it is and you've got other things on the table and other offers, it makes sense to say no to what you don't understand. I just want to make sure that you guys know that I'm available. CreativeTC.io. We have free inbound consults, 15 minute call for free. We're here to make sure that deals are safe, legal, and ethical, because that's not what was there for me when I started. And I'm like, this is not okay. The industry needs an ethical, moral authority on what's the best way to do these deals.

CORWYN:

So Caleb, look, I want to take a moment here to thank you so much for taking time out of your busy schedule to be on with us today. Thank you for the insights and the counsel and all the things that you've given to our listeners here on the show today.

CALEB:

Absolutely. It's my pleasure. I love educating.

CORWYN:

Love it. So look, guys, our listeners, guys, let me get you with a couple of takeaways. So one, homeownership is the first step, but understanding and managing is hidden cause is what turns into legacy. So when you have an opportunity to plug in with people such as Caleb, to plug in with him and his team, he's an expert and a leader in this particular field in order to create your version of homeownership. Don't let the opportunity pass. Creative financing done right. Isn't just about acquiring property. It's about protecting what you build, avoiding the traps that drain your wealth and passing it on stronger than you found it. Again, Caleb, I want to thank you so much from the bottom of my heart for being part of [Exit Strategies Radio Show](#) family. And thank you again, sir, for being on with us today. So for our listeners, guys, look, y'all know how I feel. You know what I say? You always give it to you and put the two of those things together this way, which is to tell you that I love you. I love you. And we must see you guys out there.