OMNEFIED Real Estate

A Quick Step by Step Guide on Tax Lien Sales

For more : See the OMNEFIED Real Estate Course

Introduction

This short guide brought to you by OMNEFi Technologies, Inc. is set to help YOU start learning about the Tax Lien Sale process. In this guide , we'll go over the strategy I use to acquire properties and create income from buying Tax Lien Certificates. These Tax Lien

Certificates are a USEFUL and widely unknown acquisition resource that can help you build a high equity, cash flowing, or income generating portfolio of real estate. Tax Liens are just an extra resource and tool in your arsenal. They require a bit of work and a lot of due diligence but with this guide, you'll be on your way to become an OMNEFIED™ Tax Lien Master. to help you acquire things that you may need for your business.

Why am I writing this? We've served you as OMNE Consulting Group, OMNE Wealth Academy, OMNEFi Mobile Banking, and several other businesses under the OMNE brand. I personally have amassed 10,000+ hours in research, consulting, practice, and collaboration in real estate, consumer credit and law, lending, brokering, banking, and several other areas of business and finance.

The OMNEFIED™ Real Estate course , The Divit x OMNEFi 5-Week Virtual Finance Boot Camp, and this document is a culmination of my experience and a show of efforts to bring resources and information to the public in an accessible and affordable way. It's my desire to show that the right information can change lives.

OMNEFIED TAX LIEN MASTERY - What's a Tax Lien? Let's Ask John

Alright, picture this: You're walking down the street of a charming little neighborhood, and you see a beautiful house with a white picket fence. Now, imagine you could potentially own that house for a fraction of its actual value. Sounds too good to be true? Well, that's where tax liens come into play.

You see, when homeowners don't pay their property taxes, local governments place a tax lien on the property. This lien is a legal claim against the property for the unpaid taxes. Local governments need money to function, so they sell these tax liens to investors like you and me. Tax Liens are the most POWERFUL of liens on a property.

When you buy a tax lien, you're essentially paying the homeowner's taxes on their behalf. In return, you get what's called a lien certificate, which gives you the right to collect the owed taxes plus interest from the homeowner. If the homeowner doesn't pay you back within a specified time frame, called the redemption period, you can foreclose on the property and potentially own it for a fraction of its value. This is truly one of the best kept secrets in the real estate industry.

Now, let's meet John, our enthusiastic tax lien investor.

John was a beginner in the world of real estate, and he was looking for an opportunity to start small but create a big portfolio. He decided to learn about tax liens and how to invest in them. He began by reading some well-known books on the subject:

1. "The 16% Solution: How to Get High Interest Rates in a Low-Interest World with Tax Lien Certificates" by Joel S. Moskowitz

2. "Profit by Investing in Real Estate Tax Liens: Earn Safe, Secured, and Fixed Returns Every Time" by Larry B. Loftis

3. "Tax Lien Investing Secrets: How You Can Get 8%-36% Return on Your Money Without the Typical Risk of Real Estate Investing or the Uncertainty of the Stock Market!" by Joanne Musa

These are a few of “John’s” favorite books by the way. John learned that tax liens are created when a property owner doesn't pay their property taxes. Local governments then auction off these liens in three different steps.

As John ventured further into the world of real estate investing, he discovered the types of property sales in the Tax Lien Process. In his local county, he learned about upset sales, judicial sales, and repository sales. Each sale had its own unique benefits and processes.

The first two being:

- Upset Sale : An upset sale is the first type of sale that occurs when a property owner fails to pay their property taxes. In an upset sale, the property is sold subject to all existing liens, mortgages, and judgments. This means that when you buy a property at an upset sale, you're taking on the responsibility for any outstanding debts associated with the property.
    - The benefits of upset sales are that they offer properties at significantly discounted prices compared to their fair market value. However, the downside is that you may inherit additional financial burdens.
    - The process for an upset sale typically begins with a public auction. John would attend the auction, either in person or online, and bid on properties

that interested him. If he won the bid, he'd be required to pay a deposit and eventually the full purchase price. After acquiring the property, John would need to perform due diligence to identify and settle any outstanding debts.

- Judicial Sale : If a property remains unsold after an upset sale or the owner still hasn't paid their taxes, it moves on to a judicial sale. At a judicial sale, properties are sold free and clear of all tax and municipal claims, liens, mortgages, and judgments. This means that when you buy a property at a judicial sale, you won't be responsible for any existing debts associated with the property.
  - The benefits of judicial sales are that you can acquire properties without the risk of inheriting unknown debts. However, these sales tend to be more competitive, and the prices might be higher as a result.
  - The process for a judicial sale is similar to an upset sale. John would attend a public auction and bid on properties. If he won the bid, he'd be required to pay a deposit and eventually the full purchase price. Since the property is sold free and clear of debts, John wouldn't need to worry about settling any additional financial burdens.
- Repository Sale : If a property remains unsold after a judicial sale, it's placed in a repository. A repository sale is the final stage in the tax sale process. Properties in a repository are often considered less desirable, as they have not sold in previous auctions.
  - The benefits of repository sales are that the prices are usually very low, and the properties are still sold free and clear of all liens and debts. However, the downside is that these properties may require significant repairs or improvements to become habitable or marketable.
  - The process for a repository sale is different from upset and judicial sales. Instead of attending a public auction, John would submit a written offer to the county's tax claim bureau. If his offer was accepted, he'd pay the purchase price and become the owner of the property. John would need to assess the property's condition and budget for any necessary repairs and improvements.

As John explored these different types of sales, he realized that each offered unique opportunities and challenges. By understanding the benefits and processes associated with upset sales, judicial sales, and repository sales, he could make informed decisions and diversify his real estate investing strategy.

He realized that tax lien investing is a relatively low-risk strategy, as it's backed by the property itself and guaranteed by the county to provide your investment plus interest up to 21% in some areas or the property itself at a mere fraction of it’s value.

To buy a tax lien, John attended a tax lien auction in his local county. He noticed that some auctions were conducted online, while others were held in person. At the auction, he competed with other investors by bidding on tax liens. The bidding process differed depending on the jurisdiction - sometimes the lowest interest rate wins, other times the highest premium paid for the lien.

After winning a bid, John received a tax lien certificate. He knew that the homeowner had a redemption period to pay off the lien, including the interest. If the homeowner failed to pay within the redemption period, John could initiate the foreclosure process and potentially acquire the property at a heavily discounted price. To avoid ethical issues, John’s favorite sale was the Repository sale as it meant he didn’t have to worry about tenants, a redemption period, or going through a long foreclosure process.

John's tax lien investing journey started with a single property, and he continued to learn and grow his portfolio. He was thrilled that he had found a real estate investment strategy that allowed him to generate solid returns with minimal risk.

The world of tax liens can be exciting and profitable for beginners like John and seasoned investors alike. Just remember to do your research, understand the local laws, and always be prepared to act quickly at auctions

FIRST, A Note:

John, like me , saw Tax Lien Investing as a valuable, low cost, high equity strategy to acquire properties. My story was a bit similar to John’s as I learned about Tax Sales when I was just in high school. Through unfortunate circumstances, my family lost our home to the county during a tax sale. It opened my eyes to the process and to the world of real estate in general.

I’ve personally used Tax Lien Investing to build my own portfolio with numerous other strategies, however, this strategy will always be the one I hold closest as it’s a way for everyday people to start with minimally low costs and it’s an easy process.

I recommend starting with a healthy budget that you can invest into this. I started in my local county with repository sales where the minimum bid was just shy of $700.00. It was a game changer and a life changer to purchase my first property at an early age and explore the industry of real estate. Remember, it’s a marathon and not a race. If you can buy one property or no property, that’s fine. If you can buy 10 or 100 properties, that’s fine too. This process can become the ultimate real estate strategy for you when used with a bit of due diligence.

If you have questions or need assistance , feel free to drop a post in the group or refer to the OMNEFIED Real Estate Course with your question or concern.

Let’s jump in!

The Tax Lien Sales Process:

Alright, let's guide John, our enthusiastic real estate investor, through the process of buying his first tax lien certificate from upset and judicial sales and acquiring a property from a repository sale.

Step by Step Guide: Buying a Tax Lien Certificate from Upset and Judicial Sales

1. Research and select the county:
    a. John began by researching different counties, focusing on factors like economic stability, population growth, and real estate market trends. He chose a county that seemed promising for tax lien investing.
2. Gather information on upcoming sales:
    a. John contacted the county's tax claim bureau or treasurer's office to inquire about upcoming upset and judicial sales. He asked for the dates, times, and locations of the sales, as well as the registration requirements.
3. Obtain the list of properties:

   a. The county provided John with a list of properties scheduled for auction. This list typically included details like property addresses, assessed values, and minimum bid amounts. Some counties might provide the list online, while others may require you to pick it up in person or request it by mail.

4. Perform due diligence:
   a. John reviewed the list of properties and conducted preliminary research on each. He checked for factors like neighborhood quality, property condition, and potential rental income. He also considered potential risks like environmental issues, zoning restrictions, and outstanding liens.
5. Visit properties:
   a. Whenever possible, John visited the properties he was interested in to get a better understanding of their condition and the surrounding neighborhood. He took notes and photos to help with his decision-making process.
6. Prepare for the auction:
   a. John registered for the auction, if required, and made sure he had sufficient funds to cover the deposit and purchase price for the properties he was interested in.
   b. He also familiarized himself with the auction rules and procedures.
7. Participate in the auction:
   a. On auction day, John arrived early and was prepared to bid on the properties he had selected. He set a maximum bid amount for each property to ensure he didn't overpay.
8. Winning the bid:
   a. If John won the bid on a tax lien certificate, he paid the required deposit and eventually the full purchase price.
   b. For an upset sale, he would also need to perform additional due diligence to identify and settle any outstanding debts associated with the property.
9. Monitor the redemption period:
   a. John kept track of the redemption period for each tax lien he purchased.
   b. If the property owner failed to pay the lien plus interest within the specified time frame, John would initiate the foreclosure process to potentially acquire the property.

Step by Step Guide: Acquiring a Property from a Repository Sale

10. Obtain the list of repository properties:
    a. John contacted the county's tax claim bureau or treasurer's office to request the list of properties in the repository.
        i. This list typically included property addresses and assessed values.
11. Perform due diligence:
    a. Similar to the upset and judicial sales process, John conducted research on each property, considering factors like neighborhood quality, property condition, and potential rental income.
    b. He also assessed any risks and potential challenges.
12. Visit properties:
    a. John visited the repository properties he was interested in to evaluate their condition and the surrounding neighborhood.
        i. He took notes and photos to help with his decision-making process.
13. Submit an offer:
    a. John prepared a written offer for the property he wanted to acquire and submitted it to the county's tax claim bureau. He included his contact information and the purchase price he was willing to pay.
14. Wait for approval:
    a. The county reviewed John's offer, and if they accepted it, they would notify him of their decision.
15. Complete the purchase:
    a. Upon receiving approval, John paid the full purchase price and any applicable fees. The county then transferred the property title to him.

NOW WHAT? : WHAT DO I DO WITH THE PROPERTY?

1. Assess the actual property condition and plan repairs:
    a. After acquiring the property, John assessed its condition in detail. He identified necessary repairs, improvements, and any potential issues that could impact the property's value or habitability.
2. Budget for repairs and improvements:

    a. John created a budget for the required repairs and improvements, factoring in costs for materials, labor, and any permits needed.
        i. He also built in a contingency fund to cover unexpected expenses.
3. Execute the renovation plan:
    a. John either hired contractors or completed the repairs and improvements himself, depending on his skills and the scope of the work. He monitored the progress of the renovations and made adjustments to the plan as needed.
4. Market the property:
    a. Once the property was in good condition, John could choose to rent it out, sell it, or hold it for long-term appreciation.
        i. He marketed the property accordingly, highlighting its key features and the improvements made.

John was able to successfully invest in tax lien certificates through upset and judicial sales and acquire properties from repository sales. With thorough due diligence, careful planning, and persistence, he began his journey to build a diversified real estate portfolio and achieve his investment goals.

Obtaining the Upset, Judicial, and Repository Lists

Step 1: Identify the county office responsible for tax sales

Each county may have a different office that manages tax sales. In some cases, it might be the county's tax claim bureau, while in others, it could be the treasurer's office or the county clerk's office. Research and identify the appropriate office for the county you're interested in. I usually use Google search, you'll search "your county" + Tax Claim Bureau.

Step 2: Visit the county office's website

Visit the website of the responsible county office. Look for information about tax sales, which may be under sections like "property taxes," "tax sales," "tax delinquencies," or "real estate auctions." The website should provide details on how to obtain the upset sale, judicial sale, and repository lists.

Online:

If the lists are available online, follow these steps:

a. Locate the download link or online database for the sale lists.

b. Download or view the lists as PDFs, spreadsheets, or other formats provided.

c. Save the lists to your computer for easy access and future reference.

In Person:

If the lists are not available online or you prefer to obtain them in person, follow these steps:

a. Note the county office's address and business hours.

b. Visit the county office during their business hours. Bring identification and be prepared to pay any fees associated with obtaining the lists, if applicable. I've seen them vary from FREE to $10 USD. Each county is different.

c. Request the upset sale, judicial sale, and repository lists from the appropriate office staff. They may provide you with printed copies or digital files on a USB drive or CD.

Step 3: Verify the sale dates and registration requirements

Once you have the lists, check for the dates, times, and locations of the upcoming sales. Also, note any registration requirements or fees for participating in the auctions.

Step 4: Regularly update your lists

Tax sale lists can change really fast, with new properties being added and others being removed as owners settle their debts or properties are sold. Make sure to regularly check the county office's website or visit the office in person to obtain updated lists.

Due Diligence ?

Conducting thorough due diligence is critical to making smart decisions and mitigating risks when investing in tax lien sales or acquiring tax lien properties from upset sales, judicial sales, and repository sales.

Let's break down the process into easy-to-understand due diligence steps that will help you navigate the world of tax lien investing like a pro:

1. Research the neighborhood

Before diving into the specifics of a property, it's important to understand the neighborhood it's located in. Research local amenities, schools, crime rates, and future development plans, as these factors can significantly impact property values and demand. Use tools like Google Maps to virtually explore the neighborhood, especially if you can't physically visit the area.

2. Review property details

Carefully examine the property details provided in the tax sale list. This includes the property address, type (residential, commercial, vacant land), assessed value, and minimum bid amount. One important thing to note is that you will find A "LOT" of land on the tax sale lists, these are still valuable and can be the cheapest and easy way to jump into real estate investing. These details will help you determine if the property aligns with your investment goals and budget.

3. Conduct a title search

It helps to perform a title search to identify any outstanding liens, mortgages, or other encumbrances on the property. This is particularly important for upset sales, where you may inherit additional financial obligations. Work with a title company or real estate attorney to ensure a comprehensive title search.

4. Virtually assess the property

If you can't physically visit the property, use Google Maps or other online mapping tools to get a street view and aerial perspective. This can help you gauge the property's condition, surrounding properties, and the overall neighborhood. Keep in mind that street view images may be outdated, so ALWAYS cross-reference with other sources if possible. I personally try my hardest to actually view the property in person.

5. Physically visit the property

Whenever feasible, visit the property in person. PLEASE , only do this if it is safe to do so. * I do not recommend walking on anyone’s property and taking pictures, walking around the exterior, peeking to see interior or investigating any damages, WITHOUT owner consent, or doing so when it is safe. USE YOUR OWN DISCRETION. *

Walk around the exterior, take photos, and make notes about its condition, any visible damage, or potential repair needs. If you're unable to access the interior, try to talk to neighbors or current owners to gather more information. Remember to be respectful of the current occupants' privacy. When owners are present, it’s best to explain to them exactly what you are doing and I often personally explain to them how I can help them by paying the delinquent taxes. This takes IMMENSE practice, communication skill, and patience.

6. Estimate repair and renovation costs

Based on your property assessment, develop a rough estimate of the costs required to bring the property up to your desired condition. If you're not experienced in construction, work with a contractor to get a more accurate estimate. Factor in any potential challenges, as renovation projects often come with unexpected costs.

7. Determine property value and rental potential

Research comparable properties in the area to determine the property's current market value and potential rental income. This will help you establish a reasonable bid amount and gauge the potential return on your investment.

8. Consider potential risks

Identify any potential risks associated with the property, such as environmental concerns, zoning restrictions, or title issues. Evaluate whether these risks are manageable or if they outweigh the potential benefits of the investment. It’s okay to say no to a deal.

9. Calculate your maximum bid amount

With all the information gathered, calculate your maximum bid amount, factoring in the property's current value, estimated repair costs, and potential rental income or resale value. Set a limit to avoid overpaying or getting caught up in the excitement of bidding.

By following these due diligence steps, you'll be well-equipped to make informed decisions and confidently bid on tax lien properties from upset sales, judicial sales, and repository sales. With practice, dedication, and a keen eye for detail, you'll master the due diligence process.

A Few Different Real Estate Strategies:

As a new tax lien holder or property owner, there are several strategies you can employ to build income, create long-term wealth, or generate passive income. You'll learn more about a few of these strategies further into the course but for now, Let's explore some popular options:

1. **Buy and Hold**: This is acquiring properties with the intention of holding them for long-term appreciation. This strategy relies on the property's value increasing over time, providing you with equity growth. You can also rent the property out to generate rental income, creating a passive income stream.
2. **Fix and Flip**: Purchasing properties from the repository list will usually mean it'll need a bit of repairs or improvements. You'd renovate and sell these properties for a profit. This strategy is ideal for those with experience in construction or project management. To be successful, you'll need to accurately estimate repair costs, property values, and timeframes for completing the project.It's important to note that there are many ways to find capital for real estate investing.
3. **Lease-Option**: Once you have acquired the property and you've decided to lease it out, you can offer tenants the option to buy the property at a predetermined price after a specified period. During the lease term, a portion of the tenant's rent goes towards the purchase price. This strategy can provide you with rental income while also giving you the potential to sell the property at a profit. The profit becomes exponential when buying from tax sales lists because the cost to get these properties are so low!

4. **Seller Financing**: One strategy that I personally love is Seller Financing. Offer financing to the buyer of your property, acting as the bank. The buyer makes payments directly to you, and you receive interest on the loan. This strategy allows you to generate passive income and potentially sell the property quickly by offering flexible financing terms to the buyer.
5. **Tax Lien Investing**: As a tax lien holder, you can earn interest on the lien as the property owner pays off their debt. As we shown earlier, if the owner fails to pay within the redemption period, you can foreclose on the property and potentially acquire it for a fraction of its value. This strategy can provide you with a high-interest return on your investment or access to extremely discounted properties.
6. **Wholesaler Help** : This is another cool strategy that personally worked for me. You can utilize the help of wholesalers to market your properties, even the ones from repository lists. You are able to allow them to wholesale the properties to other investors. This strategy is powerful because wholesalers and investors typically look for properties that may need work. The repository lists are perfect for this strategy.
7. **Short-Term Rentals**: Convert your property into a short-term rental, such as a vacation rental on VRBO or an Airbnb property. This strategy can generate higher rental income than traditional long-term rentals, but it usually requires more active management and marketing efforts. We can help you manage these properties and create an automated system. It's a very powerful strategy when the numbers work!

By considering these different strategies, you can choose the approach that best aligns with your financial goals, risk tolerance, and level of involvement in the real estate investment process. With dedication and persistence, you can build income, long-term wealth, and passive income through a variety of real estate investment strategies.

Understand that some of these strategies are not going to fit in every market or place. Also note that some areas won't have as many properties on the lists. This is completely normal. Remember, these tax lien sales happen in EVERY county. Some lists are more accessible than others and that's okay to. Be patient and try your best to find the properties that work best for YOU. I've seen the process take a week and

I've seen the process take an entire redemption period. This is completely normal. If you are first starting out with little to no money, I suggest the repository lists.

If you've been following our recommendations and strategy, you will find that the process can be very easy or very challenging . If at any point you need help, I offer our help at Divit Society and OMNEFi Real Estate to you.

Want to join a growing community of people JUST LIKE YOU learning about credit repair and credit building, building a business from the ground up, building business credit, starting a credit repair business, setting up your business entity like getting an LLC and an EIN the cheapest way, and other WIDELY UNKNOWN Real Estate Strategies?

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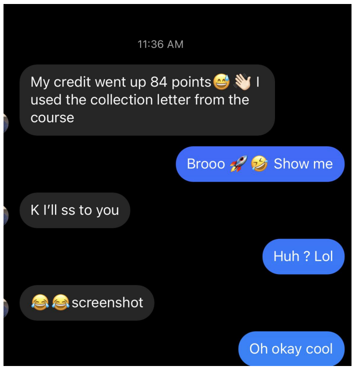

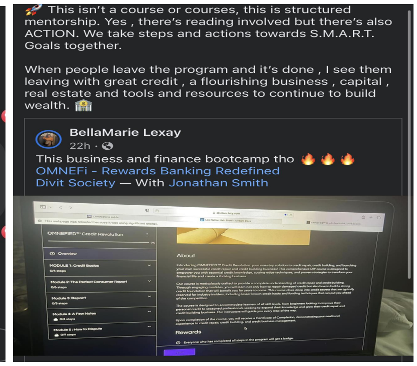

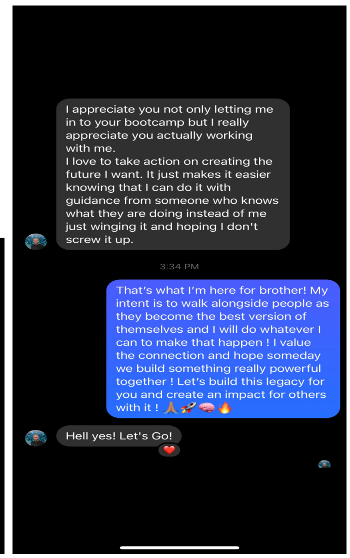

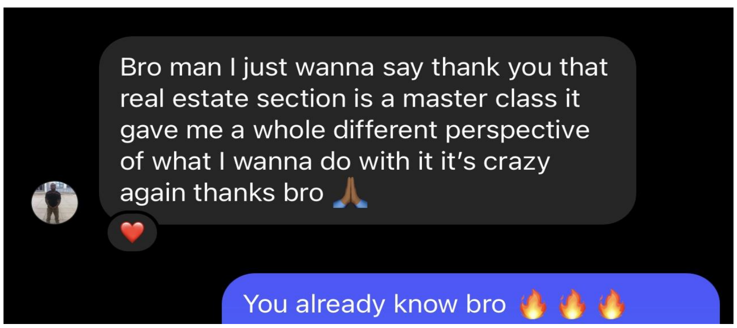

I've spent decades helping people achieve financial freedom in many ways and if you're open to it, I'd love to help you.

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To make it EVEN MORE AFFORDABLE, we have AfterPay, You'll only need $125 to start! Here's the link for AfterPay: www.divitsociety.com/dxoafterpay

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