

# Smart Money

## Finding Secure Investments

by Russ Dalbey

(NAPSA)—If you're trying to build a nest egg that won't crack, it's important to establish a safe and dependable investment strategy. Yet last year alone, millions of Americans lost their life savings through investments that looked safe. In some cases, people lost both their jobs and their pensions when companies failed.



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So, is there a safe place to put your money? Analysts say yes, but it's important to learn a few facts first.

For instance, real estate has long been known as a secure, tangible investment because it generally appreciates over time. But most would-be investors are not real estate experts, and many of us don't have enough money to fund the purchase of an investment property—let alone to fix up a run-down home. However, there is another strategy. It's called cash flow investing and it allows people to benefit from secure and profitable real estate investments without buying or selling properties.

Put simply, a real estate cash flow note is a private mortgage created between two individuals instead of between a buyer and a bank. What many people don't know is that one in 13 American homes is sold this way. Much like banks, which buy previously cre-

ated mortgages, private individuals can buy cash flow notes to build returns of 20 percent or more. Here's how it works:

Let's say I sold a house for \$100,000 and my buyer had \$50,000 to use as a down payment. I can draw up a contract that takes \$50,000 down and finances the remaining \$50,000 over 30 years. I now have a cash flow note that generates monthly payments of \$299.78 each month secured by real estate.

As a note holder, I have two options. I can take advantage of the monthly income and interest, or I can sell the note to another investor for instant cash. This is where you, as an investor, come in to make money. Let's say you're an investor with \$35,000 to invest. I might not be willing to wait 30 years for my money, so I'll sell you my \$50,000 cash flow note for \$35,000. Many investors find they can buy notes at great prices just because the original note holder wants to "cash out." Now you're receiving a steady monthly income of almost \$300 and you're in a position to make a 30 percent return on your investment—even before interest.

Best of all, unlike stocks and bonds, your cash flow note investment is secured by real estate—one of the most solid investments in the world.

For more information, visit [www.dalbeywealthinstitute.com](http://www.dalbeywealthinstitute.com).

• *Mr. Dalbey is founder and CEO of The Dalbey Wealth Institute.*