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MORE THAN 1 answer per question may be correct.  
SELECT ALL ANSWERS THAT ARE CORRECT.

1. **You are selling a duplex for \$ 125,000 on land contract secured by first lien. What is the maximum interest rate you are allowed to charge in Michigan?**

- 5%
- 11%
- 25%
- whatever you want

2. **A vendee under a land contract receives:**

- Legal title
- warranted title
- equitable title
- quit claim deed

3. **A vendee under a land contract can:**

- not** give out a 2<sup>nd</sup> mortgage or otherwise encumber the property
- get a 2<sup>nd</sup> mortgage loan or get a HELOC
- not** sell the property as long as he is a vendee

4. **A vendor under a land contract can:**

- no longer mortgage the property
- not legally sign documents promising the land contract property as collateral
- continue to get loans with the land contract property as collateral

5. **When a vendee fails to pay property taxes when due:**

- the vendor can add the unpaid taxes to the principal balance
- the vendor may ultimately evict the vendee
- the vendor may ultimately foreclose on the land contract
- the vendor may pay the taxes in the vendee's name

6. **When a vendee fails to make any payments under the land contract:**

- the vendor must foreclose to sell the property per public auction
- the vendor must use forfeiture to get the house back
- the vendor must use a deed in lieu to correct the chain of title
- the vendor must use legal eviction to have a bailiff remove the vendee

7. **A deed in lieu is:**

- a quick way for the vendor to get the house back
- illegal in Michigan
- potentially unfavorable for the vendor
- not recordable but still valid

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**How did you do?**

**YOUR SCORE (max is 11):**

**11 points:** You may have hidden potential to make a lot of money utilizing land contracts in your investment strategies.

**7-10 points:** It may be time to revisit some books or brush up on your knowledge. You're almost there, but you may want to get some professional counsel on your team to make sure nothing is overlooked.

**6 points or less (or below 0):** You may want to invest some time and money in purchasing and reading the land contract course from [www.landcontractsystems.com](http://www.landcontractsystems.com) ☺. Your return on investment in education will be huge, and you'll probably be able to sleep a lot better at night after reading through the course material. Right now you are probably striking out on thousands of dollars in missed opportunities.

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**What category are you in?**

**(Excerpt from the course material, page 4)**

After many years of being involved with land contracts it has always amazed me how little information there is available regarding this unique way of purchasing and selling real estate. You will not find books on land contracts in your local bookstore or library. The internet only has scattered bits & pieces of (mis)information, and the knowledgeable people are unapproachable.

Having answered hundreds of questions from buyers, sellers, realtors, and real estate investors alike, I came to find that there are typically 3 categories of people when it comes to land contracts:

**Those who know nothing about them and avoid land contracts altogether.**

These are usually people that could have saved thousands of dollars, or could have made a failing deal work, had they only known about land contracts.

**Those who know enough about land contracts to be a danger to themselves.**

This category of people tends to experiment a bit here and there with land contracts and usually ends up either losing a lot of money or worse yet, ends up

getting sued. Most of the time this happens due to a lack of knowledge or due to acting upon the wrong information.

**Those who use land contracts in a professional manner.** Here you will find the occasional buyer or seller that is *well informed* and that may use land contracts for his own residence. Here you will also find a group that, among others, includes investors, note buyers & brokers, certain title companies and dedicated Realtors. These are the professionals that you usually do not hear much about. They are either too busy making good money or they want to protect their little corner of the market by not sharing too much of their information. The land contract community is typically a small tight knit group that is hard to penetrate. This is also a community that is always learning. **They stay up-to-date and on the cutting edge.**

No matter what category you are in, you can always benefit from new perspectives and new ideas. When it comes to land contracts there are usually two issues that are standing between you and your success.

- 1.> lack of information
- 2.> your own inertia

I hope to help you with problem # 1. This course should give you plenty of pointers and new ideas to help you get a better understanding of what land contracts can do for you. Problem # 2 is entirely up to you. It has been said so often, but if you do not take action and do not apply your newly learned lessons, nothing will happen to improve your situation, and that is guaranteed.

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**After knowledge, your own inertia is the only thing holding you back.**

**It is your limitation in creative application that is preventing you from moving forward.**