

## The Jackie Jackson Lesson 7 – Transcript

Welcome back to lesson 7 in this lesson. In this lesson, we will be discussing over the counter and county held certificates. I love these certificates. Why? Because these are the tax lien certificates that are made available to investors like you and I after the tax lien auction has completed. Okay. So these are certificates that either receive no bid and have been struck off to the county. So you, like an investor can request the list of over-the-counter certificates or county held certificates from your local tax assessor, and they will be able to share that list with you so that you can take a look and decide if there's anything on there that you'd like to purchase.

Over-the-counter or county held certificates go into the County's inventory and they are kept safe and waiting for you to purchase. The benefit of over-the-counter certificates is the fact that the interest rate is the maximum that's being offered by that state. So for example, in Florida, the interest rate for tax liens is offered at 18%. But during that auction, the interest rate is available in a decreasing scale, right? On a bid-down method. Right? So investors are competing for who will accept the least amount of interest. Well, at the over-the-counter and county held certificates, the certificates are being offered to investors at 18%. How cool is that? The face value of the certificate is the total amount of delinquent taxes for that tax year. Okay, so 18%. So if it's \$100 then it's a hundred dollars, you know for 18 percent for the year. That actually works out to be 1.5% interest per month all the way up to 18 percent for the year. In other states the interest rate varies. So some states have 12%, other states have 24%. Some states have 18% nevertheless. This is good return on your money. Okay. This is the part you better pay attention to. You better take heed on this guys. This is your investment.

Even though county held certificates or over-the-counter certificates can be a really really good deal regarding return on your investment, you still have to do your due diligence. Okay? So, you want to make sure that you apply the same amount of research as if you were planning on purchasing the property, even though at the tax lien auction, you are not purchasing the property. You're only purchasing a lien which has a priority position which is secured on the real estate property. You're not buying a property yet. Okay, so make sure that you're clear on that. A lien is a lien. It's not a deed. All right? But you also want to make sure that you perform your due diligence and make sure that you know exactly what you're buying. Later, we will discuss the tax lien due diligence checklist so that you have a complete outline of how you can stay organized and make sure you ask all the right questions - whether you are participating in the tax lien certificate auction or if your strategy is to go BACK to the county, and purchase the county-held certificates or over the county certificates.

Some people may think that over the counter certificates are like junk certificates – certificates that nobody wants. Like, that is the reason why the county has them in inventory. Well, you know, for some certificates, that may be true, and of course, the only way for you to find that out is through your due diligence anyway. But the truth is, at the tax lien auction, there are investors that bid and win and do not come back and pay for their certificates.

So, these are actually good opportunities that may be sitting there, and no one has actually bought them because the investor who won the auction and was the highest bidder or the one who bid the lowest on these certificates did not come back and pay. So, therefore, those certificates just end up being struck off to the county and being like a great opportunity for you.

So, remember, tax liens, you actually have to have all of the money up front at the auction. The funds, the total funds are due maybe one day, maximum three days. So, that's like 24 hours to 72 hours after the auction you have to pay in full. So, some investors just don't have enough money and that's just what it is. Or, they may decide that "Hmm, I bid it on a property that is offering a lien but I really prefer to have a different type of property." It didn't fit their buying criteria so they intentionally didn't come back and pay for it.

All of these different factors goes into over the counter certificates and county held certificates so do not be discouraged. Just get the list, complete your due diligence, identify the tax liens that fits your buying criteria, and go for it.

In order for you to be successful in investing in tax lien certificates, whether it's at the auction or you are taking advantage of the tax lien certificates that are over the counter, there are few things that you just need to pay attention to. Number one: where is the auction and where is this information? What are the "rules" to participate and how do you find them? Which one of the local counties offers this information? Downloading the information, directly from their website. Figuring out who has the over the counter list and who does not have the over the counter list.

So, what we've done is, we've made it really really easy for you, ok? So, the following information is going to be the rundown of all of the states that offer over the counter tax lien certificates in order for you to participate and to take full advantage of. Now, that does not exclude you from doing your own research, ok? I just made it really really easy for you so you can kind of like, bring down you're learning curve but you're going to have to also do your research yourself too. But, don't even worry about it. This information is going to be made available for you, in the resources section of this course.

Alright, so here is the skinny guys. There are 22 states that offer over the counter, tax lien certificates after the tax lien sale. Alright so that's a lot. So, I know that you don't expect me to memorize it. So, I got this really cool list here. And I'm about to share it with you. This list is also available on the resources section in the course, so never fret. But, I would write it down if I was you. I'm just saying, there may be a quiz. Mmmhmm. Hint Hint.

Alright here we go.

Alabama. So Alabama on their Department of Revenue, they have their lands available list. So, the state of Alabama, when their certificates are not sold by the local counties annually, they consolidate them and make all of that information available on the department of revenue for the state of Alabama on their lands available list. Okay? Alaska also has a lands available list which is pretty interesting for certificates. And then we have Arizona. You can also purchase certificates there. Then you have Arkansas. All right, so Arkansas, which is interesting I call it Ark-Kansas. I'm am I the only one that makes things that's funny... anyway, so Ark-Kansas no, Arkansas their certificates are called negotiated sales and it's provided by the

administrator or administered by the Commissioner of State Lands. Sounds like it's very similar to Alabama where at the state level, these certificates are consolidated and then made available to the public. So if you are ever in Arkansas, then make sure you go to the commissioner for the state lands.

Anyway, Colorado Colorado also has county held certificates and it's allowed in all the counties...Denver. Denver However, is not a county. Denver as a city. So whatever County Denver is in they don't allow it. But every other county in Colorado does which is interesting, I know, I know. Not everybody does that. Alright, Florida. Right? I'm impartial to Florida. Florida has 67 counties and they all have over-the-counter certificates. It's actually available on the tax collector's website, right? So each county has their own Tax Collectors website in the State of Florida and those certificates are made available through their website. All right, so that's how you get to them.

Maryland. Maryland has a tax sale assignment. They call it an assignment. So if you're interested in investing in the state of Maryland, it's a tax sale assignment so you can look for that. Mississippi. They have tax forfeited land. That's what they call that. So Mississippi is also a tax lien state and they call their certificates tax forfeited land, right?

So you have to learn the language of each state sometimes the language is similar and it means the same thing or they may use like a synonym like, for a different word, but you just have to know what you're looking for. That decreases your frustration when you actually know what state calls what. But at the end of the day we're talking about all of the certificates that are available to the public for sale after the auction. All right. So the next state is Montana. All right, so Montana also offers over-the-counter certificates and it's called a tax lien assignment.

You have Nebraska. Nebraska offers over-the-counter certificates. They call it like a private sale so you can contact their tax collector or assessor and you'd be able to get the information about that. New Jersey also offers tax lien assignments, which is cool. North Carolina unique. North Carolina is a deed state, but they also offer like tax deeds that are available in the event that the properties do not sell. All right. So that's a different kind of list is called like a lands available list, but they also offer that to you they call it like surplus property. So that's pretty cool. North Dakota - over the counter certificates. I think that's pretty dope. I've never been to North Dakota. Anybody out there that has been to North Dakota? I heard it's pretty cold there, but they offer over-the-counter certificates.

All right, then we have Oklahoma. So Oklahoma - over the counter. All right, so you can definitely get your information from their local County treasurer's office. So make sure that you contact the right Department within those counties within that state in order to ask the right questions so that you can get the right information. Then we have Oregon. Okay, occasionally done in some other counties. So what that tells me in my research is that not all of the counties will offer it. So, you're going to have to go through your county list and identify which ones will offer you over the counter certificates, or property sold to you after the auction. And then, um, the ones that do not... I guess just don't invest there or only invest there when they actually have the auction so you can participate directly.

You have Pennsylvania. They call theirs a private sale or a repository sale. Hmm, that's pretty interesting. Fancy. South Carolina. Yeah, so South Carolina they call theirs forfeited lands list. I like that one. I have a student of mine, we worked together for about like seven weeks- really awesome amazing lady from South Florida and she was looking for properties in a specific...what would I say, I what would I say like

budget, right? Everybody got a budget? Right we talked about that. Everyone has a budget. So she was looking to spend a certain amount or less. Okay, so she was searching throughout the United States and then she kind of just came up on South Carolina and their forfeited lands list and she was able to purchase two properties. You hear me guys, not one but two. One for \$4,000 total and this is like a single-family house you guys in the state of South Carolina for \$4,000 off of their forfeited lands list and then she purchased a second one for \$3,000. I was like whaaaaat, oh my gosh, I am so cool. I need to tap myself on the back for being such an awesome teacher. I was so happy for her. So that was South Carolina.

Okay, Alright. So now we have South Dakota. South Dakota also offers over the counter tax liens, and then we have Tennessee. They called theirs surplus property. Texas, they call theirs struck off properties list. So make sure you're paying attention. So Texas does have them. Texas has a lot of counties by the way guys - 254 to be exact so you can't find any opportunities in Texas, well, shame on you. You just leave the planet. All right. Just leave.

Anyway, West Virginia. delinquent lands list. They also offer sales of properties after the auction is done and in Wisconsin they call those county owned properties list. So if you're ever in Wisconsin now, you know, alright. So this information is designed to just give you a broad overview of which one of the state's actually offers available properties or tax liens after the auction is complete. You still have to drill down to the county level because it is county specific. All of the sales are county specific. Okay. So now that you have all of this information, you are armed and dangerous. All right. So before you go running out to find out, you know... and deciding what state you're going to start investing in, we're going to be talking about our due diligence. So for now, just hold tight real quick just in the back of your mind just be thinking about, you know, possibly what state you're interested in and then we will be discussing our due diligence and what you need to know in order for you to research the properties that you do find on ~~the~~ over the counter or county held lists.