

EPISODE 669**[INTRODUCTION]**

[0:00:00.0] ANNOUNCER Welcome to the Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.4] WS: This is your daily real estate syndication show. I'm your host Whitney Sewell. Today, our guest is Yan Staviski. Thanks for being on the show, Yan.

[0:00:33.5] YS: Thank you for having me on man. Appreciate it.

[0:00:36.0] WS: Yan has a very interesting story, having gone to college and obtaining two degrees, only to end up in \$82,000 worth of debt, trying to become an entrepreneur at age 22. By 25 years old, he now operates multiple six-figure businesses around credit in industries like real estate, ecommerce and online education. He has accomplished all of this while traveling to 47 countries, nearly free, with travel hacking.

Yan, first time I really heard of travel hacking and I know the listeners' ears are perked up about that as well. I want to hear a little more about that and you've been to so many places and nearly for free.

But then, also, I know you have a super power of just establishing relationships with banks and getting the best terms and that's something we can all, if you're in the real estate business, we all need to know how to do. Looking forward to just hearing about that and how you've learned to do that.

Give us a little more about who you are and what your role in real estate is and maybe a little more about your businesses and let's jump in.

[0:01:38.9] YS: Yeah, man, for sure. Before I even got into anything business related, in terms of leveraging credit to go pick up properties, doing ecommerce, any of that stuff, when I was 18, I always wanted to travel the world. And I did so by spending my first 3,000 bucks that I made to go to Thailand and it was an amazing experience, I came back but I had no money left and I'm like, "What do I do? I really want to go travel." I was in college at the time, I was not going to my classes, I was like coming in first day, I'm like, "Hey, look, I got this emergency or whatever, I can't make it for a month of class," and in reality, I was going to Thailand.

I came back and I had no money but I had an envelope from American Express that says, "If you go and spend 5,000 bucks, you got a hundred thousand points." I did that, I bought my friend a laptop or something like that and I got these points. I went into the same exact trip again. I did not pay for the flight this time, I did not pay for the hotel this time, I did not pay for the car rental this time.

When I came back, I'm like, "There's got to be a way to continue doing this over and over again. From like 18 to 22, I was learning the credit system basically the reward system and how I can accumulate more and more points. Basically, it's correctly applying for credit cards, minimizing your inquiries, keeping your score above 720 at least, understanding all the internal bank rules and I've accumulated about 55 credit cards from 18 to 25 right now, but by 22, I had like, I probably had like 20, 25 cards at the time and that gave me enough to go travel probably like 30 times a year from 18 to 22.

[0:03:25.9] WS: But you had to be spending a lot of money to be getting points, right?

[0:03:29.6] YS: I wasn't spending any money, that's one of the kind of advanced secrets that you'll kind of learn when you get into travel hacking with credit. You'll learn that there is a bunch of different ways to actually go and get points without spending money. One of the first hacks that you might see. If you Google, travel hacking and getting points, it is buying gift cards and kind of returning them, getting money orders, cashing them out, kind of this whole ordeal.

That's what I was doing at first and I got millions of points that way. There's ways to minimize the amount of points you use. There is ways to get even better flights with the same amount of minimized points to get the statuses, it's all crazy man, that's how I started doing what I'm doing with credit that I took from 22 years old, I'm flying first class to Dubai. People were thinking, "Man, this guy is probably a billionaire or something like," that but in reality, I had like – I had no money whatsoever at all.

By the time I finished college, I went to Berkley and I went to San Francisco State, I got a finance and I got a marketing degree which I realized were absolutely useless because after I applied to like a hundred different jobs, I did not get a single response back. I'm like, what do I do from here? I spend \$100,000 on my degrees and nothing came out of it. I wanted to start my own business, I've always wanted to be an entrepreneur, I've always kind of been an entrepreneur at heart.

The only job I've ever had was being a lifeguard. Everything else, I had these little side hustles, I had a car washing business at 10, I had teaching art classes to adults at 13 and so I wanted to start my own real business. But I had absolutely no knowledge of how to hire a team, how to do marketing, how to go about using credit for business. I didn't have any money on top of that. But I had a bunch of credit cards and obviously a bunch of credit lines that I could use. I had about \$120,000 in available credit.

I thought to myself, "Hey look, if I just use my credit, I'm smart," my ego was way up here, my skills were way down here. Okay. I'm like, "If I do a bunch of things at once, I got \$120,000 to work with, I'll make something happen." I decided to go on Instagram, on YouTube and see what do these guys do that drive Lambos and they're doing the same thing that I'm doing like flying around in first class in Dubai because I'm assuming, they're not travel hacking, I'm assuming that they're just making a lot of money to pay for these things.

I started five businesses at once, like ecom, I did wholesale and real estate, I was putting those we buy houses signs, I spend like a thousand bucks drove around. But at the same time, I was doing Facebook ads for companies, I was doing Shopify, a bunch of different shit. In six months, because I had no skills, I'm doing five different things at once, I'm spending money that I don't have and I don't understand how credit really works in terms of using it for business.

I'm \$82,000 worth of credit card debt in six months. Not a single business is profitable. I'm losing money in every single direction and on top of that, I learned about interest and I'm paying the banks about 27% interest on the debt that I own which turned out to be about three or 4,000 bucks a month. And I was making no more than three grand a month at a time, working like 60 hours a week and the only thing that was working for me was my fitness training classes that I've always done.

I've always been about fitness that's been like the staple of anything I do. Whatever I do, I got to be on my fitness game. Then that's the only thing that I was working. I'm like, "Dude, I'm going to position where I'm making three grand a month of my interest alone," not even talking about – I was living in San Francisco. Not even talking about my housing expenses or food or my car. I can't even make the interest on my debt.

That was kind of my rock bottom and I realized, "Man, if I'm not making completely different moves right now, than what I'm doing right now, there's absolutely no way that I will get out of this situation." I was about to turn 23 at the time and I thought, "Man, I really don't know what to do." I was at rock bottom sitting in my BMW that I stupidly bought, thinking it was going to motivate me to get somewhere.

Maybe kind of did but the point is, I had no way out if I was going to continue doing the same types of things. And keep in mind, at the time, my credit was now completely destroyed. I had a 490 credit score, I had collections, it even got so bad that I left, I travel hacked my way to Japan and just stayed in Japan because I didn't want to deal with the situation back in the US because I knew how bad it was.

I came back, I counted up all my debt, I'm like, "You got to go get a job." I wanted to become an entrepreneur but I realized, I'm at a position that I got to go get a job and I got to actually make some money. More importantly, I got to go learn how a business is run. I got to go get some skills, I got no skills, I mean, I have an ego and I got confidence but I have no skills. And that's what was missing from the equation and I was listening to a podcast similar to this one and somebody was saying, might have been like Grant Cardone's podcast or could be like Tai Lopez.

But somebody was saying, “Man, if you want to become an entrepreneur, you want to run your own business, you want to do your own deals, you got to learn sales. You have to absolutely learn sales, no matter what you do.” If you’re doing syndications in real estate, you got to convince other people that you are the person they should work with. They need to understand your vision, you need to understand that you are confident and you know what you’re talking about, you got to learn sales. Okay. I’m like look, that’s the move I’m going to take.

Finally, somehow, I landed a sales job in the cryptocurrency industry when crypto was booming, it was like 2016, 17. I got a job in crypto and I spent 80 hours a week, I did not sleep, I’m like, “I’m going to be the best person at this company in sales, I’m not doing anything but sales.” Getting good, understanding how everything works in that particular business because I want to use that for my business later on.

At the same time, I’m getting screwed by the banks so bad that I’m paying like \$4,000 a month just in interest to keep my debt at 82 grand. The other thing I did besides my sales job is learn credit. Credit repair first and then I was learning how do I reestablish my relationships with the banks because I’ve screwed a lot of them up at this point.

I got a 490-credit score, I was thinking about bankruptcy which by the way, anybody that’s considering bankruptcy, it is not – they should never ever be an option. Unless you got 20, 30 million dollars’ worth of debt and there’s absolutely no way you’re going to make payments.

[0:10:57.7] WS: Give us a couple of things. I mean, how did you get out of that, what was the turning point, what were the next steps that I mean, because obviously, that wasn’t too long ago, right? But you’ve covered a lot of grounds since then.

[0:11:11.2] YS: It’s three years ago, yeah. I just turned 26 and this was when I was 23. The last three years have been crazy but the major turning point was I started focusing on actually getting some skills and learning how a business is run by working for somebody else. At the same time, I’m learning how credit works, besides just travel hacking.

The travel hacking is interesting but it should not be the primary thing. It works very well when you have income coming in, when you are leveraging credit for a business, then it works tremendously well. You know, I think of it this way, you should be able to afford all that stuff but you shouldn't have to pay for any of it.

[0:11:57.7] WS: That's so interesting. You focused on getting business skills and then you said you worked with someone else. Elaborate there a little bit on what brought you out of all that debt? I mean, because I could see you know, a lot of people kind of like yourself just wanting to go to another country and just kind of forget about it, right and not wanting to deal with it. But you did, you came back and you dealt with it. Now, what was it that – was it working with this individual that taught you how to grow your own business, how did you come out of it?

[0:12:26.2] YS: Yeah, my two challenges were, I was not making any money and two my credit score was absolutely in the gutter. And it was a challenge because when you have collections, either you wait seven years and wait for those to fall off or you do something to get those off a lot quicker because otherwise, your credit score is not going to get up to where it should be which is 720 plus across the board.

Because I already had collections, I had to learn credit repair, I had to get collections up. And one thing that everybody should know if they have collections is you do not pay the collections unless the collector, debt collector agrees in writing to remove the accounting in full if a payment is made and the payment should be no more than 30% because they buy your debt for probably about 10 to 20% and that's what everybody should know.

Because when you have a balance with the collector, that is your leverage for them to remove the account, all they care about is their profit. When you have a paid off collection account, it does not better your credit score because it's still a collection account and that's what matters. Going to say paid as agreed but your credit score is not going up.

But if that's the case, you just have to go and dispute these accounts. You can send out this dispute letters and say, "Hey, look this account is invalid. They didn't send any validation letters. There is a mistake on my birthday, there's a mistake with my name." And then additionally, they should file something called a CFPB complaint. This is the Consumer Financial Protection Bu-

reau. CFPB.gov. You go there, they file a complaint, they do that couple of rounds, three months, just about anything on your credit report can be remote.

Aside from just killing it at a sales job, I started pulling in about 10 to 15,000 bucks a month, all in commissions by the way. I had no salary, with all commissions. I'm like, "I want to be the best sales person at this company," and I got there in about three months so I started pulling in some money but at the same time, I was getting my credit score on point, I was getting my collections removed.

The only thing that was holding me back was my utilization at this point because one very important piece of information that anybody who is getting into real estate, ecommerce, any kind of business and they're going to use credit, you have to use the business side of credit because utilization, any negative remarks will not hurt your personal credit score. There are a few exceptions like with Capital One which is a garbage bank anyways, you shouldn't work with them but for the most part, you should be establishing and scaling your personal credit and using that to establish and scale your business credit.

That's what you should be using for business. The second you go and max out an account, utilization and payment history are the two biggest killers of credit score. Once you max out an account, let's say you miss one payment, both of those things are going to tank your score below 650 and that's it. You can't apply for any more credit, you can't do and do a real estate deal. I mean, maybe you could but the terms you're going to get are going to be absolute garbage.

Six months from the day that I started the sales job and started focusing only on that and only on credit. I was finally worth zero dollars which I have never been more happy in my life to be worth zero freaking dollars because I knew now, I had potential where I'm making money and on top of that, my credit score is on point but while learning credit repair, I was kind of also venturing into learning credit in using it for business and how I can do that because I know banks offer 0% interest on credit cards. I know there is now the business side of credit which you can go get bigger lines of credit.

The credit card spending limits are massive, you can still get a 0%, you can still do the points so you can still do travel hacking with credit. And with the sales job, some of my colleagues were

doing real estate deals, they would do in single-family flips, up in the Bay Area, they would do single-family houses and they would go as big as four plexes.

One thing I knew is that because I understood how to establish relationships with the banks and I took my travel hacking knowledge and understood how to go applying for 10 to 12 cards at one time in one day and get all approved. But on top of that, understanding that you can still get 0% interest on the business side meaning that – I will give you a real example, Let's say you have a million-dollar property and let's say somebody is doing an FHA loan so they need what? \$30,000 to go and get that property. I can simply go and take a \$30,000 line of credit on the business side, given that I have established a good relationship with the bank. I have taken their 0% offer that is 12 to 15 months and I can go and get that property for \$30,000. And with the income for the property I can pay back my \$30,000 initial investment.

That is not even mine. That's the bank's money that I am using. I just understand how to establish that relationship, how to get that offer, how to maximize the term going to actually do the deal.

[0:17:51.7] WS: When you say a business line of credit, is that at a specific bank? Is that another credit card or is that another loan? What is that?

[0:18:01.0] YS: With that smaller \$30,000 I'm more specifically talking about a credit card offer on the business side. So, let's say Amex, American Express offers a 0% for 15 months. They've got two credit cards on the business side and that was these specific one that I used for doing my first deal. The opportunity that I saw is these guys were doing flips but the banks were giving them absolutely crazy terms because that is one of the riskiest investments is a flip. And either they go get hard money or they go to the bank and they get charged some stupid percentage.

I saw that as an opportunity and I understood how to get 0% for a period of a year. So, I'm like, "Hey, look, I will fund the deal, you give me some collateral and I will just take a percentage of the profits." And so, I started doing that and my first deal in three months, I made a couple of thousand bucks just because I understood how to leverage credit.

I wasn't doing the deals myself. I didn't know anything about real estate at that point but I saw that this opportunity was massive, understanding how to leverage credit because that will get you into your first deal that will allow you to scale and once you establish those relationships relation with the bank of you borrowing money successfully for that particular business, let's say it's real estate. In your case, your audience case's, then you can go and scale that up from a single-family to a fourplex.

Now maybe you are doing commercial now. All that takes is correctly establishing relationships with the banks and showing a history of perfect re-payment and if you're doing commercial obviously, there comes a factor of management property, making it cash flows and all of those factors but everything starts with credit, getting into your first deal, scaling.

[0:20:01.9] WS: Elaborate a little bit on establishing those relationships with the bank and getting the best terms because just a few years ago, obviously you had horrible credit, you had all the debt you were talking about you know throw over \$3,000 almost 4,000 just in interest alone, you know not counting living expenses and it sounds like you just really made a decision to be the best in sales. You started making some money and you came out of that.

But then how did you go into a bank and establish that relationship like you're talking about and then really take you seriously? If they can look back and see a record like that.

[0:20:37.7] YS: The biggest misconception is people think that if you have 20 or 30 credit cards that is worse than having one or two or three credit cards that you make successful payments on. That is not the case. The truth is banks, if you put yourself in the bank's shoes, and let's say you are the bank and somebody comes to you and asks you for money, you are going to check their credit history. If their credit history says, "This person has borrowed money from two people and successfully paid it back."

And another person comes in and says, "I've borrowed money from 60 people and I have successfully paid it back all 60 times," who are you going to lend money to? The person that has borrowed 60 times and got paid 60 times borrowed than the person with two. So, having 50 credit cards, 50 credit card accounts maybe you got at work, maybe you got an auto loan, hav-

ing a variety is obviously better but having many credit accounts is better than having few. So, that is the first misconception that people need to understand is false.

And establishing a relationship with the bank, the way that it should be done is go establish relationships with the top 10 banks. Let's say for example, like Wells Fargo, Amex, City, Barclays, Bank of America, Chase, all of those and what I mean by establishing a relationship is go open an account, a personal and a business account. You should really especially if you are doing real estate, if you want to do any sort of deals, you got to have a corporation set up, an LLC. Having an aged corporation makes it a lot easier down the line to go and get approval for five times, 10 times bigger lines of credit to your deal.

But the first step is literally just establishing a relationship by opening some accounts, putting 500 bucks in the account, a personal and business and opening up a credit card, line of credit. Having those three parts establishes a very good relationship with the bank.

And you will see if you just compare but that kind of starts your credit history. It establishes a good portfolio, a good profile for you.

Once you establish a good relationship with the primary banks, the next step you need to do is scale your credit lines and you want to do this because on the personal side that is what you're going to use to go and establish and scale if you are a business credit and if you have one or \$2,000 lines on your personal credit, you are not going to get much more on the business side.

And if you get a, let's say you want to use this, your percent off to go and do a deal, okay, you got \$30,000 deal that you need to do but because you didn't scale properly on the personal side, you are getting 3,000 or \$5,000 lines that you can't do anything with. Whereas if you established properly on the personal side, you can go on the business side of credit and go and get 20, 30, 40, \$50,000 lines of credit. On my personal side, I have just over half a million dollars in credit lines. Just across credit cards. On the business side, I have over three million.

[0:23:54.4] WS: Interesting. How many cards on the personal side and the business side?

[0:24:00.1] YS: I have probably about 60 right now on the personal side.

[0:24:05.1] WS: I would need about three VAs to manage all of that the whole time.

[0:24:09.1] YS: No, actually that's not true because I only use on a daily basis like two or three cards. The rest I use to keep available credit anytime I need to use it. But again, that's really all been used one for establishing a good profile on the personal side to go and scale my business side and two, that's been uses for getting a bunch of points and getting statuses and perks and all of that stuff. Billions of points across those cards but I only use my Amex.

I will you and your audience two of my favorite cards, the Amex Charles Schwab and the Sapphire Reserve from Chase, two best cards. Best point average, you can redeem it to actual cash instead of just taking credit, best two cards that I use.

[0:24:59.3] WS: And how many countries have you been to in the last year for almost for free?

[0:25:03.8] YS: In the last year, during the pandemic not many but in 2019 I took 147 flights and about 26 countries.

[0:25:14.0] WS: Well, that's awesome. Just a few more questions before we ran out of time but maybe you can elaborate too on, I was thinking about you establishing that business credit, are you actually walking into these banks? Do you have a contact there that you are actually building relationship with or is it mostly focused on like your accounts like you were talking about having an account there and having some history?

[0:25:35.2] YS: For sure, you want to walk in, like wherever you live, I live in LA and the area that I live in LA, every single banker knows me here. When I walk in they know me by name. I always walk in whenever I make an account, I tell them, "Hey, look, I run these businesses. They are going to scale. I want to have a good relationship with you, opening up accounts. What is your name?" I want to make sure they remember me.

When I'm doing big deals and that's really my plan for 2021, I want to acquire a really decent amount of multifamily real estate. That is my end game for or my start game I would say for 2021. But yeah, you want to walk in. You want to build a relationship. You want to make sure

people know your face, okay? And when I said you want to establish first the relationship with the top 10 banks, the brand name banks, the next thing you want to do is you want to establish relationships with credit unions, local banks because that is where you're going to get the biggest credit lines. You are going to get the best terms and you're going to easily much more so than the top 10 banks and get the money that you want for doing your deals.

Like I'll give you an example, I took a line of credit for a deal, \$104,000 and I just wanted to compare honestly. I took them from Navy Fed and Navy Fed is a credit union comparable to a bunch of other credit unions and I took them from Wells Fargo. Wells Fargo I have a 10 year relationship with, Navy Fed I had a two year relationship with.

I did the same thing, did the same amount of money on both accounts but the term I got was 3.65% at Wells Fargo, keep in mind I've got a 10-year relationship there and I got a 2.7 at Navy Fed, with a two-year relationship there.

[0:27:26.3] WS: Wow, 2.7.

[0:27:28.7] YS: Yeah that is a huge difference when you are talking about a \$1 million for example.

[0:27:32.9] WS: Extremely big difference, yes. So, Yan, what's a way you've recently improved your business that we could apply to ours?

[0:27:41.2] YS: That recently improved my business? I really focus on the customer service. I take example from companies like Apple and Amazon and I take example of what not to do from walking into everyday business where they customer service is absolute trash and I never want to go back there and so in my business that is doing over seven figures, both in the ecom real estate side and the online education side, I focus on the customer. I focus on support above everything.

All my training for my employees is like that is the main focus. I am like besides everything else that you need to know, you need to know how to treat the customer right.

[0:28:23.4] WS: Nice. So important, right? So important and so what's the number one thing that's contributed to your success?

[0:28:30.3] YS: One, persistence. If I am not persistent in getting out of my debt I wouldn't be in the same place and two, understand that I need to have a skill. I need to have a skill and that's going to be sales and anybody that wants to run a business that skill needs to be sales for first and you got to have other skills. But sales is the number one skill that you can apply anywhere, into a conversation, into a business meeting, into a deal, into running a company, into hiring a team.

[0:29:01.2] WS: How do you suggest someone learn sales right now?

[0:29:04.7] YS: Go work at a company and do sales. And that's it. You go find a company obviously that is doing well, where you have a – and more importantly, do sales for a company where your clients are people you would actually want to be like. So, in my case, all my clients were CEOs, founders of companies, they all run businesses. They've all been entrepreneurs. I wanted to be like them. Like companies in e-com and in the medical space right now they're killing it.

If somebody wants to go and learn sales, will do sales for one of those companies, medical or e-com space or new clients are people that you want to be like and because you're doing sales and you are working at this job, you are naturally going to be around those people that is going to elevate your game in everything that you are doing.

[0:29:54.9] WS: How do you like to give back?

[0:29:57.5] YS: Man, I like to give back on social media like on Instagram I haven't missed probably about 800 days of posting some sort of value about credit or travel hacking or something. You know I've got my team on Instagram to literally just answering the DMs all day for my students but even for just random people that go and say, "Hey, what is the first step? What do I do?" If anybody goes to my Instagram it is @kingcredit, plenty of free value that I post every single day. How to learn credit, how to do travel hacking. On my story, on IGTV. I spent hours on Instagram just putting out value so that is how I give back.

[0:30:38.5] WS: Nice.

[0:30:38.8] YS: But the best way, I mean social media the reach is crazy.

[0:30:41.9] WS: It is crazy. Yan, I am grateful to have met you and just to hear more about your story. I think it is inspirational just where you're at and how you are able to come out of that and I just think there's probably a lot of listeners who can relate to potentially that debt and how you persevered to get out of that and really turned it around and now have many successful businesses and just have the future of scaling your businesses like you do.

But also, just opening our eyes to some of the credit availability and how to do some of that establishing that relationship with banks and how important that is.

But tell the listeners how they can get in touch with you and learn more about you?

[0:31:17.7] YS: Awesome, brother, I appreciate you for having me on. The best way is Instagram and it is @kingcredit on Instagram. Send me a DM, go there learn credit, learn travel hacking. I post every single day on my story and they can literally go anywhere and I guarantee anywhere they will just get value but you got to learn credit. You got to get it straight because the opportunities as you know in the real estate space are going to be huge when shit hits the fan and I think it's going to hit the fan pretty soon.

[END OF INTERVIEW]

[0:31:48.0] WS: Don't go yet, thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show.

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[OUTRO]

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