



CHRIS MALKIN

Your House Hunting Specialist

Stop Paying Your Landlord!: Own Your Own Home

The thousands of dollars in rent you've already paid to your landlord may be a staggering figure—one you don't even want to think about. Buying a house just isn't possible for you right now. And it isn't in your financial cards for the foreseeable future. Or is it? The situation is common and widespread: countless people feel trapped in home rental, pouring thousands of dollars into a place that will never be their own—yet they think they're unable to produce a down payment for a home in order to escape this rental cycle. However, putting the buying process into motion isn't nearly as impossible as it may seem. No matter how dire you believe your financial situation to be, there are several little-known facts that may be key to helping you step from a renter's rut to home-owning paradise!

Initially, of course, the most daunting factor involved in buying a house is the down payment. You know you'll be able to handle the monthly payments—you've done this for years as a renter. The hurdle, instead, seems to be accumulating the capital needed to put money down. However, this hurdle may be smaller than you think. Take a look at the following points and explore whether any of these scenarios may be possible for you:

1. Find a lender to assist you with your down payment and closing costs.

If you're free of debt, and own an asset outright, your lending institution may lend you the money for a down payment by securing it against your asset. In this case, you won't need to have accumulated capital for a down payment.

2. Buy a home even if your credit isn't top-notch.

If you have saved more than the minimum for a down payment, or can secure the loan against other equity, many lending institutions will still consider you for a mortgage, despite a poor credit rating.

3. Find a seller to assist you in buying and financing the home.



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Some sellers may be willing to bear a second mortgage as a seller take-back. The seller then assumes the role of the lending institution, and you pay him/her the monthly payments, rather than paying the price of the home in a lump sum. This is an additional option if you have a poor credit rating.

4. Buy a home with much less down than you'd think.

Investigate local and federal programs, such as first-time buyer programs, that are designed to help people like you break into the housing market. An experienced real estate agent will be equipped to give you all the information you need about these programs, and counsel you on which options are best for you.

5. Create a cash down payment without going into debt.

By borrowing money for specific investments, you may be able to produce a large income tax return that you can use as a down payment. Technically, the money borrowed for these investments is considered a loan, but the monthly payments can be low, and the money you put into both the home and the investments will ultimately be yours.

So, you know there are options out there. The next step is to educate yourself on what your own personal possibilities might be, and how to follow through with the means to achieve these goals. Keep in mind, too, that you can get pre-approved for a mortgage before you begin searching for a home. In fact, you *should* get pre-approved—the process is free and doesn't place you under any obligation. You can be pre-approved over the phone. Or, take the next step and complete a credit application. Once a credit application is submitted, you'll receive a written pre-approval, which will guarantee you a mortgage to a specified level. When you have a concrete price range, you'll know where to begin looking. Make a commitment to yourself to break out of the renting rut. Start today!