



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 quite common: countless people feel trapped in their home rental, pouring thousands of dollars into a place that will never be theirs to 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 proactive steps that can help you move from a renter's rut to owning your first place. With the cost of rentals rising constantly, there's no time like the present to start doing a bit of due diligence.

Initially, of course, the most daunting factor involved in buying a property 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.

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 needed for a down payment by securing it against your asset. In this case, you won't need to have accumulated nearly as much capital for a down payment.

Buying a home evening if you're credit could use some work.

If you have saved more than the minimum for the down payment, or can secure the loan against some other equity, many lending institutions will still consider you for a mortgage, despite a poor credit rating. There are different tiers of lenders, each with their own lending stipulations – so don't be afraid to look beyond the local bank.

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

While rare, some sellers may be willing to bear a second mortgage as a seller take-back. The seller assumes the role of lending institution, and you pay them the monthly payments, rather than paying the price of the home in a lump sum.



Buying a home with less down than you'd think.

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

Create a cash down payment without going into debt.

By borrowing money for specific investments, you may be able to produce a larger 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 – it's always good to discuss current options with your banking institution or investment advisor.

There are options out there, and the next step would be 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 as well, 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 even be pre-approved over the phone. Once you've taken the next step and undergone a credit application, you'll receive a written pre-approval, which will guarantee a mortgage rate for a specified time. It's always helps to have a concrete price range before you start to view new homes, as you'll know what you can afford, and won't fall in love with the wrong home.

Make a commitment to yourself to start exploring how you can break out of the rental rut.