

How to Buy a House with (Little or) No Money Down

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Your Real Estate Consultant For Life

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Can I Afford a Home?

Many people never buy a home because they don't think they have enough money for the down payment. They've been told that they need 10-20% of the purchase price in order to buy a home. This isn't true.

So, why have so many real estate companies told them this? It's simple.

Selling homes to people with 10-20% down is easier than selling homes to people who have little or no money for a down payment. Most agents prefer the easy sale.

I have a different mission: To help people. That's why I created this special report and sent it to you with no obligation. This information is designed for people with good credit and income, but no money for a down payment.

Option 1: FHA Loans – Best Bet

Although this isn't a "No Money Down" option, the FHA loan is by far one of the best alternatives for people who want to buy a home and don't have much money to put down. With an FHA loan, you could put down as little as 3%. Plus, FHA loans are easier to qualify for.

While you can't borrow the 3%, you can get a "gift" from a family member, borrow from your 401k, or sell some "stuff" you have lying around. At the end of this report, we've included a special section with great ideas for raising this small amount required for an FHA loan.

FHA loans do have requirements and restrictions:

- Not all townhomes and condos qualify.
- There is a maximum loan amount.

Option 2: Special Loan Programs

Special loan programs come and go quickly. Loan One: Allows the seller to provide the 3% down payment required for a home loan. That means no money out of your pocket if you know how to negotiate with the seller! Loan Two: Requires only 2% including closing costs – wow! That's practically the same as no money down!

So, how do you find out what type of loan programs are available for you right now?

The best way is to work with a great mortgage broker who keeps up to speed on these special programs. If you don't know of one, we work with at least three such mortgage professionals, and we would be happy to refer you.

Option 3: Owner Financing

Owner financing means exactly that: The owner (or seller) finances a portion of your home purchase. For example, you might borrow 80% of the value of a home from a lending institution, and "borrow" the other 20% from the owner. In this situation, the owner "carries back" a second mortgage.

Owner financing can be advantageous, especially to investors who buy up properties and then rent them out. For the average homebuyer, however, owner financing is difficult to find and requires some tricky negotiating. Even after successfully negotiating a deal, it requires some detailed work by qualified attorneys in order to protect the interests of all parties involved.

While you shouldn't rule out owner financing, keep in mind that by looking for someone who is willing to help finance your purchase, you severely limit your choices. There are a lot of houses for sale today, but not a lot where owner financing is an option.

Option 4: Lease-to-Own

With a lease-to-own, you essentially lease a home, but make larger payments in order to begin accumulating a down payment. For example, if a house would normally lease for \$800, you might lease it for \$1,000/month, with \$200/month going into a special account. At the end of a specified period, you buy the home using the money in that special account as your down payment. However, if you

decide somewhere along the line not to purchase the home, all of the money in the special account then goes to the seller.

Think of this option as renting with a forced savings account. If you can find someone willing to do this, it's not a bad option. However, most people who are selling their homes need their money out of it in order to buy their next home, so finding someone who is willing to lease to you may prove more difficult.

Where to Begin

Now that you have four good options for buying a home for little or no money down, where is the best place to begin?

Get pre-qualified.

I'll Do More Than Help You Get Financed!

I am dedicated to helping you through the entire process, delivering world-class service all along the way. I can help you find the right home, negotiate the right terms, and then make sure that you actually get to the closing table.

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Simple Ideas for Raising Money for a Down Payment

1. Have a garage sale. You'll be surprised how much money you can raise this way, especially if you're willing to give up the junk you've been hoarding for years!
2. Raid your savings. Even if you've been trying to keep a little stashed away, this is important. If your kids have a savings account, ask them if you could borrow from theirs as well!
3. Borrow from your retirement fund. Many retirement funds (401k, IRA, etc.) have provisions for you to borrow from them for important reasons. This counts as an important reason! Check with your plan administrator or your financial advisor about this option. The nice part about this is that as you repay your loan, you pay the interest to yourself.
4. Ask your family. This is probably the hardest thing for some to do, but you might be surprised at how willing a family member would be to help you buy a house, even if they've said "no" to you before when you tried to borrow for other things. If you do this, you'll need a form for your banker stating that this is a gift and not a loan. (Yes, you can still repay your family member. It just can't be a formal loan.)
5. Sell something. If you look around your house, you might find items that have value, but that you haven't used in a long time: An old coin collection, an old musical instrument that no one plays anymore, an extra freezer you don't really need, a second (or third) car you could do without. Often, the cash from selling these items can add up quickly.