

# Online Real Estate Owned Investment Tools

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## **Buyer's Special: How To Buy A Home Without A Down Payment?!**

You may have found your dream home and wish to take advantage of the real estate market, but it's just the wrong time for you because you have no money saved for a down payment. Does this mean that you will miss out, or that you will be forever locked into those high rates that having no down payment seems to attract? Not necessarily. You should be able to find a way to purchase with nothing down and not be penalized. In fact there are several ways to do this.

The way that many people are familiar with is through the Department of Veterans Affairs (VA). Anyone who is or has been a member of any military service including the Coast Guard is eligible. Members of the National Guard or Selected Reserves who have served for six years may also be able to avail themselves of this benefit. It applies to every house you buy so long as it is for a primary residence.

VA foreclosures are open to the general public with either nothing down or a \$500 down stipulation. Your loan must be a conventional or FHA loan; veterans or active military accepted.

Another method is owner-financing or lease-purchase. While these traditionally don't have any down payment, the purchaser should err on the side of caution and always be sure of getting legal documents for the purchase. The standard lease-purchase form is readily available from office supply stores, but your attorney must draft the owner-financing contract, since they are not readily available.

The downsides of these agreements are that the buyer does not get any tax deduction for his interest. This might be an acceptable trade-off for not having a down payment. But the second scenario is somewhat more serious. If the seller should go bankrupt before the deal is completed, the buyer could lose all his money and the house as well.

On the upside, the buyer can often find a purchaser for this home who will agree to pay a great deal more for it than he has agreed to pay. And the deal could be done on the same day. Now that would be really nice!

To continue; house trading is a legal way of getting a house with no down payment. Professional investors often do this. Of course, you have to have a house to start with. In this case, you can often get a line of credit using the equity in the house you own, so you can still keep it and get another one.

There are a great many schemes and programs to help people buy their homes, so it's worth looking into. To find out more, do a Google search, typing in special financing programs for homebuyers.

