

How You Can Buy a Home With Little or No Money Down

Presented by

Randall Brennan
Equity Colorado
303-909-2365
RandallBrennan.com

HOW YOU CAN BUY WITH LITTLE OR NO MONEY DOWN

How To Buy A Home In Today's Market

Some buyers today have had their desire to buy dampened because they think they can't. In fact, today's market offers a unique opportunity to save by buying now. First of all, properties are available now below the average market price, with selection through all price ranges for starter homes and buy-up houses. Today is a good time to start on the path to your dream home.

Also, lenders are offering attractive rates and innovative financing. That means your same income can qualify for more home today.

Buyers who act now not only take advantage of today's market, they also begin to benefit from homeownership.

How You Can Buy

Here are five ways buyers can take advantage of today's real estate market.

- ***Be Realistic***
Set your sights realistically; don't expect to move directly into your dream home in the most expensive part of town. Get a toe in the homeownership door by buying a modest place, modestly priced – in a good location. Improve your home as you can afford to; and or let your equity build to help you buy the dream house in the dream location later.
- ***Pre-Qualify***
“Pre-Qualify” yourself as a borrower by calculating what price home you can afford. Generally (depending on lender and type of financing) lenders consider your total basic monthly affordable housing cost – including mortgage, principal and interest payments, real estate taxes and insurance payment. Your affordability is based on 30% to 32% of your gross monthly income. Or, with additional long-term debts included, the ratio is up to 40%. Remember: Some lenders extend these limits, based on their assessment of your financial situation and the loan plan you select. As a pre-qualified buyer, you'll have an advantage over other buyers who aren't when sellers consider your purchase offer.
- ***Innovative Financing***
Get acquainted with the various kinds of loans available: fixed rate, adjustable rate, government backed mortgage insurance (CMHC), assumptions, buydowns, blended loans, seller takebacks and more. (Terms and interest rates vary considerably – among loans and among lenders; these factors, along with your income and length-of-ownership expectations, must be weighed – and we're here to help you do that).

Canadian Mortgage and Housing Corporation (CMHC), for example, now makes available to home purchasers who meet certain qualifications access to mortgage insurance which allows them to obtain a mortgage and purchase a home with a down payment of as little as 5% of a property's value.

- ***Rent to Own***

If you're like most people, having the necessary funds to put towards the down payment on a home purchase can be difficult. However, if you can qualify for the mortgage payments but don't have all the money to put down, we may be able to help you. A Rent/Lease Option is a purchasing technique. It is a lease for a fixed period of time with an option to purchase the property on a future date. The price of the property is usually agreed upon at the inception of the agreement. With a Lease Option to Purchase, the tenant has the right, but not the obligation, to purchase the property. In situations where there is a motivated seller with a vacant property for sale, applying a portion of the rent to the down payment can assist both the seller and the buyer.

- ***Consult A Professional***

There are more details involved in buying a home that are outlined here. If these seem appealing, let us help you understand the home buying process. Please call for more information.

Your Professional is (*realtors name*)