

Don't Pay Another Cent in Rent To Your Landlord

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It's a dream we all have - to own our own home and stop paying rent. But if you're like most renters, you feel trapped within the walls of a house or apartment that doesn't feel like yours. How could it when you're not even permitted to bang in a nail or two without a hassle. You feel like you're stuck in the renter's rut with no way of rising up out of it and owning your own home.

Don't Feel Trapped Anymore

It doesn't matter how long you've been renting, or how insurmountable your financial situation may seem. The truth is, there are some little known facts that can help you get over the hump, and transfer your status from renter to homeowner. With this information, you will begin to see how you really can:

- save for a down payment
- stop lining your landlord's pockets, and
- stop wasting thousands of dollars on rent.

6 Little Known Facts That Can Help You Buy Your First Home

The problem that most renters face isn't your ability to meet a monthly payment. Goodness knows that you must meet this monthly obligation every 30 days already. The problem is accumulating enough capital to make a down payment on something more permanent.

But saving for this lump sum doesn't have to be as difficult as you might think. Consider the following 6 important points:

1. You can buy a home with much less down than you think

There are some local or federal government programs (such as 1st time buyer programs) to help people get into the housing market. You can qualify as a first time buyer even if your spouse has owned a home before as long as your name was not registered. Ensure your real estate agent is informed and knowledgeable in this important area and can offer programs to help you with your options.

2. You may be able to get your lender to help you with your down payment and closing costs

Even if you do not have enough cash for a down-payment, if you are debt-free, and own an asset free and clear (such as a car for example), your lending institution may be able to lend you the down-payment for your home by securing it against this asset.

3. You may be able to find a seller to help you buy and finance your home

Some sellers may be willing to hold a second mortgage for you as a “seller take-back”. In this case, the seller becomes your lending institution. Instead of paying this seller a lump-sum full amount for his or her home, you would pay monthly mortgage instalments.

4. You may be able to create a cash down payment without actually going into debt

By borrowing money for certain investments to a specified level, you may be able to generate a significant tax refund for yourself that you can use as a down-payment. While the money borrowed for these investments is technically a loan, the monthly amount paid can be small, and the money invested in both home and investment will be yours in the end.

5. You can buy a home even if you have problems with your credit rating

If you can come up with more than the minimum down-payment, or can secure the loan with other equity, many lending institutions will consider you for a mortgage. Alternatively, a seller take-back mortgage could also help you in this situation.

6. You can, and should, get pre-approved for a home loan before you go looking for a home

Pre-approval is easy, and can give you complete peace-of-mind when shopping for your home. Mortgage experts can obtain written pre-approval for you at no cost and no obligation, and it can all be done quite easily over-the-phone. More than just a verbal approval from your lending institution, a written pre-approval is as good as money in the bank. It entails a completed credit application, and a certificate which guarantees you a mortgage to the specified level when you find the home you're looking for. Consider dealing only with a professional who specializes in mortgages. Enlisting their services can make the difference between obtaining a mortgage, and being stuck in the renter's rut forever. Typically there is no cost or obligation to enquire.

There are many important issues you should be aware of that affect you as a renter. Why on earth would you continue to lose thousands by throwing it away on rent when with your agent you could take a few minutes to discuss your specific needs so that you can stop renting and start owning.

This conversation costs you nothing. And, of course, you shouldn't have to feel obligated to buy a home at the time you review this. But by taking the time to explore your options, and learn about the ways you can afford to buy a home, think how prepared and relaxed you'll be when you are ready to make this important step.