

How To Come Up With Down Payment?

There are a number of different ways to come up with a down payment; we'll give you a top-10 list of methods.

1. Ask for help. Parents, friends and relatives may all be willing to give you a loan with favorable rates – with parents, that often means no interest rate, and no strict timeframe. If a loan (or gift) doesn't seem feasible, maybe they would be willing to co-sign the loan.
2. Use your other assets – either by selling them, or by borrowing money against them. This can include things like cars, boats or bicycles, as well as stocks, or trinkets, such as heirlooms, or vintage trading cards.
3. If you have life insurance with any built-up value, you could cash in that value, or possibly borrow against it.
4. If you are a first-time homebuyer, you can take out \$8,000 from your IRA, penalty-free, to put toward your home purchase.
5. You can also borrow against your retirement funds.
6. Sometimes, you can get help from a non-profit organization, such as a church. There are loans out there that will let you put a lower down payment down, as long as a non-profit organization puts in part.
7. Increase your income – you can do this by getting a second job, or doing some freelance work.
8. If you can make it work, change your withholding taxes in anticipation of being able to deduct the interest. This will give you more take-home pay, which you can start saving!
9. Offer to give something other than cash for the down-payment. This could include offering the seller something like a car or a boat in lieu of the down payment, or it could be your services; for example, you could offer to do landscaping in the person's new home, or give them automobile services, or do their taxes!
10. Finally, you can look for options that don't require a large down payment. Such options include loan programs such as VA or FHA. Another option is to purchase a foreclosure property, which can often be had with little or no down payment. You can also consider getting an 80:20 loan, where you essentially have two loans; one is the regular mortgage on the property, and the other is a loan for the down payment – even though these are separate loans, they often come from the same lender.

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