# Sell Your House Fast with Owner Financing

Summer is coming around and home sales are up from the Spring. Yet, with strict mortgage loan qualifications, buyers are still having a hard time buying the home of their dreams. If you are a newbie real estate investor or simply trying to sell your house, you can sell fast with seller financing or also known as owner financing.  Did you know that the real estate market is divided into three types of buyers?

- The first buyer has both perfect credit and large amounts of cash upfront to buy (they are the ones that qualify for conventional financing).

- The second type of buyer has cash but no credit. They work hard, save money, but don't believe in credit scores or don't know how to fix their long-ago past mistakes that still linger on the credit report. Many of these buyers are also independent business owners that do not have the employment (W2) history to prove their income to mortgage companies.

- Then the third buyer has great credit but no cash. This person also works hard, knows exactly how to keep their credit score up, but hasn't had time to save up for a large down payment.

If you want to reach two-thirds of the real estate market buyers out there, seller financing would be the way to go to sell your house fast and easy. If you decided you don't want to keep financing and need the cash from the sale, I can help you find a buyer for the mortgage note after 6 months from the sale. Feel free to email me on this site. Here is a great article that I found on how seller financing works by author Larry Parr.

How Does Owner Financing Really Work?

Owner financing, occurs when the seller of a home finances all or a portion the sale of his or her own property. This is often referred to in real estate ads as "Owner Will Carry" or similar wording, meaning that the owner of the property will, in effect, act as a bank and loan the purchaser all or part of the money needed to purchase the owner's property.

There can be several advantages to the seller for carrying a note, as it is also known. There can be tax advantages in spreading out the time over which an owner receives the money from the sale of a property. Also, many owners simply like the idea that they can receive a monthly income from a property even after they have sold it - and no longer have to worry about repairing leaky roofs or replacing dead water heaters.

There is a nice monetary inducement to the owner to carry paper as well - the owner can charge the buyer interest on the money that the owner is lending to the buyer. In this way not only does the owner collect a monthly mortgage payment on the property he or she has sold, but the owner collects interest as well, in effect increasing the owner's overall sales price of the property.

In order to protect themselves, some homeowners require that the buyer make their monthly payments into an escrow account held by a bank or other lending institution, and they require the borrower to place a Quit Claim Deed into the escrow account with instructions that if a payment is late by a certain number of days then the escrow officer will automatically file the Quit Claim Deed, restoring the house to the former owner instantly.

If this were to happen the buyer would not only lose title to the property but would also lose any and all payments already made on the property. This is a powerful incentive for the buyer to make all payments in a timely manner.

A more pragmatic reason, perhaps, why some homeowners agree to carry a note is to increase the universe of potential purchasers for their property. The way this works is easy to understand. If the homeowner is making a portion of the loan on the property then the borrower will need to qualify for a smaller loan from a bank or other financial institution, meaning that a larger number of people will be able to qualify for any bank loan that might be required to purchase the property. If the seller finances the entire selling price of the property then buyers do not need to qualify for a bank or other financial institution loan at all. This can greatly increase the number of people who are interested in buying a piece of property.

For starters if the owner is financing all of a sale then a borrower does not have to qualify for a loan at a traditional financial institution. Even if the seller only finances a portion of the loan the borrower benefits by having to qualify for a smaller loan from a traditional mortgage source.

Additionally, when a seller finances a property there are no points or closing costs for the buyer to pay, saving the buyer potentially several thousand dollars on the transaction. And while the seller of the property may charge the same interest rate that a bank or other financial institution would charge, it is sometimes possible for a buyer to actually end up paying a slightly lower interest rate if the seller finances the sale since more aspects of the sale are open to negotiation than may be possible when dealing with a traditional lender.

Many factors can influence whether the seller of a property is willing to carry all or a portion of the sales price on a piece of property. In many cases, however, the determining factor is the overall condition of the market itself.

When homes become difficult to sell - when it is a buyer's market, in other words - then sellers are more inclined to do whatever is necessary to increase their chances of a sales and so owner financing is more readily available.

Conversely, when homes are selling quickly and it is a seller's market, then sellers have little incentive to carry back a mortgage.

So your chances of finding an owner willing to carry back a mortgage are largely dependent on the current housing market. But regardless of prevailing market conditions, it never hurts to ask if an owner is willing to carry paper.

Larry recommends visiting the following link: For The Largest Possible Selection of Credit Cards At The Best Rates.