



Why should you sell your house using OWNER FINANCING option?

OWNER FINANCING, one of the best tools out there that so many don't know about. This is a tool that can help you easily sell your house. Granted this tool is not for everyone however it is great to have an understanding as to how this works. You just never know if this is a tool that could help you sell your house.

Folks sell their house/houses for many different reasons. Which reason(s) would fit this tool? The best is if there is no loan on the property. This works for both pretty and ugly houses. If you have a loan on the property then maybe a subject to or lease with option to buy would be good tools to use. We will concentrate on OWNER (SELLER) FINANCING in this article.

#### BENEFITS OF SELLING THROUGH OWNER FINANCING

1. **GOOD POOL OF BUYERS WITH CASH.** There are so many folks out there that do have cash but cannot qualify for a loan. So many of them actually have good credit. Banks look for EARNED income which equates to a W2. Many don't have a W2. Many are entrepreneurs. For whatever reason banks don't like to lend to them. This is a pool of folks that are always looking for a house. They just want a little help. Seller financed deals are the best for them. This creates a WIN WIN. You get to sell your house, they get to buy it.
2. **FAST CLOSING.** This can be done within in 1-3 days of signing the agreement since there is no third party financing involved, the bank. You just need the correct paperwork to do this.
3. **IMPROVES THE CREDIT RATING OF THE END BUYER.** This is the opportunity to improve on the buyer's credit rating. This helps YOU in the long run. This now helps the buyer in getting his own loan and pay you off.
4. **NO CLOSING/LOAN COSTS.** Generally the closing costs will be very minimal and is a negotiable item who pays these however the LOAN COSTS is pretty much zero to the seller. No more loan origination fees, points, appraisal report and other JUNK FEES the banks require. That alone saves the buyer a ton of money and helps YOU the seller close faster.
5. **YOU GET A BETTER PRICE.** This is one that is key to this. There is no hard lowball offers. Most buyers want to play this lowball offer game. When you SELLER FINANCE a property, the buyer is generally understanding of your price. This doesn't mean that all buyers will like your price but you will get a better price for the property.
6. **TERMS OF THE AGREEMENT.** This part is very critical. This is the area where the meeting of the minds occurs. Setting up the correct terms will get you great results. Keep in mind that it cannot be one sided meaning you are getting a good price but you still want the all the terms in your favor. This will not work if that's how you think. Be open to terms presented by the buyer. The goal is to get rid of the property correct?

7. SOURCE OF INCOME. This method could help you with a monthly cash flow for a certain length of time as opposed to taking a lump sum. Since the pay out is over time, this could be your source of that additional income you need to keep you going.

As you can see this creative financing tool, Owner (Seller) financing tool, is a very powerful tool that is very underused. Many more houses could be sold if this is understood more and used more.

The only negative for this is that you don't get all your money at once. However, if you have a house that is not in the best condition, this is a great option to use. Look at it this way, the house is bad and needs a lot of repairs. You have 3 choices, 1. Spend money that you don't have to fix it then try to sell it and pay realtor fees and other closing costs, 2. Sell it at a discounted price., OR 3. Sell it using this tool, OWNER FINANCING.

Don't do the instant gratification of wanting your money NOW. What are you going to do with that money? More than likely it will be gone in a month or two. If you do OWNER FINANCING, you will have a trickle income every month until the price is paid in full.

Fell free to connect with me. I don't mind explaining this in more detail.

About the author

John Morey is an investor in Northern Alabama who does flips, buy and holds, owner financing and notes. He invests with other investors in Northern Alabama. He started the Alabama Affordable Housing program late July 2017. He saw a need that could change neighborhoods and that is to provide affordable housing in low income areas to raise the quality of the neighborhood by having more home owners. He is also the manager of JP REAL ESTATE GROUP LLC. [www.jpregroup.com](http://www.jpregroup.com) 256.469.3099 [jprealestate2014@yahoo.com](mailto:jprealestate2014@yahoo.com)