

Down Payment Options



“When You Want It Done Right!”

Mortgage guidelines have tightened up a good deal recently, which has impacted greatly the amount that one must now pull together to put down on a home. Although seller-funded down payment assistance is no longer available, there are still some creative ways to purchase a home with very little money out of pocket. Consider these options:

VA Loan – Since 1944, this has been a great way for active military or military veterans to buy a home with no down payment required. VA guidelines allow for some past credit problems, VA rates are very competitive, and VA loans do not require any monthly mortgage insurance (PMI).

Rural Housing Loans – For those buying in a rural setting, this is another great government-sponsored 100% financing option. No mortgage insurance (PMI) is required and the guidelines are very flexible, however, there are strict income limits and geographic restrictions. To determine if a property is eligible, go to: <http://eligibility.sc.egov.usda.gov>

Grant Programs – Many counties have set aside bond money that can be used as down payment assistance to help one buy a home. These programs have very strict qualifying criteria and are usually only available for first-time homebuyers.

401(k) Loans – Most 401(k) plans allow one to borrow against the fund for their down payment as long as the purchase is for one’s primary residence. It is common for these loans to be obtained without penalty at very low interest rates. It is best to check with the employer to find out more details.

Gift Funds – A gift from a family member, significant other, or non-profit organization is an acceptable source of down payment to buy a house.

Sale of Material Goods – Selling a personal asset such as a car, motorcycle, boat or collectible is another acceptable source of down payment. To document the transaction, a copy of the title proving ownership and a Bill of Sale will most likely be required as will an appraisal of the item.

Please contact us for more information!

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