

### 03.05) What are the benefits to the Buyer when the seller is providing owner financing?

Written by

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- **Little or No Qualifying.**

Even if the seller demands a credit report the buyer, the seller's interpretation of buyer qualifications are typically less stringent and more flexible than those imposed by conventional lenders.

- **Tailored Financing.**

Unlike conventional loans, the sellers and buyers can negotiate and agree to a payment options such as interest only, fix-rate amortization, less-than-interest or a balloon payment. Payments can mix and match. Interest rates can adjust periodically or remain at one rate for the term of the loan.

- **Down Payment Flexibility.**

Down payments are negotiable. If buyer has little to put down and the seller wants a larger down payment, sometimes sellers will let the buyer make periodic lump-sum payments toward a down payment or the seller will work the down payment into the purchase price.

- **Lower Closing Costs.**

With the seller providing owner financing, there are no loan or discount points to pay. No origination fees, processing fees, administration fees or any of the other assorted miscellaneous fees that lenders routinely charge, which automatically saves money on buyer closing costs.

- **Faster Possession.**

Because the buyer and seller aren't waiting on a lender to process the loan application, the time it take to close is faster and the buyer gains possession of the property earlier than a traditional conventional loan transaction.

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