

Seller Financing...a creative way to finance real estate

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Even though interest rates are relatively low, obtaining financing to buy a home or land can be a daunting process.

These days, lenders have more restrictive guidelines and the process can be quite lengthy. A more creative financing technique in which an owner sells property to a buyer is called "seller financing".

Seller financing can be used as a vehicle to sell a home or land if the potential buyer does not qualify for a loan under the more strict guidelines or when interest rates are too high. This can be extremely beneficial to both parties.

Of course, this is only an option if a seller does not require principal from the sale.

Seller financing is most common in the sale of larger parcels of bare land that conventional lenders have traditionally not financed.

The benefits of seller financing include substantial savings in closing costs for both buyer and seller. The parties can also negotiate the interest rate and the repayment schedule as well as other conditions of the loan.

The seller can benefit by getting a higher yield on his/her investment by receiving their equity with interest. A seller could also negotiate a higher interest rate than could be obtained otherwise as a compensation for assisting the buyer with financing.

Seller financing in New Mexico is accomplished via a Real Estate Contract. The negotiation of the financing is done as part of the purchase agreement. An outside escrow company usually handles the transaction after the sale. In most cases the buyer pays for the set-up fees and the escrow company collects the payment and passes it on to the seller. That way there is a clear record of payments and the seller cannot foreclose on the buyer stating that he has not received a payment. Therefore, using an independent escrow company protects both buyer and seller.

As long as it is good for both parties, seller financing can be a win-win situation.

New Mexico Mountain Properties has several larger parcels of land at both Taos Pines Ranch and Hidden Lake, two 10-20 acre communities in the Angel Fire area, where sellers are willing to entertain seller financing. If land in Taos is what you are looking for, we also have a fabulous 6 acre parcel which borders Carson National Forest which is available for seller financing.

If you think seller financing could work for you, just give us a call and let us know... whether you are looking for a home in Taos, an Angel Fire vacation home, an investment condo in Taos Ski Valley or the Angel Fire Resort, or land to build your dream home, seller financing could work for you. We will gladly assist you in the process. For the best in Real Estate in Taos or Angel Fire Real Estate, give us a call today. We are here to serve you.