

Stop Paying Your Landlord's Mortgage!

It's staggering when you think about the cost of living, especially if you're a renter and not a home owner. If you are currently paying \$1,000 a month for rented housing, then over the next three years, your property management company will effectively have reaped \$36,000 of your hard earned cash! You're paying their mortgage when you could be building equity in your own property.

What if I don't have the money to buy a home right now?

There are many loan programs available that offer low and no down payment options. Some programs permit gift money as a down payment, and often sellers are willing to make a contribution to your purchase if they want to sell the home quickly.

There are many benefits of home ownership to consider, most of all, tax deductions. Let's take a look at how advantageous this can be as a homeowner:

How much is tax deductible?

Tax deductions vary, but the IRS has laid out solid rules. They also have several tax publications full of helpful information worth taking the time to read. Publication 530, *Tax Information for First-Time Homeowners*, is very thorough, as is Publication 936, *Home Mortgage Interest Deduction*. For quick reference, you can refer to Tax Topics 505, *Interest Expense*, and 504, *Home Mortgage Points*.

These publications often refer to local and state guidelines, so you may want to consult a CPA to answer all the questions that arise from reading these materials. Here are a few tips you should know up front:

Real Estate taxes are deductible on a primary residence. Real Estate taxes are paid at settlement or closing, or through an escrow account.

Mortgage interest is deductible on a loan to purchase, build or improve your home. Your lender will provide you with a Mortgage Interest Statement (Form 1098) to list the total interest paid during the year. This should include any deductible points paid for that year.

Pre-paid interest is deductible in the year it is paid. At the close of a real estate transaction, borrowers usually pay for the interest on their loan that falls between the closing period and the first of the next month. Mortgage payments are made "in arrears" so when a loan is closed mid-month, there is interest due to the new lender which must be paid in advance.

If you are building a home, the interest on the construction loan is deductible. The construction period cannot exceed 24 months prior to the date that you move in if you claim this as your primary residence.

**Call me to discuss your specific needs and we'll find the program that's right for you.
We have a variety of low down payment and no down payment programs available.**

