

Buying a Home With Bad Credit

Buying a Home With Bad Credit Even in the midst of the biggest mortgage lending disaster this country has ever seen, it still easy for people with bad credit to buy a home. There is every kind of blog, article, real estate or mortgage company website promoting the idea of buy...buy...buy, but none of these folks are talking about stay...stay...stay. Homebuyers, especially those trying to buy a home with bad credit, need a paradigm shift in regards to where the real success lies with purchasing a home. The prize is not getting the keys at the closing table and having your name recorded on the deed. Yes, that is a major accomplishment, but the real "win" comes with one's ability to sustain homeownership. Factually, over 50% of homebuyers are late making their very first mortgage payment. And far too many people who buy a home with bad credit end up in foreclosure 24 – 36 months down the road. Even before the current crisis, past due and foreclosure rates for sub-prime borrowers are significantly higher than those of prime borrowers. There is certainly plenty of good reason to bash the U.S. Congress and the mortgage lending industry for abusive practices in the sub-prime market. It has gone on for much too long and maybe in the aftermath of this mess, all of the efforts of housing and consumer advocates will be rewarded with laws that actually stick. But all the blame cannot be placed on the lending community. There is still a certain responsibility that a borrower has to understand what they are signing and to be sure that they can comply with the terms of the deal. No one is sitting at the closing table with a gun held to the borrower's head, forcing them to sign the loan documents. If they do not understand or are confused, the buyer has the option of not signing or invoking their right to cancel the loan within 3 days. What happens though, is when a credit challenged person hears the word "Yes", they just follow along with whatever goes with it, unless they are an educated consumer. The real task at hand is to increase consumer understanding of how high-risk lender financing works. Sub-prime lending is not going away, and it shouldn't because there is room and a need for it in the marketplace. Yes, we need better laws, but regulation cannot determine a borrower's true ability to afford a debt. Affordability is relative to someone's overall lifestyle. The success of anyone buying a home with bad credit lies in their ability to evaluate loan products and make a financial decision and not an emotional choice. It's been said, "People perish from the lack of knowledge." The knowledge base of consumers buying a home with bad credit has to extend beyond understanding the role of a Realtor or home inspector in the home buying process. It must include personal money management and financial decision-making taught to them in a way that shows them how to navigate through the entire process and be successful. Armed with the right knowledge, they will be equipped not to just buy a home but also to remain homeowners for as long as they desire.

About the Author

Tiffany Crockett is Author of the article on [Real Help for People Apply for Bad Credit Mortgages](#). She is also Author of The Bad Credit Guide to Homeownership and CEO of Homeowners and Buyers Education Institute. Find more information about [Knowledge is Power: Bad Credit Mortgages Demistified](#) here.

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