



11/05/2006

Getting FHA Mortgage Down Payment Help with Consumer Debt Solutions

The time has come to buy a home of your own. You have decided to finance your home purchase with a government Federal Housing Administration (FHA) mortgage in order to get qualified easier and make a smaller down payment. Still, the couple thousand dollars required for that down payment is overwhelming and it seems like it will take forever to save up for it on your own.

Do not despair! There is help just around the corner. Many charitably-minded Americans have started non-profit organizations to assist potential home buyers, like yourself. One such organization is Consumer Debt Solutions, Inc. (CDS.) Created in 1996, the company is dedicated to educating and financially assisting people realize their dreams of becoming homeowners. Specifically, CDS uses a grant program to provide down payment and/or closing cost gifts for buyers.

The good news is that if you are able to qualify for an FHA mortgage loan, you can probably qualify for a CDS grant. There are no income requirements or limitations, and no credit score prerequisites. Neither do you have to meet a certain debt-to-income ratio to be approved. These grants are available in all fifty states, and can be used for almost any home type, such as duplexes, condos, or single-family homes. The home you buy may be either new or previously owned with the CDS grant. One potential disqualifier is if you have more than \$15,000 (\$25,000 in a few areas) sitting around in liquid assets. CDS wants to be sure they are helping those who truly need help.

While the down payment/closing cost money does not need to (and cannot) be repaid by the borrower, the other involved parties will be responsible for matching every dollar gifted to the homebuyer. This is so that CDS has a continual source of funding to help other potential homebuyers. Some of the money generated also goes towards administrative and educational costs. The "other parties" that could match the funds include the relatives, employers, builders, lenders, or government sources. One of the most popular sources of the grant replenishment is the home seller. This is because the sellers are usually the ones most eager to close the deal and get their money so they can move elsewhere. The sellers often agree to repay the grant out of their proceeds from the loan closing. There is also a \$650 fee per CDS transaction, which may be paid by any of the above-named sources.

A part of the process of being approved for CDS grant will be financial education. The CDS focuses especially on debt management, providing classes and educational material for participants. CDS counselors will also help program members create a balanced budget for before and after the home purchase. Additionally, homebuyers will be educated about the costs of home owning and they can turn to the CDS in the future for counseling about default and foreclosure avoidance.

CDS grants for down payments and closing costs can be a great asset to you in the home buying process. You will even get free financial tutoring to improve your money sense. After obtaining FHA mortgage qualification, and a willing seller or other participant to match the gift funds, you will be on your way to enjoying the great benefits of home owning!