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Consumers Can Now Rent to Own Responsibly With RentToOwn.org

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Tue Aug 18, 2:15 pm ET

The new website, [RentToOwn.org](#), is delivering trust and transparency to the industry by educating consumers about the rent to own real estate process and empowering them to make informed decisions about home buying, renting, qualifying for a loan, and improving their financial condition.

Palo Alto, CA (PRWEB) August 18, 2009 -- A new website, <http://www.RentToOwn.org>, has been launched to educate consumers

and empower them to make more informed decisions regarding the rent to own real estate process. The site features a national database of affordable homes, a glossary of common industry terms, answers to frequently asked questions, and introductions to partners that can help users improve their finances.

Rent to own homes are a popular option in today's real estate market as foreclosures skyrocket and mortgage lending standards become more stringent. Borrowers who were once well qualified have found themselves unable to obtain a loan, and many have turned to rent to own as an alternative method of financing. Additionally, many individuals who already rent homes are using rent to own as a way to transition into home ownership.

Rent to own transactions, also known as lease options, lease to own, or lease purchase contracts, are when tenants rent houses with the option to purchase that house for a pre-determined price at the conclusion of the lease term. The lease period (typically 12-24 months) enables the tenant to accumulate the necessary savings or improve their credit score to qualify for a mortgage loan. In exchange, the landlord collects an upfront deposit (1-3% of the contracted purchase price) plus a rental rate premium (5-20% above the equivalent market rent). If the tenant purchases the home, the deposit plus a portion of the monthly rental payments are applied towards the purchase price. However, if the tenant is unwilling or unable to purchase, they forfeit the deposit and rent already paid. You can find a nationwide database of affordable homes at <http://www.RentToOwn.org/Rent-To-Own-Homes>.

Rent to own appeals to property owners, as it can help them sell their homes in a soft housing market. Rather than a house sitting vacant while on the market, sellers can lease their home and offer the tenants a purchase option. This keeps the property occupied by a tenant with a vested interest in maintaining the property, and can attract a wider range of buyers than a traditional sale.

Although rent to own houses sound ideal, there are potential pitfalls that should be considered before entering into an agreement. Too often, tenants enter into lease to buy contracts with a very low FICO score, minimal savings and high amounts of unsecured debt. Many do not realize that if they are unable to qualify for a mortgage before the end of the lease term they forfeit the deposit and rent credit. Houses for rent are often a better alternative for individuals with low credit scores and minimal savings. Only consumers who are very near to qualifying for a mortgage are well suited for rent to buy transactions. Sellers should make sure the tenant has adequate income, job security, and credit history before extending the option and consider how they would handle the tenant defaulting or deciding not to buy the home. Additionally, potential sellers should consult with a tax professional to consider how the rent to own agreement will affect them.

With the proper amount of consideration and research on sites like [RentToOwn.org](#), a rent to own agreement can be a successful way for buyers and sellers to navigate today's complicated real estate market.

RentToOwn.org was founded in 2009 as a resource for consumers to learn more about the rent to own industry so they can make better informed decisions. Its sister website, <http://www.RealEstateNation.com>, is a comprehensive nationwide real estate search engine which allows its users to search millions of homes for sale.

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RentToOwn.org
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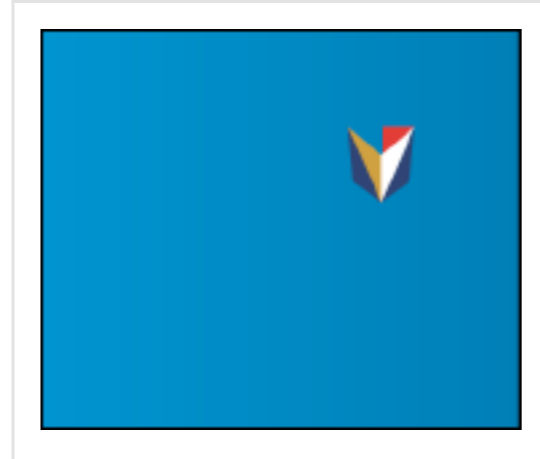


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Nasdaq	1,970.22	+14.30 +0.73%
S&P 500	998.56	+8.89 +0.90%
10 Yr Bond(%)	3.4810%	-0.0450
Oil	71.86	+2.67 +3.86%
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