

A Special Report for First Time Home Buyers

How You Can
Live
for
FREE



Buy your own home without having to
make a monthly mortgage payment!

by Rob Minton

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How You Can Buy Your Own Home and Have Someone Else Pay Your Monthly Mortgage Payment

The typical first time buyer does what everyone else does. They get pre-approved and start looking at homes that match their criteria. Once they find and fall in love with a home, they happily purchase the home and start their long future of making monthly mortgage payments.

These mortgage payments consume a significant portion of their income for years. This means you'll be going to work simply to make your monthly mortgage payment leaving little money left over for shopping, travel and fun.

The good news is you don't have to follow this approach. You can follow a different plan and buy your own home and have someone else help you pay for your mortgage payment.

Imagine what it would feel like to have someone else pay off your home for you? If you're renting right now, you're paying off someone else's mortgage. You go to work each week to send them a check. They use your money to get rich as you pay the mortgage on their property.

Well, you can play the same game and have someone else go to work to pay your mortgage! **Depending on the home you purchase, you may be able to have someone else pay the majority of your mortgage payment.**

What would it feel like to live for free? What would you do? How would your life look and feel? Would you save more money? Would you travel more? Would you start your own business? Would you work decide to work part-time and spend more time on your hobbies? Would you exercise more? Would you have less stress? Would you have to climb the corporate ladder?

Really, what would you do if you didn't have a monthly rent or mortgage payment? It's an interesting question to think about. I'll show you exactly how to do this inside this report!

In order to live for free, we have to figure out a way to get someone else to send you a check each month for a home you own. The check you receive is then used to make your monthly mortgage payment.

There are two basic ways you can get someone else to send you a monthly check. I'll share both of these ways for you in this report and you can decide which approach is best.

Live for Free Strategy #1:

Buy a larger single family home and rent bedrooms in your home to others using their rent to pay your mortgage payment. At first pass, this doesn't sound like a lot of fun. Before you write this idea off, consider this home:



This home is a four bedroom, two bath home in Willowick with 1,400 square feet listed for sale at \$79,900. Someone could purchase this home for \$75,000 and lock in a 30-year mortgage with a fixed interest rate of 3.85%. The monthly principal and interest payment would be \$330. To figure out the total monthly payment, you would add \$40 for homeowners insurance and \$250 for property taxes. The total monthly payment would be around \$620.

You could rent a few of these bedrooms out to others and use their rental income to make your mortgage payment. If you rented out two of the four bedrooms for \$300 each month, you would collect \$600 each month. **Your share of the remaining mortgage would only be \$20 each month and you would own the home.**

Or if you were really aggressive, you could rent three of the four bedrooms to others and you could collect \$750 each month. You would actually live for free and you would enjoy an extra \$130 of monthly spending money in the process.

You could rent these rooms to your friends, or you could advertise a room for rent on Craigslist...

★ \$300 looking for a single or a couple (wickliffe)

we are looking for a couple or a single to move into a room we have available starting today. singles are 300.00 and couples are 450.00. all utilities are included besides cable and internet, 28.00 more.... you will get 50.00 off of first months rent

- do NOT contact me with unsolicited services or offers

I found this advertisement on Craigslist while working on this report. You can see someone is using this exact strategy for a home in Wickliffe, Ohio. They're asking \$300 for one person and \$450 for a couple. You could do the same thing with your new home. Renting to a couple for \$450 per month doesn't sound like a bad idea and will cover a significant portion of your monthly mortgage payment.

Understand this person in Wickliffe using this approach won't just rent to anyone. They'll probably have a screening process where they verify the person's income and background to ensure they're renting to great people.

Now I realize the thought of renting rooms to strangers might not be very exciting. It is important to understand this happens all of the time in every college town as strangers live together in dorms, apartments, and houses while going through college. It is obviously worth a great deal of money and freedom to consider this approach for a few years.

Depending on your personal situation, you might be able to do this and rent bedrooms to your friends. This way, you won't have to go through the process screening and renting to strangers.

Live for Free Strategy #2:

Buy a multi-family home and live in one of the units. Rent the other units to others and use their monthly rent to pay your mortgage payment.

This strategy is better for someone who prefers not to rent bedrooms in their personal home to others. You will have your own unit in a home you own all to yourself. To see how this might work, consider this two-family home listed for sale in Willoughby for \$84,900:



This is an up and down duplex. The basement is shared between each unit for storage. Each unit has two bedrooms and one bath. Both units offer an enclosed front porch. This home is located within walking distance to the restaurants, bars and shopping in downtown Willoughby.

Someone looking to live for free could purchase this home for \$80,000 with a 30-year mortgage. As this report is being prepared, the average 30-year fixed interest rate is 3.85%. The monthly mortgage payment would be around \$355. We'll have to add insurance and taxes to this to see our total house payment. We estimate the homeowners insurance to be \$50 a month and the taxes are around \$210 a month. The total house payment with taxes and insurance is estimated at \$615 per month.

Each unit in this home rents for \$600 per month.

This means you could buy this home and move into one of the units. Your total house payment would be \$615 per month. **You would collect \$600 a month from the rented unit leaving you with a \$15 monthly mortgage payment.**

A \$15 mortgage payment? Yes.

With each mortgage payment, your tenant would be paying down your loan balance making you a little wealthier each month. In fact, your mortgage balance would be paid down by around \$110 each month payment. You would be paying \$15 out of your pocket and your loan would be paid down \$110 every month!

At this point, you either love this idea, or you don't. If you don't love this idea because you don't want to rent bedrooms to others, or you don't want to live in a two family home, you might consider this third option.

This home is listed for sale in Mentor:



This property actually features two homes. It is hard to tell from the picture, but the home in the front is a duplex with two rental units. Behind this duplex, you can see another home. This second home is a single-family home. In addition, there is a 3-car garage on the right. This property is listed for sale for \$209,000.

Someone could purchase this property for \$190,000. They could grab a 30-year mortgage with a fixed interest rate of 3.85%. The monthly principal and interest payment would be around \$850. We would add in another \$350 each month for property taxes and insurance bringing the total monthly payment to \$1,200.

Each unit in this property is currently rented at \$575 per month. You could buy this property and move into the single-family home. You would continue to rent the other two units in the front home for \$575 per month. You would collect \$1,150 each month from the two rental units. You would use this income to make your \$1,200 monthly mortgage payment. The portion out of your pocket you would pay toward the mortgage payment would be about \$50.

You would own a \$190,000 property for \$50 per month. Your tenants would be paying the majority of your mortgage, property taxes, and insurance. In fact, each month your mortgage balance would be reduced by \$260 and you'll only be paying \$50.

NOTE: It is helpful to know you would enjoy rental rate increases over time. In most cases, you can increase your monthly rents by \$5 to \$15 each year. These future rent raises would actually reduce the portion you pay out of pocket.

How to Turn Your First Home Into a Retirement Fund

Before you make a decision on this approach, remember you don't have to live in this home your purchase forever. You can use this "live for free" strategy for a year or two saving thousands of dollars in your monthly payments.

Then you can move out of your home and increase the monthly rent you collect. This increase in rent will actually put a significant amount of money in your pocket each month.

For the sake of example, let's assume you buy the first home in Willowick. You rent a few of the bedrooms out for a year or two and then decide to buy something larger for yourself. You can offer your entire home to rent to a family. A nice 4 bedroom home in Willowick would rent for around \$1,100 each month. After subtracting the mortgage payment of \$580, you would have an extra \$520 sitting in your bank account each month. You would actually get paid to own this home.

Or maybe you buy the duplex in Willoughby? After a few years, you decide to take a year off and travel throughout Europe. Instead of selling this home, you simply rent the unit you were living in to a new tenant. This new tenant pays \$600 each month in rent. You'll now be collecting \$1,200 per month in rental income. Your total monthly mortgage payment is still \$615 providing you with \$585 of extra income each month. While you're seeing the world, your bank account collects \$585 each month. You can use this income to cover some of your travel expenses.

Guess what?

The same opportunity is also available with the home in Mentor. You could live in the third home in Mentor for a year or two. You could then rent out your single-family home for \$575 per month. You would collect a total \$1,725 from all three units each month leaving \$525 of extra income in your pocket after paying your \$1,200 mortgage.

In all three homes, you would actually get paid each month when you decided to move. You can use this extra income to help pay for your new house payment. You can use this extra income as extra "fun" money. Or you can use this extra income to save for your future.

You can setup an account at Vanguard and use this extra income to invest in a low-cost index fund each month. Over time, this income from your "live for free" home will grow significantly. If invested at 8% for and held long-term, your \$500 of extra income invested monthly into an index fund will turn into:

In 20 years, \$500 a month will become \$286,330
In 30 years, \$500 a month will become \$708,806
In 40 years, \$500 a month will become \$1,620,901

Oddly enough, if you were to continue you renting your home for 30 years, you're mortgage would be paid off in full and you would own this home free and clear on top of the \$708,806 sitting in your index fund. Who knows what the home's value would be in 30 years. It might go up in value. It might go down in value. It might stay the same in value. It really wouldn't matter, because you've allowed your tenants to save a significant amount of money for your future. You've also allowed your tenants to pay off your entire mortgage.

Not a bad deal, right?

Now you can toss this report in the garbage and do what everyone else does. You can go buy a home making the full mortgage payment out of your pocket

each month. You won't have any extra fun money each month as most of your paychecks go to cover the mortgage, insurance and taxes. You'll also have to use a portion of your paychecks to save for your retirement, too. ☹

Or you can follow this "live for free" strategy for a year or two and you'll have a lot of extra money each month while you live in your own home, as your tenants will be paying the majority of your mortgage payment. You'll also be able setup an automatic retirement savings account when you finally decide to move out of your "live for free" home.

Well, we've come to the end of this report. What do you think? Are you going to arrange your life to live for free? Are you going to structure your home purchase to provide freedom?

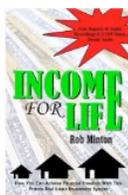
If so, you have two basic approaches to consider. The first approach is buying a single family home renting out bedrooms to others. The second approach is buying a multi-family home keeping one of the units for yourself.

In this report, I have profiled three homes in Willowick, Willoughby, and Mentor that will allow you to live for under \$100 per month. Each one would actually make you richer each month as the mortgage balance is paid down by your tenants.

Would one of these homes, or something similar, work for you?

Let me know and I can help you through the process. I can help you get a great price on your "live for free" home. I can also help you show and screen prospective tenants.

I'm a licensed real estate broker and an active real estate investor. I have invested in commercial real estate, apartment buildings, single-family homes, condos, and mobile homes. I currently own and manage over 50 rental units and use this exact same approach myself. My first book, Income for Life, which highlighted a unique approach to real estate investing, is available on Amazon.com:



INCOME FOR LIFE: How You Can Achieve Financial Freedom With This Proven Real Estate Investment System Jul 6, 2005
by Robert Minton

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In my journey as a real estate investor, I've made countless mistakes and have learned a great deal in the process. My mistakes and my journey may

be of value to you because I'll help you sidestep your own mistakes.

If you're curious and would like to learn more, we can set up a short phone call. Just give me a call at 440-721-7541 or send me an email at: rob@DividendRealEstate.com. Please put "Schedule Phone Call" in the subject line. Also, if possible, include some information about yourself and your goals.

Best,

Robert Minton
Platinum Real Estate

P.S. Depending on when you read this report, the homes profiled in this special report may no longer be available. I can help you find other "Live for Free" homes. We can discuss the homes available during our phone call.

P.P.S. Real estate investing is not risk-free. You may have to evict a few tenants along the way. You will also have repair and maintenance expenses, too. You'll have these same repair and maintenance expenses with any home you own. You can lose money depending on your skills as an investor. Please discuss this strategy with your professional advisors, including your attorney and your Certified Public Accountant to make sure it is appropriate for you.