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Millions of Americans have been affected by the recent housing crisis, and now, many people who have lost their homes to the bank are wondering how to buy a home after foreclosure. Although suffering foreclosure is a devastating and frightening experience with serious consequences to your credit score, it does not mean you will never be able to own a home again. Although the process is not easy and will take some time, it is important to understand that all hope is not lost and it ultimately is possible to purchase a home with bad credit.

The Waiting Period

One of the first things someone who has suffered foreclosure needs to understand is the waiting period that will follow before you can purchase a home again. Although the mark on your credit report from bankruptcy or foreclosure will last up to ten years, the waiting period to buy a home is, on average, two to four years. The longer the wait, the better your rates will be, and you may even qualify for as little as 3.5% down.

During the wait period between foreclosure and your next purchase, it is important to try to improve your credit any way you can in order to order to qualify for better loans at better rates. An easy way to start rebuilding your credit is to obtain, use, and make regular payments on a major credit card. By making regular monthly payments in full, you will demonstrate financial responsibility and creditworthiness to lenders. It is important to try to pay your card in full each month and not fall behind in your payments, as it will further damage your credit.

Lease to Own

While working on improving your credit score, you may wish to explore the option of a lease to own home. Under a lease to own agreement, potential buyers have to option to purchase the property they are renting after a set, agreed upon timeframe. This timeframe will vary from property to property, but on average, buyers can purchase their rental property after about three years. The time spent leasing the property allows you to earn credit toward closing costs or a down payment on the purchase of the home as you work to build your credit.

Suffering a foreclosure does not have to mean the dream of owning a home is over. Options are available to help you build your credit, get back on your feet, and become a homeowner once again.

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The author has an immense knowledge on a purchase a home with bad credit. Know more about a how to buy a home after foreclosure related info in his website.

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