BEWARE OF "RENT-TO-OWN & "OWNER FINANCING" DEALS

PROTECTING CONSUMERS, PROPERTY OWNERS, AND REAL ESTATE PROFESSIONALS IN OKLAHOMA

WHAT'S HAPPENING?

Some sellers advertise homes using phrases like:

- **"Owner financing"**
- **"Rent-to-own"**
- **"No bank needed"**
- **"No credit check"**

But in many cases, this is **NOT** a traditional mortgage.
It is a **Contract for Deed**.

WHAT IS A CONTRACT FOR DEED?

It is an agreement where you DO NOT receive the deed at the beginning. The seller keeps ownership until the very end. You make payments like an owner, but legally you are not the owner until the final payment.

REAL RISKS:

1. **You can lose everything.**
If you miss a payment, you can be evicted and lose all the money you have invested.
2. **You pay everything without owning.**
You may be responsible for repairs, taxes, and insurance without having legal ownership.
3. **Inflated prices and high interest**
These contracts often include higher interest rates and inflated home prices.
4. **Poor property condition**
Many homes require major repairs and may not have proper inspections.
5. **Repeated cycle**
The seller can take the property back and resell it, keeping your money.
6. **Buyers may be required to put a large sum down that is non-refundable.**

OKLAHOMA
Real Estate Commission

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WARNING SIGNS:

- **"No Bank Needed"**
- **"Guaranteed Approval"**
- **Pressure to sign quickly**
- **No legal review allowed**
- **No title company involved**

THE TRUTH:

If you do not receive the deed at the beginning, you do not own the home.
If you can lose everything over one missed payment, it is a high-risk deal.

BEFORE YOU SIGN:

1. **Talk to a licensed real estate agent**
2. **Consult a real estate attorney**
3. **Ask:**
   - Will I receive the deed now or at the end?
   - What happens if I miss a payment?

BEFORE YOU SIGN:

Do not sign anything you do not fully understand.

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