FOR SALE BY OWNER GUIDE – 2025

Selling Your Home FSBO? Why the Traditional Path Isn’t Always Working

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Most FSBO sellers believe there’s only one way to sell a home:
- You find a buyer.
- They go to the bank for a loan.
- You get paid at closing.

Simple, right?
But here’s the challenge in today’s market: that path isn’t working for everyone anymore.
- High interest rates are making it harder for buyers to qualify.
- Rising property taxes and insurance are pushing payments out of reach.
- Even qualified buyers are getting denied or walking away.

That means many FSBO homes sit on the market longer than expected, or only attract lowball offers.
The good news? There are safe, legal, and flexible alternatives to traditional bank loan sales that most FSBO sellers don’t even know exist. In many cases, these methods let you sell faster, save on taxes, and even make more money in the long run. But do not take my word on it call always consult a Real Estate Attorney and ask them for legal advise.

1. The Pain Points FSBO Sellers Face

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- A Large Tax Hit: A traditional all-cash sale can create a huge one-time tax bill. Receiving all your money in a single year often pushes you into a higher tax bracket, eating up more of your profits.
- Time on Market: Homes can sit unsold and you miss out on the other place you want to buy.
- Pricing Issues: Too high scares off buyers; too low leaves money on the table.
- Life disruption- All the phone calls and showings
- Tire Kickers: Unqualified buyers waste your time.
- Paperwork Stress: Contracts, disclosures, closing details can feel overwhelming.

“Mr. Seller, I totally understand how stressful it is to deal with endless showings and unqualified buyers. That’s why I’d like to share a couple of other ways you can sell that you may not have heard about.”

2. What Most FSBO Sellers Don’t Realize: You Have Options

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When buyers can’t get bank loans, it doesn’t mean you’re stuck. And it doesn’t mean they aren’t qualified. In today’s market these potential buyers could afford your home just not at existing interest rates. It means you may need to consider creative financing solutions that open the door to more buyers — without putting you at risk.

The two most common are:

Seller Financing (if you own your home free and clear)

Think of seller financing as becoming the bank. Instead of one big check (and one big tax bill), you:

- Get paid a upfront downpayment that gets you in your next investment.
- Collect monthly income on the balance of your equity. Sometimes with a nice interest rate. That means getting additional money for your home above asking price.
- Spread your income out to avoid a massive one-year tax hit.

And you’re not chasing checks — payments are handled by a licensed loan servicing company. The buyer pays them, they handle your mortgage (if you have one), and deposit your share directly into your bank account each month.

“Seller financing is like being the bank. You get steady payments, avoid a huge tax bill, and still walk away with cash in your pocket.”

Subject-To (if you still have a mortgage)

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What if you still owe on your home? That’s where Subject-To comes in.
- The buyer takes over making your existing mortgage payments (through a licensed servicer).
- The loan stays in your name, but the responsibility for payment shifts to the buyer.
- You can still get cash for your equity — either upfront, over time, or both.

Is this safe and legal?
Yes. Subject-To is a legal, widely used real estate method. Everything is recorded through a title company, and the contracts are written to protect you. Payments are made through a servicing company, ensuring your mortgage stays current.

What about my credit?
Because payments are made on time through the servicer, your credit is actually protected. If a buyer were to stop paying, the contract allows you to take the property back without a long foreclosure process — and you keep the money you’ve already collected.

Can I still buy another home?
Yes. Lenders will review your debt-to-income ratio. With documentation from the servicing company showing the buyer is making payments, many lenders will offset that debt, meaning it doesn’t count against you. Plus, you’ll often have cash from your equity for a down payment.

What about the Due-on-Sale Clause?
Most mortgages have a “due-on-sale clause” — giving the bank the right to call the loan due if ownership changes. But here’s the truth:
- Banks are in the business of collecting payments, not foreclosing.
- As long as payments are made on time, banks rarely enforce it.
- Foreclosing is expensive and time-consuming, while steady payments are profitable.

Ways to Mitigate the Risk:
- The existing insurance and taxes are in place as per the mortgage.
- Add the buyer as an “additional insured” instead of replacing the policy.
- Use a land trust to keep the transfer private and protect both you and the buyer.
- Escrow two months of payments in advance as an extra cushion.

“Mr. Seller, the due-on-sale clause sounds scary, but in reality, banks almost never enforce it as long as the payments are being made. We can even set aside extra months of payments in escrow just to give you peace of mind.”

3. Why FSBO Sellers Like These Options

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- Faster closings — no banks to slow things down.
- No appraisals or extra lender requirements.
- Tax savings by spreading out your gain.
- Flexibility — more cash now, or more income later, whichever you prefer.
- Protection — if the buyer defaults, you keep the money you've collected and still own the property.

4. Real-Life Example

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A homeowner in Florida wanted $350,000 for their home but wasn't getting solid offers. They also needed money for their next house.
Here's how it worked:
- They received $50,000 upfront for their down payment on a new home.
- The buyer financed the remaining $300,000 through seller financing. Payments were collected by a loan servicing company, ensuring they arrived on time.
- The seller avoided a big tax bill, bought their next house with ease, and now enjoys steady monthly income.

"They were stuck waiting for a bank-approved buyer. With this structure, they sold quickly, avoided a tax hit, and moved into their new home stress-free."

5. Common Concerns (and Clear Answers)

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“I need money to buy my next property.”
That’s why we always structure deals to give you a strong cash amount upfront — money you can use for your next down payment.
“What if the buyer doesn’t pay?”
Payments are handled by a professional servicer. If a buyer defaults, you don’t go through foreclosure — the contract allows you to legally take the property back and keep what you’ve collected.
“I don’t just want to sell — I also need to buy my next home.”
Perfect. We can help with that too. The same creative strategies that work for selling can also help when you buy. Plus, I work with lenders who can get you into your next dream home.

6. The Bottom Line

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Selling FSBO doesn’t have to mean endless showings, price cuts, or waiting on banks. By understanding options like Seller Financing and Subject-To, you can:
- Sell faster.
- Put cash in your pocket for your next move.
- Save on taxes.
- Protect your credit and your property.
- Even create an income stream for the future.

Ready to Explore Your Options?
If you’re curious how these strategies could work for you, let’s chat. No pressure — just answers.
Call or text me at 689-312-3256
Email: matt.propertygonetomorrow@gmail.com
Visit: propertygonetomorrow.com
You deserve to know all your options before deciding how to sell your home.