

HOW TO BUY A HOME USING A “SUBJECT-TO” STRATEGY

A CREATIVE FINANCING OPTION FOR
PORTLAND-AREA HOMEBUYERS



1. What Is “Subject-To”?

Buying a home subject to the existing mortgage (“sub-to”) means the buyer purchases the property while leaving the seller’s current loan in place. You become the new owner.

The original loan (rate, payment, term) stays in the seller’s name.

You take over the monthly payments.

This strategy is often used to secure below-market interest rates, avoid traditional lending hurdles, and purchase homes with significantly reduced upfront costs.

2. Why Buyers Use the Sub-To Method

Sub-to can be a powerful tool for buyers who want:

- Lower monthly payments

Many existing loans have interest rates far below current market rates.

- Easier approval

Traditional lending isn’t required. No bank underwriting, no debt-to-income calculations, and no waiting periods.

- Faster closings

Cash-to-close is significantly lower than a typical down payment + closing costs on a conventional purchase.

- Access to deals investors normally grab first

Working with me and my wholesaler partner gives you direct access to off-market and creative-finance-friendly homes.

3. What Buyers Are Responsible For Financially

Because every sub-to property is different, there are no fixed numbers, but here’s what to expect:

1. Your Upfront Cash to Take Over the Loan

This includes:

The seller/wholesaler’s assignment fee

Any arrears or catch-up needed

Any negotiated equity

Your entry fee into the deal

While this amount varies by home, many buyers can get into a sub-to property with significantly less than a traditional 20% down payment.

Typical minimum ranges often fall between ~\$15,000 and \$40,000, depending on:

- property type
- existing loan balance
- condition
- seller's situation
- assignment structure

Some entry-level opportunities may start around \$10,000–\$15,000.

2. Your Buyer-Broker Commission (2.5%)

Because these are off-market transactions, the seller is not paying a buyer-agent fee.

To ensure full representation and protect you through a more complex creative-finance structure, buyers pay a 2.5% broker fee at closing.

This ensures:

- Full contract review
- Deal structuring and protection
- Title, insurance, and due-on-sale guidance
- Negotiation and assignment oversight
- Safe, compliant transfer of ownership

3. Monthly Payment Taken Over

Your monthly payment will match the seller's existing loan terms:

- interest rate
- principal & interest
- taxes and insurance (if escrowed)

We review these numbers upfront so you know exactly what you're taking on before moving forward.

4. How the Process Works

Step 1 — Get Pre-Qualified for Sub-To

No bank approval required — we simply need to confirm:

- your available cash-to-close range
- your monthly payment comfort level
- your desired neighborhoods and property type

Step 2 — Receive Available Sub-To Opportunities

Through my partnership with a top Portland wholesaler, you'll receive early access to:

- sub-to deals
- seller-financing opportunities
- hybrid structures
- wrap deals
- These homes are often never listed publicly.

Step 3 — Deal Review + Payment Breakdown

Before you commit, we review:

- existing mortgage details
- monthly payment
- total upfront cost
- assignment structure
- title & insurance requirements

Step 4 — Contract + Assignment

I handle the buyer representation, negotiation, and structuring to ensure compliance and safety.

Step 5 — Close + Take Ownership

Once we close:

- you record title
- the existing loan remains in place
- you begin payments
- you officially own the home

5. Who Is Sub-To Ideal For?

This strategy is best suited for buyers who:

- Have flexible funds for the upfront costs
- Want lower monthly payments
- Want to avoid traditional lending
- Need fast closing
- Want access to deals not available on the open market

Great for:

- first-time buyers
- relocating buyers
- investors
- buyers priced out of today's high interest rates

6. Risk & Protection: What You Need to Know

Any creative finance deal requires professional guidance.

I ensure:

- proper documentation
- title protection
- insurance alignment
- due-on-sale disclosure
- performance agreements
- payment tracking and servicing

7. Ready to Explore Sub-To Homes?

[Book your no obligation consultation here.](#)



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