

## Title:

Make Money By Owing Money

## Word Count:

660

## Summary:

Most people believe that you should not owe money in order to make money, but the exact opposite can be true in a lot of cases. There are certain techniques that a person can use to make a lot of money even though they are up to their nose in debt. This sounds like it is too good to be true but it is not. This is not any type of scam nor is it illegal. These techniques can be used by virtually anyone who has time and a little patience. Of course, an income is also helpful in ...

## Keywords:

make money, debt

## Article Body:

Most people believe that you should not owe money in order to make money, but the exact opposite can be true in a lot of cases. There are certain techniques that a person can use to make a lot of money even though they are up to their nose in debt. This sounds like it is too good to be true but it is not. This is not any type of scam nor is it illegal. These techniques can be used by virtually anyone who has time and a little patience. Of course, an income is also helpful in most cases, as you will be waiting for money to come in.

As you know, there are two different kinds of debt, positive and negative. In the interest of this discussion, I will explain the differences in simple terms. Positive debt is that which reflects well on your credit report. All loans, credit cards and so on that are paid on time and in good standing with the lender would be considered positive debts. Negative debts are those that are not in good standing and that drag down the rating of your credit score. These reflect poorly on you and there is little that you can do about that unless you manage to bring the negative to a positive by reaffirming with the lender.

Now, it is good to have some positive debt on your record. That is something that a lot of lenders like to see when they are determining whether or not you are worthy of receiving money from them. Now the catch 22 here is that you cannot have too much debt, even if it is all positive. In that case then the lender would have serious doubts about whether or not you would be able to pay

for the loan that you are given. So, keep in mind that you will need a very good debt to income ratio. This will ensure that you will receive not only the loan, but also the best possible interest rate for the loan as well.

Now, on to making money. You need to invest and make some solid choices when doing so. The logical choice would be real estate by way of rental properties. This is a good way to make money even when you owe a lot of money. Here is what you do: Watch your local newspaper for a tax sale. This is a sale where the homes in the area are being sold to pay off the back taxes that are owed on them. It is also a great way to find properties that are good for rentals at a small rate. It is not uncommon for you to pick up a house for as little as one thousand dollars.

With this practice you are paying the taxes that are owed and then you own the home. Now there is the matter of the owner. If they can come up with the money within a certain amount of time, normally 30 days, then they can purchase the home back along with a fee that goes to you for paying the taxes. This rarely happens, so you will wind up with whatever homes that you have bid on in most cases. Now, you will need to pay for these homes. So go to the bank and take out a loan for the amount that you need. Get the best interest rate that you can and then pay off the properties.

Once you own the properties you can start renting them out. Use the income from the rent to pay the payments on the loan. When you do this, you are not paying any money out of pocket for the loan and you are increasing your credit rating all around. Not only that, you will most likely make more per month on the rentals than the loan payments so you will have an extra amount of disposable income with little effort.