

How do I finance my property?

There are pros and cons for a foreign national in obtaining a US mortgage.

One benefit of having a US mortgage is that your US rental income will be paid into your US bank account, from where your mortgage payments will be deducted monthly, in US dollars.

In addition, interest payments on your US mortgage are tax deductible and offset against your rental income. There is no exchange rate problem.

If you get your financing in the UK, your UK mortgage interest is not deductible on your US tax return, which can result in a taxable liability of several thousand dollars a year more.

However, one advantage of raising the finances in the UK is that you will be effectively buying your property in the US for "cash", which saves several thousand dollars on closing costs, can mean a much quicker closing, and also may give you better negotiating power when making an offer to purchase.

Whichever way you decide to go, our associated Licensed Realtors will be happy to put you in touch with a mortgage broker in either the US or the UK. It is always advisable to check with a qualified accountant or tax advisor who can examine your particular situation.