



## A smarter way to buy a home

**A**re you considering buying a home? Are you looking for a way to buy without depleting your savings? If so, you should know there are ways to qualify for a mortgage sooner than you think and for less. Insured low down payment mortgages are affordable and safe loan options that are offered by most lenders and help homebuyers achieve this goal.

A low down payment mortgage with private mortgage insurance (MI) in particular is a great time-tested option that has helped more than 1.3 million families qualify for a home sooner than they otherwise could. So, how does MI work, and how much can it really save you?

**The 20% down payment myth:** If you've been putting off buying a home in order to save up a 20% down payment, there is good news: It isn't necessary. Surprised? You are not alone. While almost 80% of homebuyers think a 20% down payment is required, the fact is the average first-time homebuyer who obtains a mortgage puts just 6% down.

How is this possible? While there are several low down payment mortgage options available, conventional loans with private **MI** have been borrowers' preferred loan choice for a number of years. Private MI is a smart way to get into a home sooner, saving the borrower time, and potentially money, considering that home prices may move up over time, so waiting could cost the borrower more in the long run.

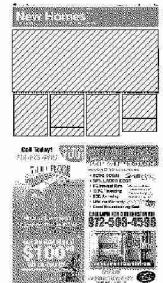
### How does an insured mortgage work?

Private MI can help a borrower with much less than a 20% down payment qualify for a home loan – with the average down payment being just 6% in 2019 – and is typically paid monthly along with the mortgage payment.

The benefit is not just that the borrower is able to qualify for a home sooner, but also that private MI is temporary. Unlike government-insured mortgages backed by the Federal Housing Administration (FHA), private MI cancels after 20% equity is established either through payments or home price appreciation. When the MI is cancelled, your monthly mortgage bill goes down.

**When to buy a home?** The right time to purchase a home is different for everyone, especially nowadays. But as we adapt to a changing world, it is important to know that MI continues to help borrowers achieve homeownership, and it is possible to benefit from historically low mortgage interest rates and buy a house without exhausting your savings.

In fact, a recent report from U.S. Mortgage Insurers found that MI has helped more than 33 million families become homeowners over the past 60-plus years without putting down 20%. You can find how many people in your state used private MI to purchase their home in the last year by accessing that same report. Interest rates are at an all-time low and millions of people continue to achieve



the dream of homeownership thanks to private MI.

To learn more about how private MI compares to other low down payment options, visit [lowdownpaymentfacts.org](http://lowdownpaymentfacts.org).

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