



FACTS AND FINDINGS ON FIRST-TIME HOMEBUYERS:

FINANCING KNOWLEDGE & SOURCES OF INFORMATION

- 1 First-time homebuyers are relying on multiple advisors to guide them when buying a home.**
 - 68% of potential homebuyers indicate they are relying on their real estate agent for guidance in the homebuying process.
 - 54% of potential homebuyers indicated they receive guidance from their mortgage broker, while 53% indicate their parents are providing them with advice.
- 2 Parents play a nearly equal advising role to mortgage professionals in advising about down payments.**
 - 20% of first-time homebuyers indicated a mortgage professional advised them.
 - 16% said their parents advised them on financing a down payment.
- 3 Perception of down payment requirements vary among first-time homebuyers.**
 - 49% of homebuyers believe they need to put at least 10% down to secure a mortgage.
 - 26% of homebuyers believe that less than 5% down is sufficient to purchase a home.
- 4 The majority of first-time homebuyers used or plan to use personal savings to finance their down payments.**
 - 85% of first-time homebuyers say they used or plan to use personal savings to finance their down payment.
 - 44% of new homeowners indicated a financial gift from parents was used to finance a down payment.
- 5 New homeowners are financing their first homes with a fixed-rate mortgage.**
 - 66% of new homeowners indicated they used a fixed-rate mortgage to finance their first home.

Finding – A gap and opportunity exists to engage potential new customers through education around the homebuying process.

Source: Essent 2018 First-Time Homebuyer Study. To get the complete study visits: essent.us/first-time-homebuyer-study.

Try EssentIQ®!

Use our interactive tool to educate first-time homebuyers about their homebuying options outside the conventional 20% down.

EssentIQ is available in English and Spanish at essent.us/essentiq.

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