

FINANCING KNOWLEDGE & THE SOURCES OF INFORMATION

FOR FIRST-TIME HOMEBUYERS

Insights On First-Time Homebuyers



Millennials and Generation Xers are turning to multiple sources for guidance on buying their first home.

1

First-time homebuyers continue to have misconceptions about down payment requirements.

75%

of first-time homebuyers believe they need to put at least 5% down.



50%

say they need to put 10% down to secure a mortgage.



2

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 respondents cited a financial gift from parents as a method of financing a down payment.



3

Lack of awareness about PMI remains widespread amongst first-time homebuyers.

33%

of potential homebuyers indicated they were familiar with PMI.

53%

of first-time homebuyers believe that PMI will protect them in the case of foreclosure.

21%

of new homeowners indicated they did not know if PMI is included in their mortgage.

4

The majority of first-time homebuyers are interested in a fixed-rate mortgage.

52%

of potential first-time homebuyers indicate that they are most interested in a 15- or 30-year fixed-rate mortgage.



20%

of first-time homebuyers are still not sure about the type of mortgage they will use to purchase their home.



5

Parents play a prominent role as advisors in the homebuying process.

54%

of new homeowners say that their parents were heavily relied on during the homebuying process.



16%

of first-time homebuyers turn to their parents for guidance on down payment financing.



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.

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