

# 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](https://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](https://essent.us/essentiq).

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