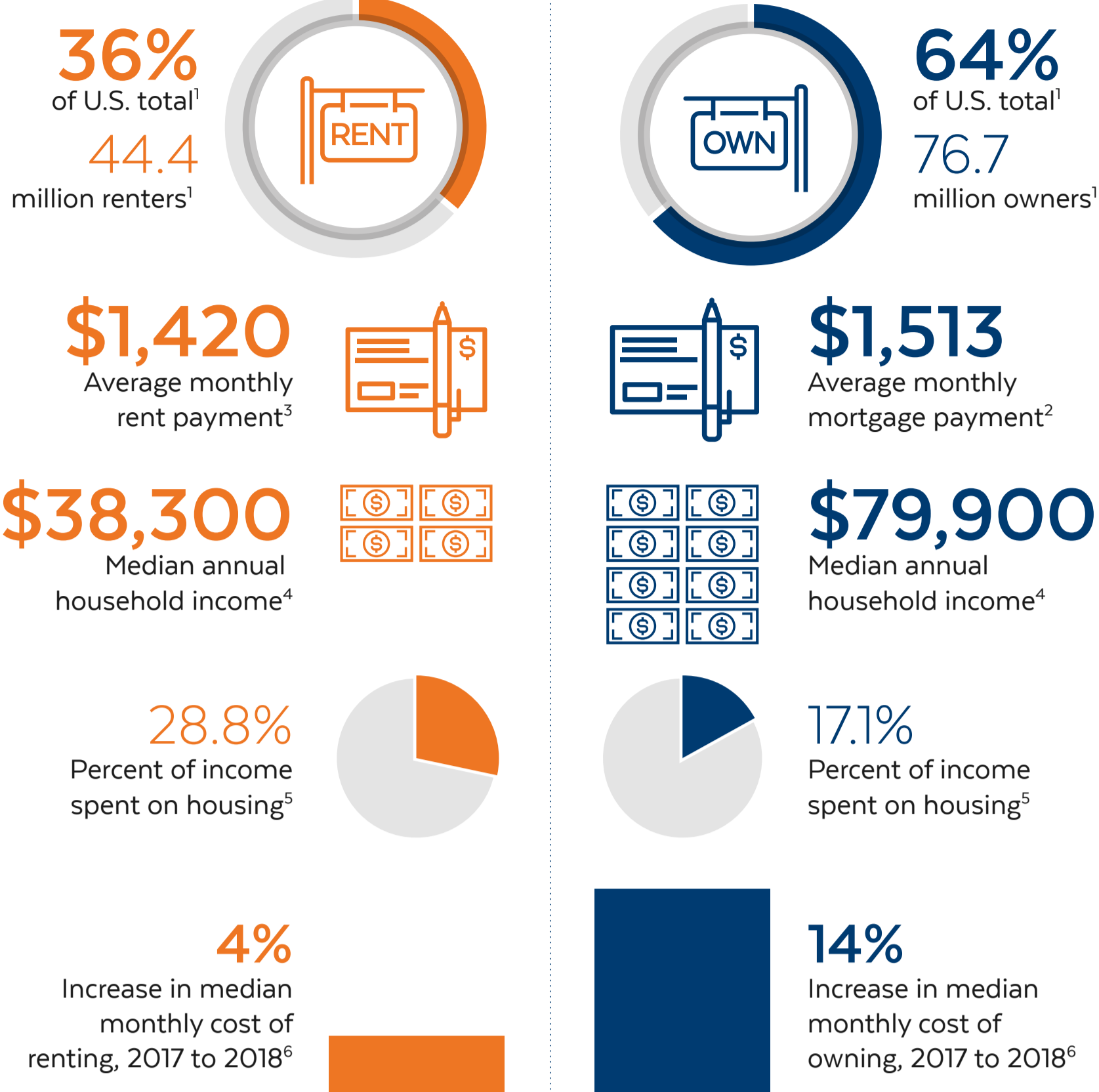




Is It Better to Rent or Buy?

Many factors can influence your decision to rent or to buy a home. Consider this information as you decide which is best for you.

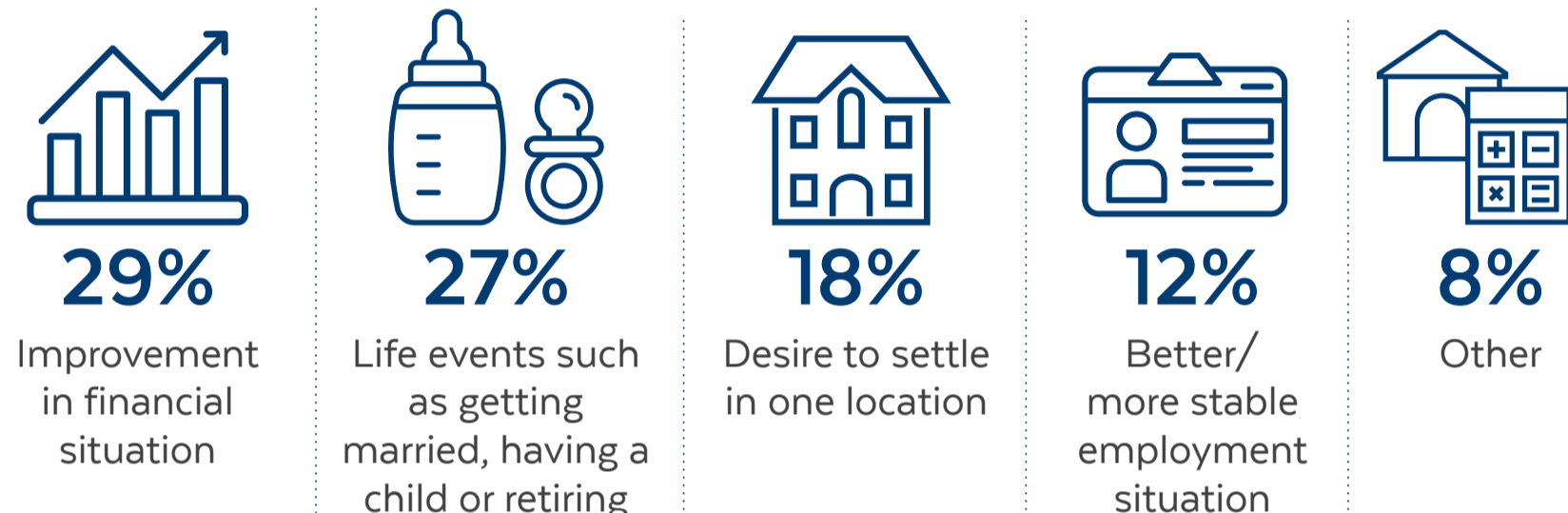
Those Who Rent vs. Those Who Own



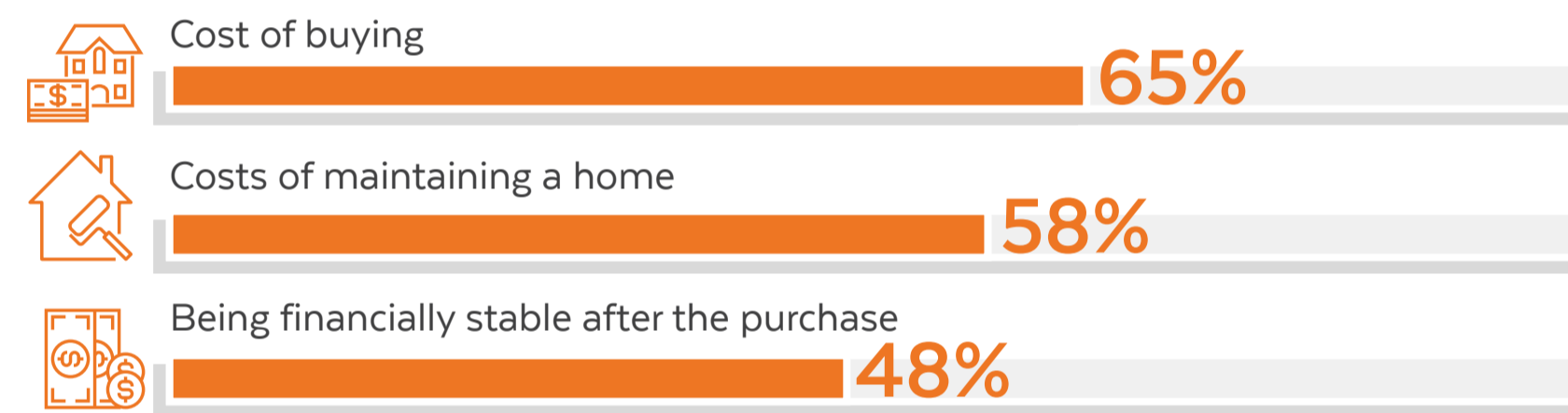
Aspiring to Homeownership

84% of non-owners want to own a home in the future, with **nearly 75%** considering homeownership part of the American dream.⁷

Top reasons a non-owner would buy a home⁷:





The top three concerns renters have about purchasing a home are financial⁸:





Are You Ready to Buy?


When evaluating whether it's the right time to buy or if renting still makes the most sense for you, carefully consider these questions:

 **Are you planning to stay in your home at least 5 years?**
A home purchase doesn't have to be forever, and there will often be factors outside your control that dictate a move. But most experts agree that if you plan to stay in a home less than 5 years, you may be better off renting.⁹

 **Can you boost your credit score before starting the process?**
39% of rejected mortgage applications were due to issues with credit history and score.¹⁰ Improving your score by identifying errors or paying down debt could make you a more attractive candidate to lenders.

 **What down payment can you afford?**
Putting **20% down** on a home can help you lower your payments or avoid private mortgage insurance (PMI), but it is not required. The national median down payment is **13%**. For first-time buyers, the number is **7%**.¹¹ Don't forget to budget for closing costs, which are typically **2-5%** of the purchase price.

 **Do you have an emergency fund to cover unexpected repairs and home maintenance?**
You'll want to budget about **1% of a home's purchase price** each year to cover maintenance costs.¹² So if your home costs \$250,000, you'll want to have \$2,500 set aside every year just for repairs.

 **Do you understand the mortgage application process?**
Finding a mortgage lender you trust can help you feel more confident during the home buying process.

Remember: Owning a home is a big commitment. Use your time as a renter to build up a strong savings foundation and maintain or boost your credit score, so you're in a good position if you decide to take this step.

Ready to discover your buying power?
Getting pre-approved* is one of the first steps to take on your home buying journey. Learn more about how you can get started.



¹ "Quick Facts: Resident Demographics," October 2018, National Multifamily Housing Council

² 2017 American Community Survey, United States Census Bureau

³ "Apartment Market Report," January 2019, RENTCafé

⁴ "Where and Why the Income Gap Among Buyers and Renters is Widening," Jan. 29, 2019, Zillow

⁵ "Buying a Home is Less Affordable Than It's Been in Almost a Decade," Jun. 20, 2018, Zillow

⁶ "Rent vs. Buy: Current U.S. Housing Trends," Aug. 30, 2018, Realtor.com

⁷ "Aspiring Home Buyer Profile," Jan. 14, 2019, National Association of REALTORS®

⁸ "2018 Home Buyer Report," NerdWallet

⁹ "If you're thinking about buying a home, first ask yourself this critical question," April 11, 2019, CNBC

¹⁰ "Home Buyer Reality Report," Feb. 23, 2017, NerdWallet

¹¹ "How much is a down payment on a house?" Nov. 4, 2018, Bankrate

¹² "How Much You Should Budget for Home Maintenance," Jan. 4, 2019, The Balance

*Pre-approval is based on non-verified information and is not a commitment to make you a loan. Loan approval will be subject to, but not limited to, verification of all income, asset and liability information provided by you, satisfactory property appraisal, compliance with loan program guidelines and all required closing conditions such as survey and title examination.