

FINANCING KNOWLEDGE & THE SOURCES OF INFORMATION FOR FIRST-TIME HOMEBUYERS

Insights On First-Time Homebuyers Series 2 of 3



As Millennials and Generation Xers enter the homebuying market they are turning to multiple sources for guidance on buying their first home. Essent recently commissioned a survey conducted by Edelman Intelligence, which garnered responses from over 3,000 first-time homebuyers across the U.S., and uncovered revealing insights on their preferences, knowledge and expectations in regard to the homebuying process. In this facet of the research, Essent uncovered insights about these homebuyer's knowledge about financing their first home and their source of this information.

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.



Try EssentIQ®!

Our award winning interactive tool is designed to help educate millennial and first-time homebuyers about their homebuying options.

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