



Hints For Homebuyers

How To Buy A House When You're Only 23

(NAPSA)—Amy is a typical millennial: She's 23, she graduated from college two years ago, she pays \$321 in student loan debt every month and she rents an apartment in downtown Grand Rapids, Michigan. She's a sales manager for an international food distribution company and volunteers as an English tutor every week. She loves bike riding, playing her guitar, Saturday brunch and beer tastings.

One thing, however, is not typical about Amy: She bought a house and will move in next month.

Why and how did she do that? Saving money was the biggest reason. "My friend Mike just bought a house and his mortgage is \$300 less than his rent! When I heard that, I was definitely interested. Plus, I need a tax deduction," Amy said. She currently pays \$1,440 a month in rent.

She already saved enough for a 5 percent down payment. Amy tapped into a financial calculator found at mgic.com/buynow to figure out if she should buy now or wait to save for a bigger down payment. "My dad really wanted me to save enough to put 20 percent down. But I showed him that it could take me eight years to save that much money! In that time, I could build up \$63,000 in equity or spend \$140,000 in rent payments," Amy explained.

Surprisingly, student loan debt was actually an advantage. Amy has been conscientiously paying her college loan every month since she graduated in 2015. "My loan officer said that because I have been paying consistently, it worked in my favor and boosted my credit score. She also said that I can obviously stay focused and live within a budget," Amy noted.



A low-down-payment mortgage leads to homeownership for a 23-year-old recent college grad.

Credit history started when she was 16. Thanks to her mom's advice, Amy applied for a credit card when she was still in high school, used it and then paid it off every month. Amy's credit score is now a highly respectable 771.

Private mortgage insurance (PMI) was also her friend. Amy explained, "Okay, one of the reasons my dad wanted me to save for a 20 percent down payment was so I would avoid paying private mortgage insurance. Maybe I could have put more down but I didn't want to deplete my savings. What if something breaks in my new house? Or what if I want to buy a new sofa? So PMI helped me buy my house with only 5 percent down."

Learn More

Could you buy a house now or would it be better to wait? Find out! Go to mgic.com/buynow. Plus, you can follow the stories of other first-time homebuyers and learn from their experiences at www.HomeDiggidy.com.