

FACT vs. FICTION

Debunking 6 Common Homebuying Myths

FICTION

FACT

You have to make a 20% down payment.

Today, many different loan programs help people buy a home with a small down payment. FHA loans, for example, require 3.5 percent down.

You need to have a very high credit score to get a mortgage.

Multiple factors determine if you qualify for a mortgage. A higher score means more options, but a lower score won't necessarily disqualify you.

Renting is always cheaper than buying.

Depending on locations, buying can be less expensive. Rising rents and low interest rates may make ownership a good choice.

The loan with the lowest rate is always the best value.

Interest rates are definitely important, but make sure to consider the length of the loan, closing costs, and the service you receive as well.

You don't really need a home inspection.

It can be tempting to waive the inspection to make things move faster. But this is your chance to uncover any problems and save money down the road.

A 30-year loan is always the best option

30-year loans are the most common and may indeed be right for you, but a shorter 15- or 20-year term might be better if you can afford higher monthly payments.