

TIPS FOR SAVING FOR A DOWN PAYMENT

Down payments for first-time homebuyers generally range between 6-7% on average of the home's value, according to the National Association of Realtors. A larger down payment, typically around 20%, can help reduce monthly payments, eliminate the need for private mortgage insurance (PMI) and enable you to build equity faster.

- **Develop a budget and timeline.**
Start by determining how much you'll need for a down payment. Create a budget and calculate how much you can realistically save each month.
- **Establish a separate savings account.**
Set up a separate savings account exclusively for your down payment. Consider an FDIC insured high-yield-only savings account or a money market account. Make your monthly contributions automatic.
- **Shop around to reduce major monthly expenses.** It's a good idea to check rates for car insurance, renter's insurance, health insurance, cable, internet or cell phone plans. Some deals or promotions may allow you to save hundreds of dollars by adjusting your contracts.
- **Monitor your spending.**
With online banking, monitoring your spending is easier than ever. Track where most of your discretionary income is going. Identify areas where you could cut back (e.g. nice meals out, vacations, subscription services, etc.) and put that money into savings.



- **Conduct an online search for state and local home-buying programs.**
Many states, counties and local governments operate programs for first-time homebuyers. Some programs offer housing discounts, while others provide down-pay loans or grants.