

How Much Do Majority of Buyers Put Down?

- The typical down payment by first-time buyers is **3.5 percent**, which is the minimum amount required for FHA loans.
- **73%** put **less than 4 percent down** to get into their first home.

Zero Down	13%	} 73%
0.5 to 3%	12%	
3.5%	48%	
4 to 10%	14%	
11 to 20%	9%	
More than 20%	4%	

Where Do Majority of Buyers Come Up With Their Down Payment?

76% of first-time buyers withdrew from their savings for the down payment. **1 in 4** buyers received help from their family.

Own Savings Account	76%
Gift From Family	25%
401K Loan/Cash Out	4%
Stocks or Other Investments	3%
Down Payment Assistance Program	3%
Grants from City/County/State	3%
Other	6%



Percentages will not equal 100 as many home buyers had more than one source of down payment.

Do Majority of Buyers Have Problems with Financing?

- Approximately **1 in 5** first-time buyers experienced some issues with **financing**.
- **Credit** and **insufficient cash reserves** were the two main issues faced.

Primary Issues Faced

Credit issues (score, etc.)	28%
Insufficient cash reserves	15%
Income issues	13%
Appraisal was too low	10%
Insufficient down payment	8%
Tax returns	7%
Other	19%

Percentages are based on those who experienced issues with financing.

How Do Buyers Solve Their Financing Issues?

- Removed incorrect negative information from credit report
- Lowered debt
- Family provided gift funds for down payment
- Parent's co-signed the loan
- Used different lending program (VA, FHA, USDA, etc.) that required smaller down payment
- Switched to alternative loan products (variable rate loan, etc.)
- Worked with lender to iron out issues
- Provided more documentation to lender
- Switched lenders
- Withdrew money from other investments to pay for closing costs



How Do Buyers Close On Time?

70% of homes closed on time.

Common Reasons for Delayed Closings

- Short sale approval took longer
- Appraisal issues
- Lender took too long / was backlogged
- Loan underwriting took longer than expected
- Additional documentation needed
- Buyer did not provide documents to lender in a timely fashion
- Home repairs needed to be conducted
- Could not close with an active dispute on credit
- Additional requirements by down payment assistance program
- FHA loan requirements took additional time to complete
- HOA application
- Title issues
- Escrow company did not complete all required activities in a timely manner