



# Hints For Home Buyers

## Loan Officer Reveals Secret To A Good Night's Sleep



**John and Jennie with their family in the backyard of their new Delray Beach, Florida home. John is a loan officer who followed his own advice when he purchased their new home with a conventional loan and private mortgage insurance. The low down payment allowed him to keep some cash in reserve.**

(NAPSA)—John and Jennie were renting a small house in Delray Beach, Florida when the perfect house came on the market: only four blocks from their rental home, 3,400 square feet, with five bedrooms and the biggest yard in the neighborhood. An excellent fit for their family of six.

John has been a loan officer for 18 years and currently works for US Mortgage. He often advises his clients to consider a conventional mortgage with private mortgage insurance (PMI)—especially if they have a 5 to 10 percent down payment and good credit score. PMI is the private sector's alternative to the Federal Housing Administration (FHA) mortgage insurance, a government program backed by taxpayers.

"I explain how a conventional mortgage with PMI could be their fastest and least expensive route. Many borrowers often think that FHA is their only option," John said.

### What John And Jennie Did

He followed his own advice and purchased his new home with a 5 percent down payment and a conventional mortgage with PMI. It was the best way to go for his family—but not because they didn't have enough saved up.

### Why They Did It

"Jennie and I could have put the full 20 percent down on this house. But many years ago, when I was new at this job, I helped a car dealer purchase a home. He had \$75,000 in a savings account, but he said we couldn't consider that to qualify him. He explained that was his 'sleep at night' account because he always had six to eight months of expenses in the bank in case he had a bad sales month or two," John said.

In the process of opening his own US Mortgage branch, John wanted to make sure he had plenty of capital reserves. He put less money down and left the rest in the bank in his own "sleep at night" account. John said, "I have a big family and I don't want to worry. I guess you could say that PMI helps me to regularly get a good night's sleep."

### Learn More

Are you ready to purchase a home with a low down payment? Or should you wait to save more? You can find out with the aid of the calculator at [www.mgic.com/buynow](http://www.mgic.com/buynow). Another good resource for home buyers is [www.readynest.com](http://www.readynest.com).