

LOW DOWN PAYMENT
SOLUTIONS

*the founder of the modern private
mortgage insurance industry*

HELPING FAMILIES BUY HOMES SOONER
SINCE 1957

MGIC



THE
FOUNDER

Insights from the NAR Profile of Home Buyers & Sellers

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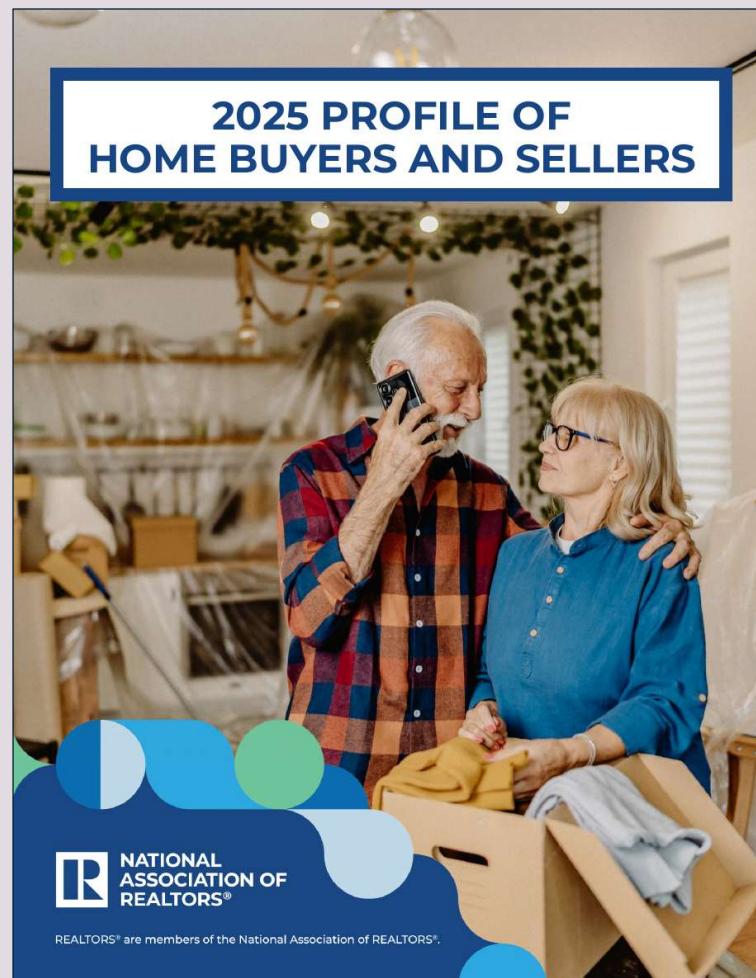
Presented by:

Vance Edwards, CMB
MGIC Marketing – Director

The Profile

- Done every year
- Recent survey sent to 173,250 people who bought or sold a home between July 2024 and June 2025
- Adjusted response rate of 3.5%

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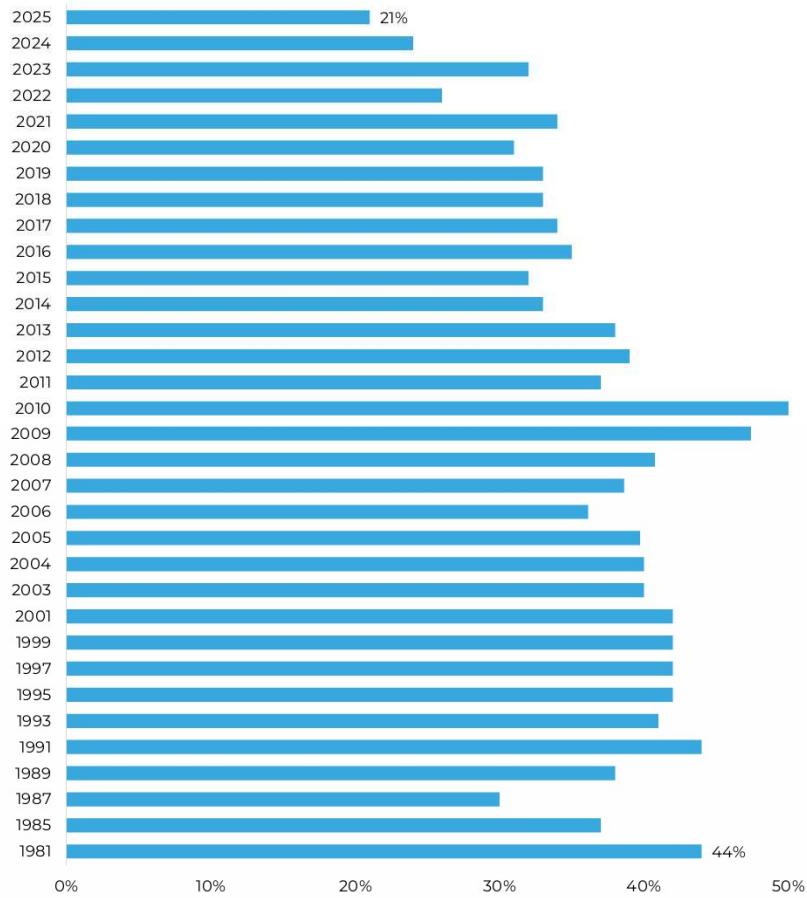
Before we get started...

The information presented in this presentation is for general information only and is based on guidelines and practices generally accepted within the mortgage finance industry and is not intended to be all-inclusive. MGIC makes no representations or warranties of any kind with respect to the accuracy, completeness or suitability for any purpose of the information contained in this presentation. MGIC expressly disclaims any and all warranties, express or implied, including without limitation warranties of merchantability and fitness for a particular purpose regarding these materials and this presentation. In no event will MGIC be liable for any direct, indirect, incidental, punitive or consequential damages of any kind with respect to the presentation or materials provided. All examples are hypothetical and are for illustrative purposes only. This presentation is not intended and should not be interpreted or relied upon as legal advice. We encourage you to seek advice from a qualified professional. Any opinions expressed in this presentation are solely those of the presenter and do not necessarily reflect the views and opinions of MGIC.

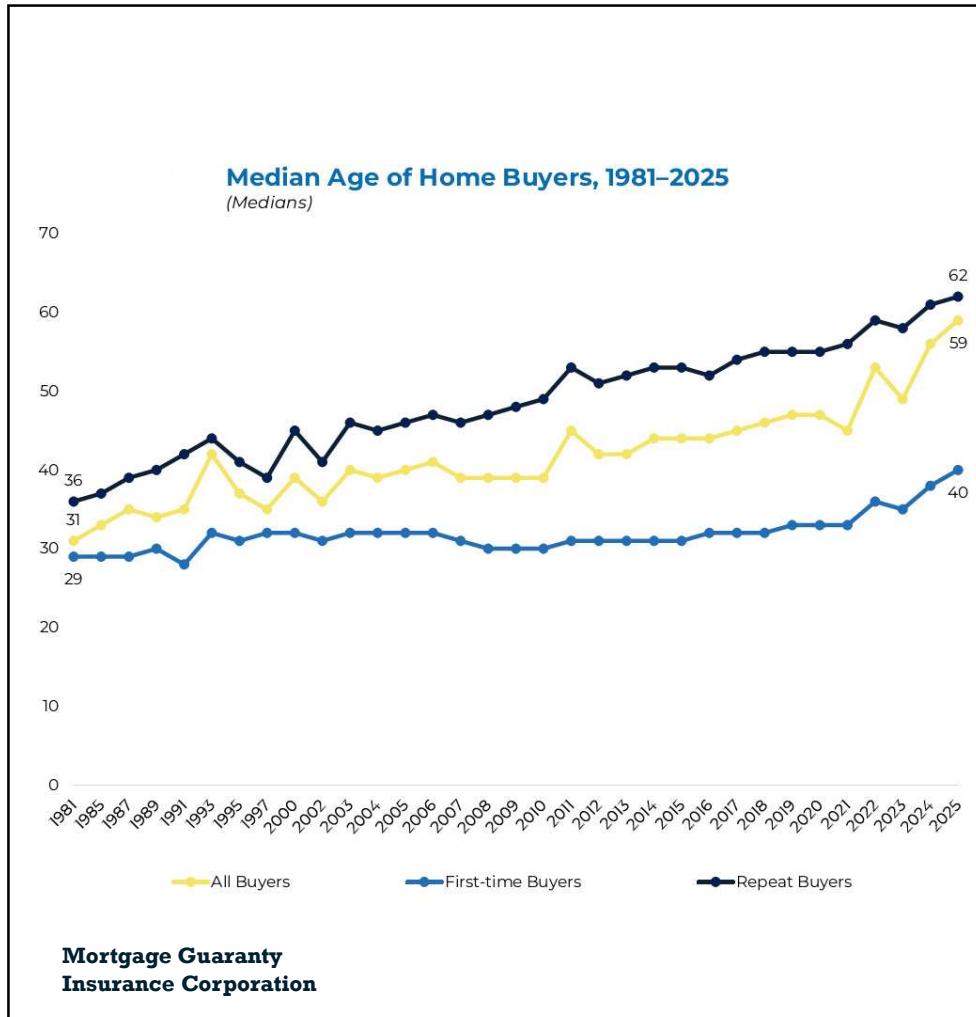
Share of FTHBs is at its lowest since NAR began collecting data

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First-Time Home Buyers, 1981–2025
(Percentage Distribution)



Source: NAR's 2025 Profile of Home Buyers and Sellers

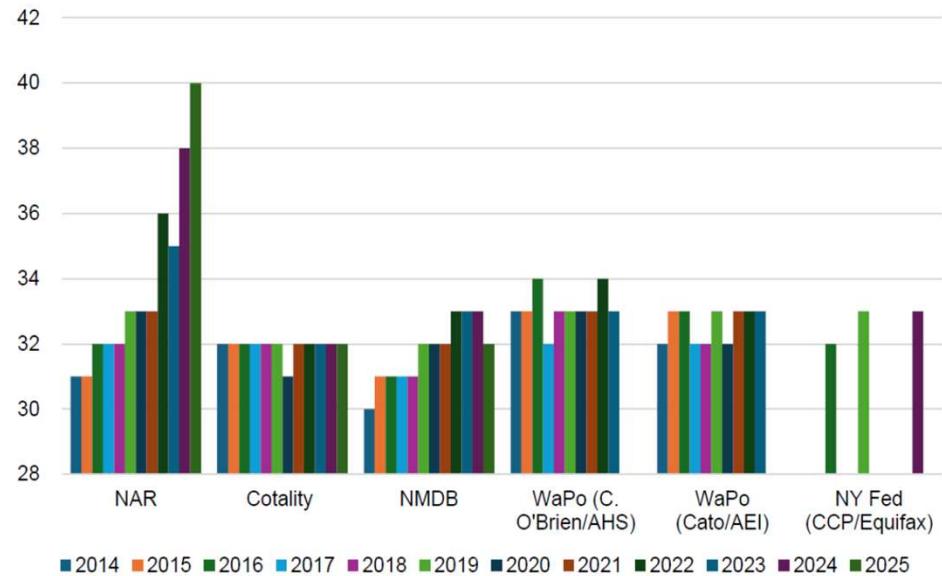


Median age of FTHBs is 40

Or is it?

Source: NAR's 2025 Profile of Home Buyers and Sellers

Chart of the Week - December 5th, 2025
Median First-Time Homebuyer Age



Sources: Cotality, FHFA National Mortgage Database, Federal Reserve Bank of New York, National Association of Realtors, Washington Post

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**7% of FTHBs report
their prior living
arrangement was:**

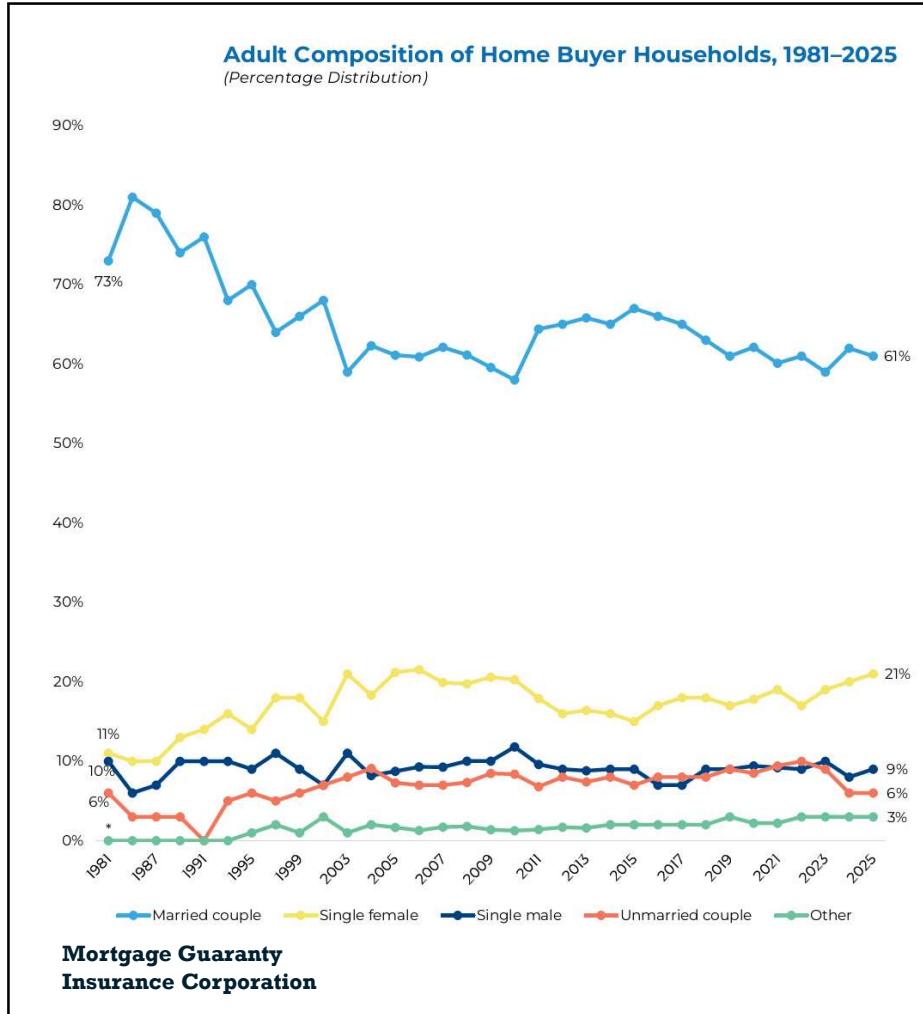
***“Owned previous
residence”***

Source: NAR's 2025 Profile of Home Buyers and Sellers



**In 2025, there
were more
homebuyers 65
or older (35%)
than under the
age of 35 (12%)**

Source: NAR's 2025 Profile of Home Buyers and Sellers



Single woman homebuyer

- 21% of all buyers
- 25% of FTHBs



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Source: NAR's 2025 Profile of Home Buyers and Sellers

Unmarried couples

- 6% of all buyers
- 11% of FTHBs



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Source: NAR's 2025 Profile of Home Buyers and Sellers

48%

of newlyweds requested money to
help with their down payment
instead of wedding gifts

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Source: NerdWallet (April 2025)





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48%

of newlyweds requested money to help with their down payment instead of wedding gifts

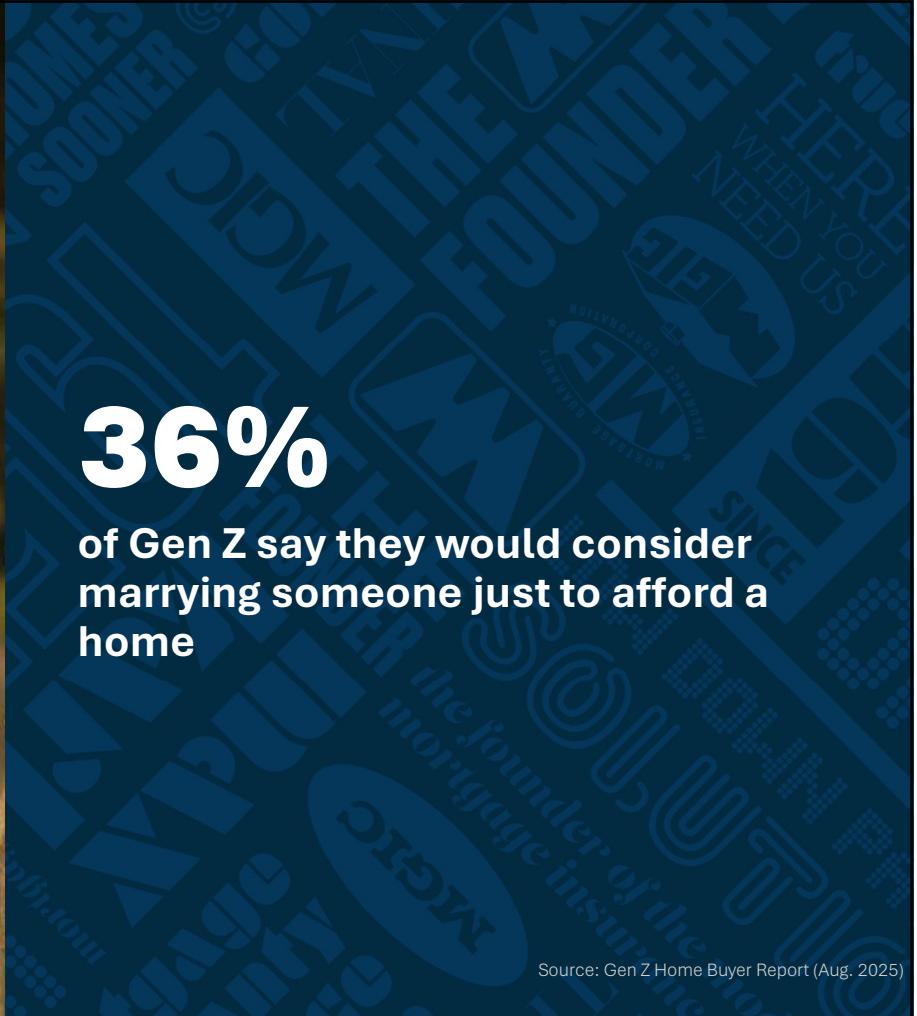
52%

say they had a smaller wedding to afford a bigger home

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Source: NerdWallet (April 2025)





36%

of Gen Z say they would consider
marrying someone just to afford a
home

Source: Gen Z Home Buyer Report (Aug. 2025)

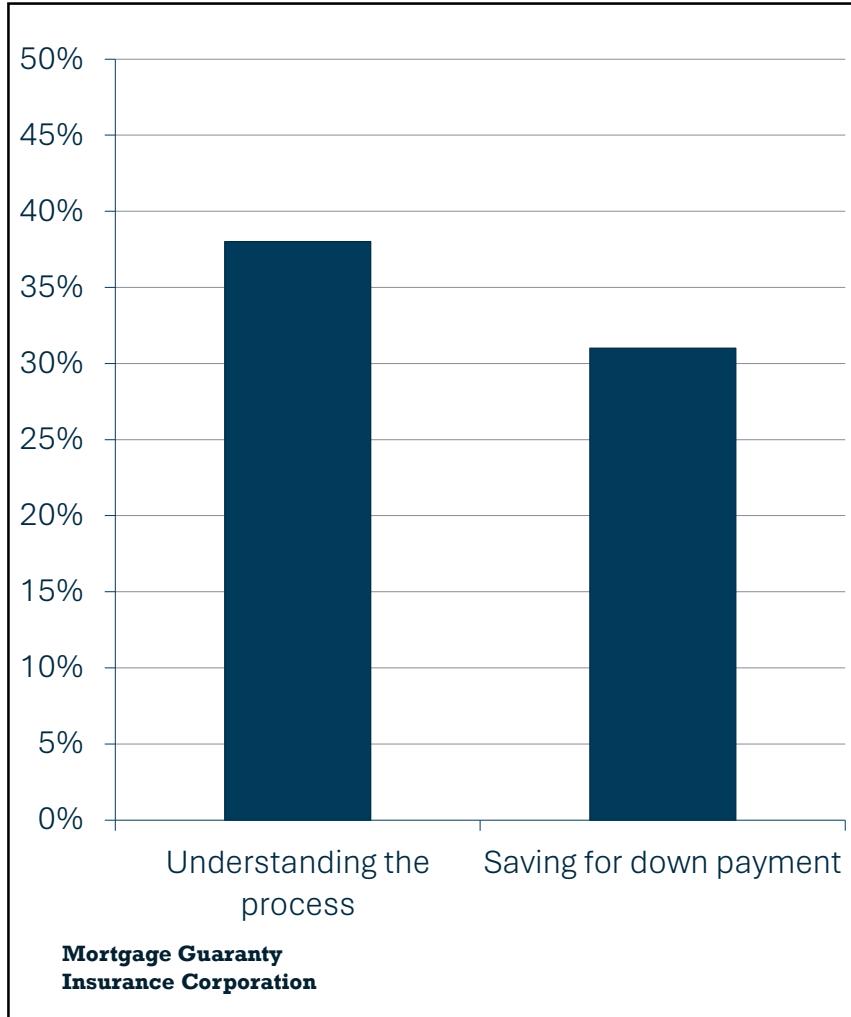
22%
of Gen Z buyers
bought a house with
their siblings

Source: Bank of America Institute's 2025
Homebuyer Insights Report

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Source of down payment

	First-time Buyer	Repeat Buyer
Savings	59%	47%
Proceeds from sale of primary residence	7%	54%

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Source: NAR's 2025 Profile of Home Buyers and Sellers

Source of down payment

	First-time Buyer	Repeat Buyer
Savings	59%	47%
Proceeds from sale of primary residence	7%	54%
Gift from relative or friend	19%	5%

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Source: NAR's 2025 Profile of Home Buyers and Sellers

Source of down payment

	First-time Buyer	Repeat Buyer
Savings	59%	47%
Proceeds from sale of primary residence	7%	54%
Gift from relative or friend	19%	5%
401(k)/pension fund	11%	5%
Individual Retirement Account (IRA)	4%	3%



Source: NAR's 2025 Profile of Home Buyers and Sellers



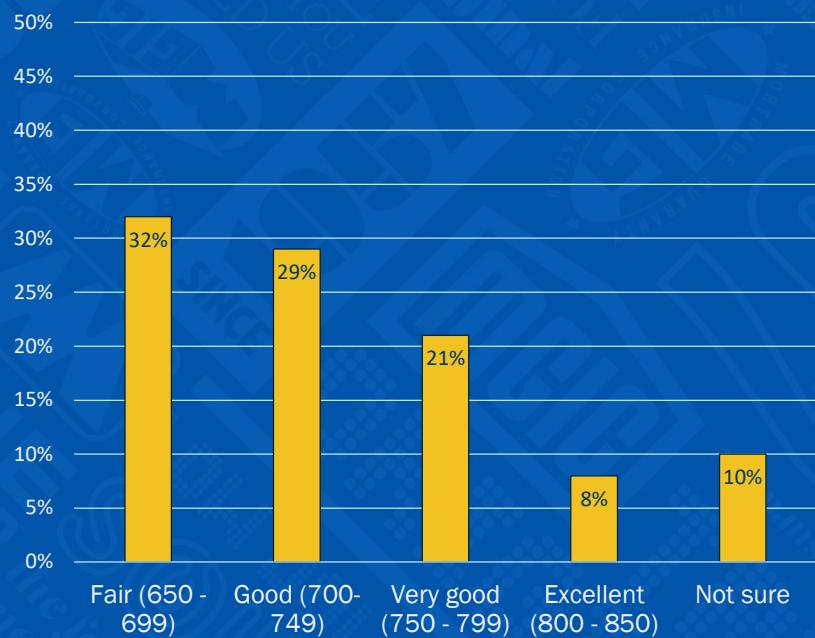
Americans are putting more money than ever into 401(k)s.

They are also pulling more out.

- Record 4.8% of workers took hardship distribution for financial reasons
- Nearly 33% of those who leave jobs liquidate their 401(k)

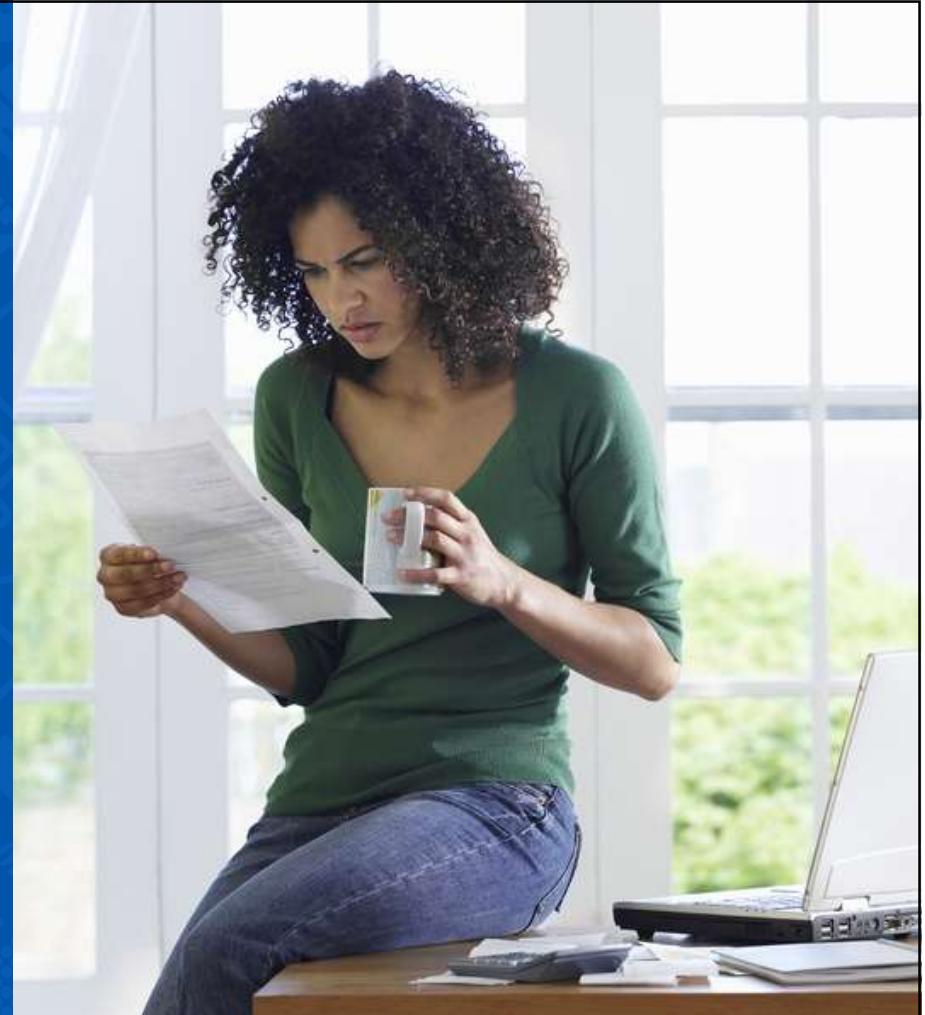
Source: Wall Street Journal (July 2025)

What range of credit score do you think you would need to qualify for a mortgage loan today?



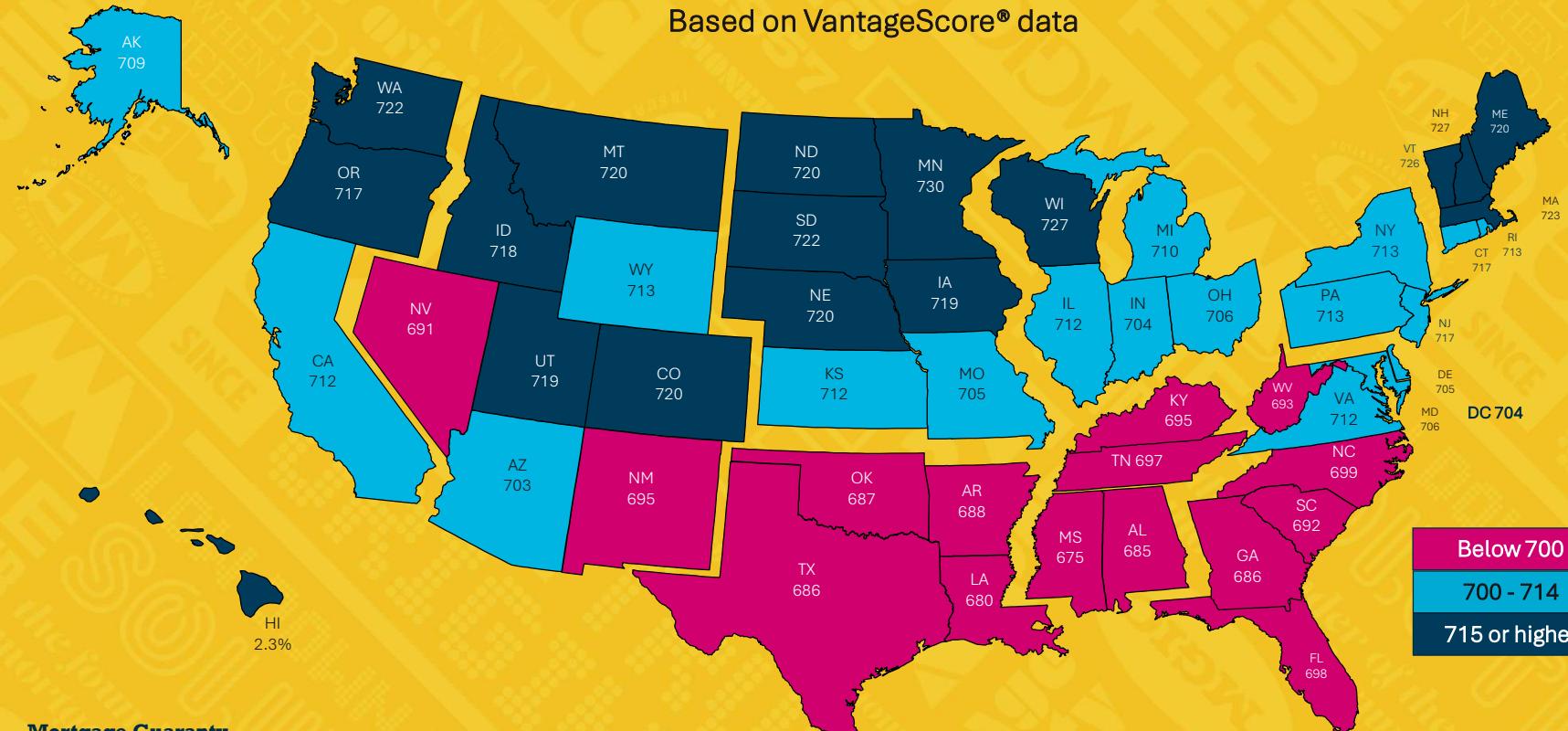
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Source: ICE's 2025 Borrower Survey



Average credit score by state

Based on VantageScore® data



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Source: Equifax (March 2024)



Credit score by age group

Gen Z (18 to 26): 680

Millennials (27 to 42): 690

Gen X (43 to 58): 709

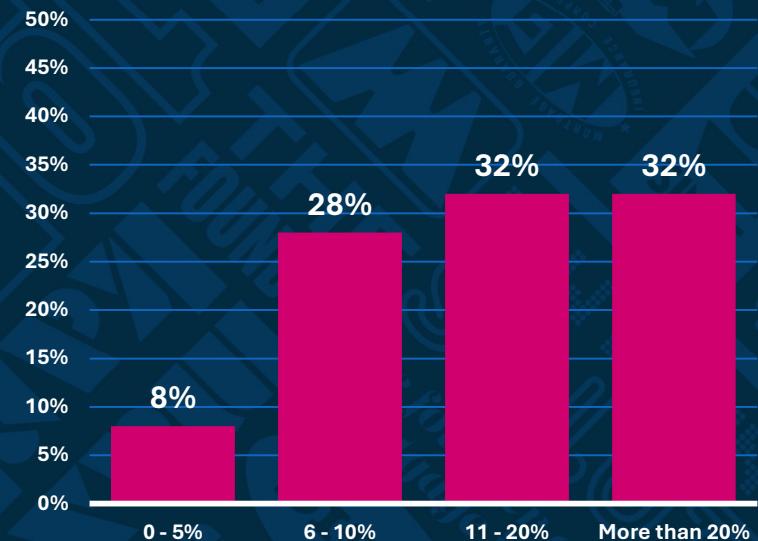
Baby boomers (59 to 77): 745

Silent generation (78+): 761

Source: Experian (2023)

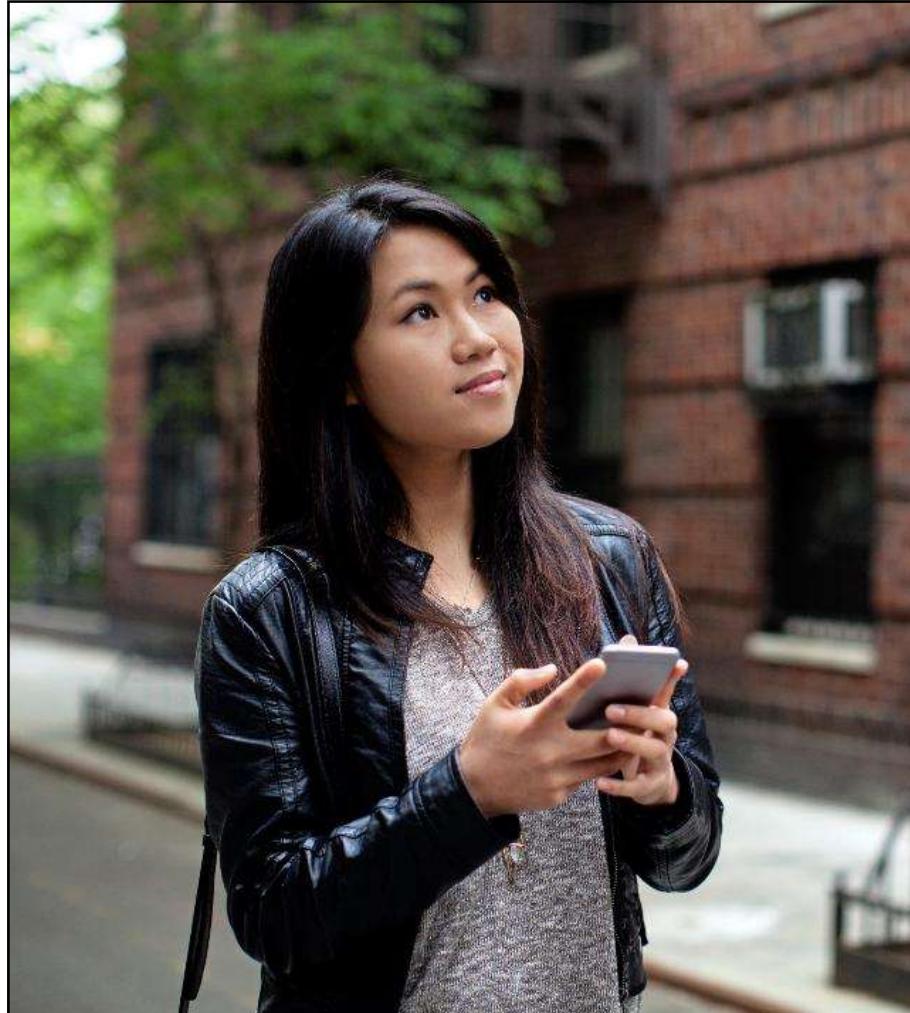


How much do you think you need for a house down payment?

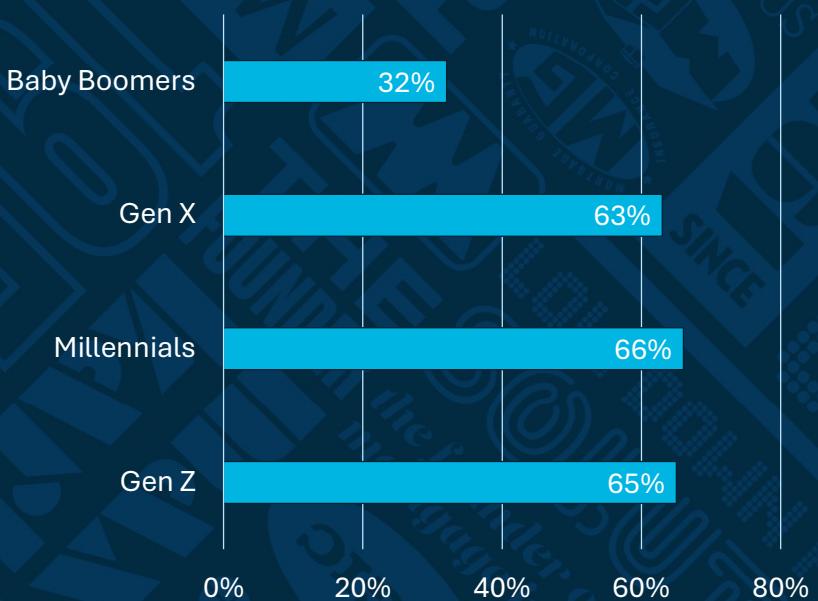


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Source: ICE's 2025 Borrower Insights Survey



**Do you agree with statement:
“A 20% down payment is
required to buy a home.”**



Source: NerdWallet's 2025 Home Buyer Report

**Buy now instead
of waiting**

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How borrowers benefit from private MI

- Increased buying power
- Expanded cash flow options
- Lower monthly payment for higher credit scores
- Less debt and more equity than FHA
- Ability to cancel
- May be tax deductible*

*Starting in tax year 2026; depends on taxable income and filing status; consult a tax professional

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Let's do some math!

Median household income
of FTHB

\$94,400

Home purchase price

\$350,000



Let's do some math!

\$350,000 home purchase

- At a savings rate of 5% for a median income of $\$94,400 = \$4,720/\text{year}$
- 20% down payment = $\$70,000$
- Almost 15 years to reach 20% down payment



Let's do some math!

\$350,000 home purchase

- At a savings rate of 5% for a median income of \$94,400 = \$4,720/year
- 5% down payment = \$17,500
- Less than 4 years to reach 5% down payment

The screenshot shows the homepage of the Readynest website. At the top, there is a navigation bar with links: 'get ready', 'the process', 'at home', 'resources', 'stories', 'the test', and 'search'. A 'en español' button is also present. The central feature is a large, stylized logo for 'Readynest' where the letters are composed of geometric shapes like triangles and circles in blue, orange, and black. The background of the main content area features abstract architectural illustrations of houses and trees. Below the logo, a call-to-action text reads 'Get ready for homeownership with Readynest by MGIC'. A watermark for 'MORTGAGE GUARANTY INSURANCE CORPORATION' is visible across the bottom of the page.

en español

get ready the process at home

resources stories the test

search

Readynest

Get ready for homeownership with Readynest by MGIC

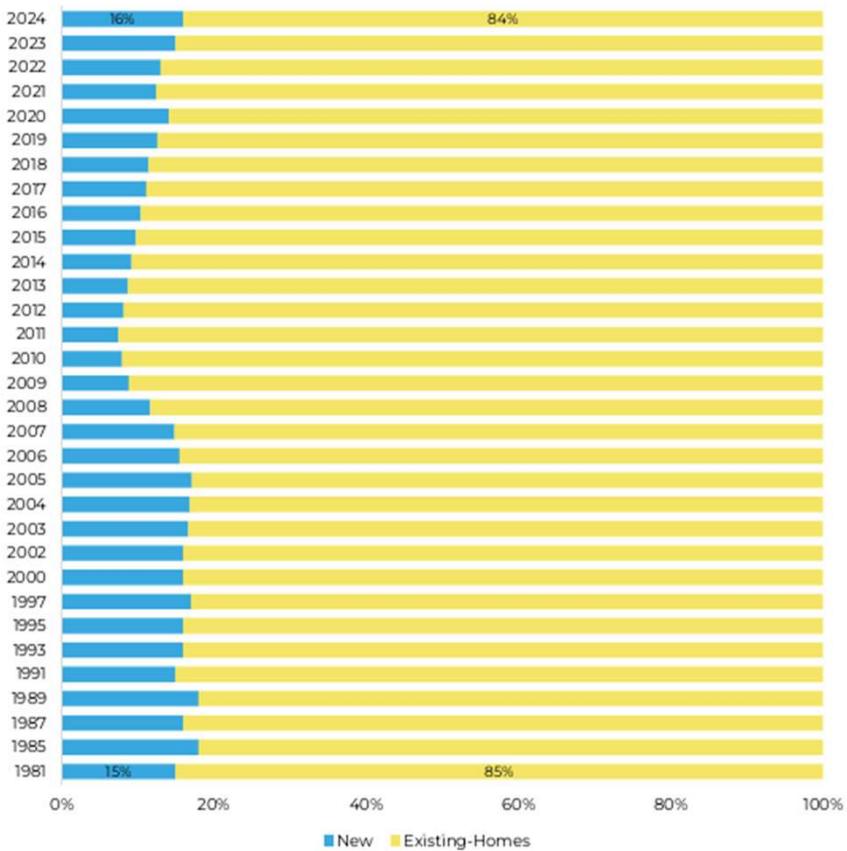
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84%
of homes
purchased were
existing homes

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New and Previously Owned Homes Purchased, 1981–2024

(Source: U.S. Census Data for New Homes, National Association of REALTORS® Existing-Home Sales)



Source: NAR's 2025 Profile of Home Buyers and Sellers

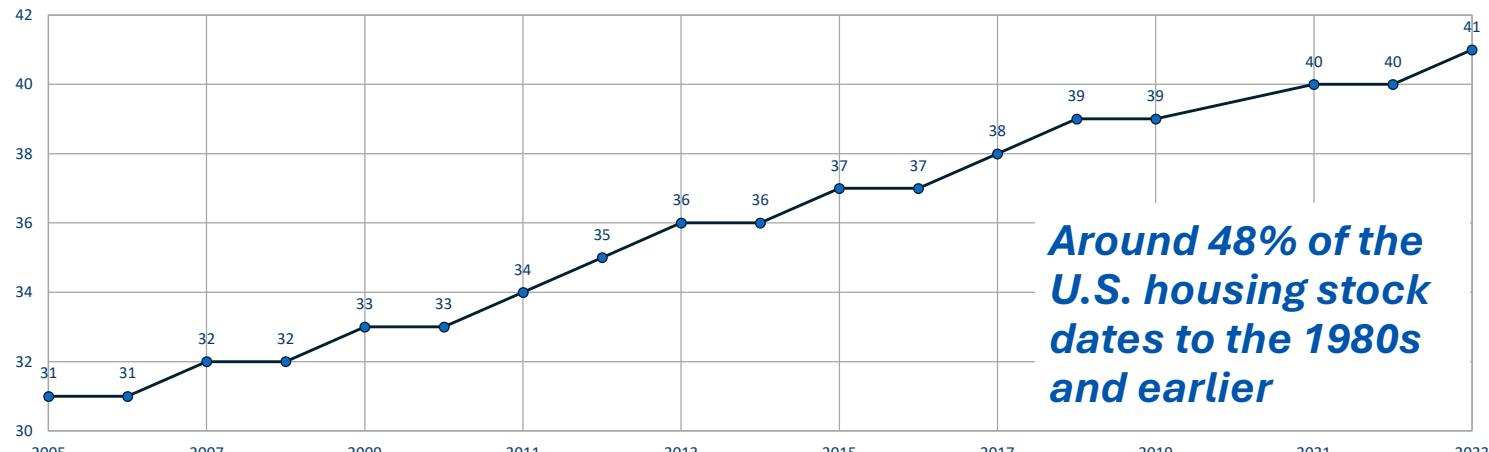


24% of buyers compromised on the condition of the home

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Source: NAR's 2025 Profile of Home Buyers and Sellers

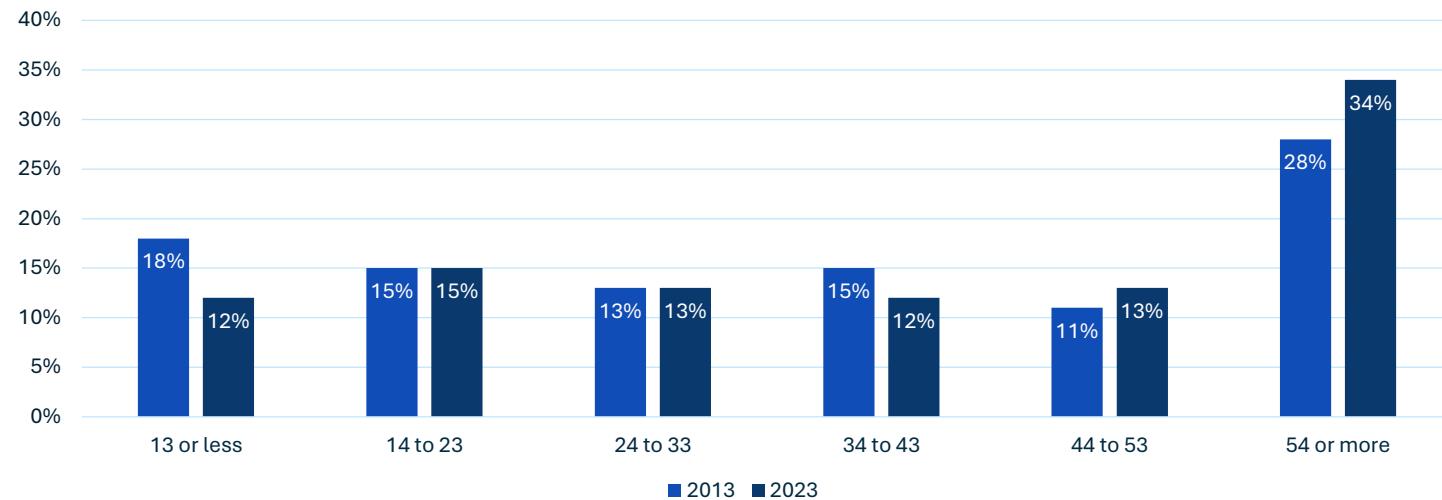
Median age of owner-occupied housing



Source: National Association of Home Builders (April 2025)

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Share of owner-occupied housing by age



Source: National Association of Home Builders (April 2025)

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Using MGIC MI to renovate a fixer-upper into a dream home

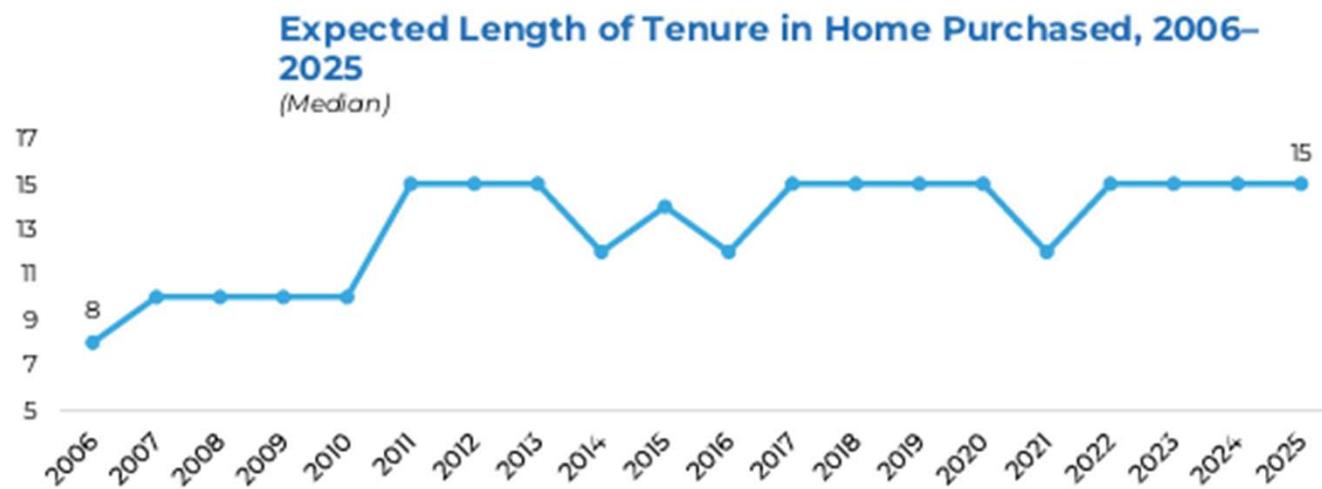
Dream home

Home price	\$375,000
20% down payment	\$75,000
5% down payment	\$18,750
The difference	\$56,250

Example is for illustrative purposes and meant only for mortgage and real estate professionals. Renovation costs are based on national averages.

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How long do they expect to live in the home?

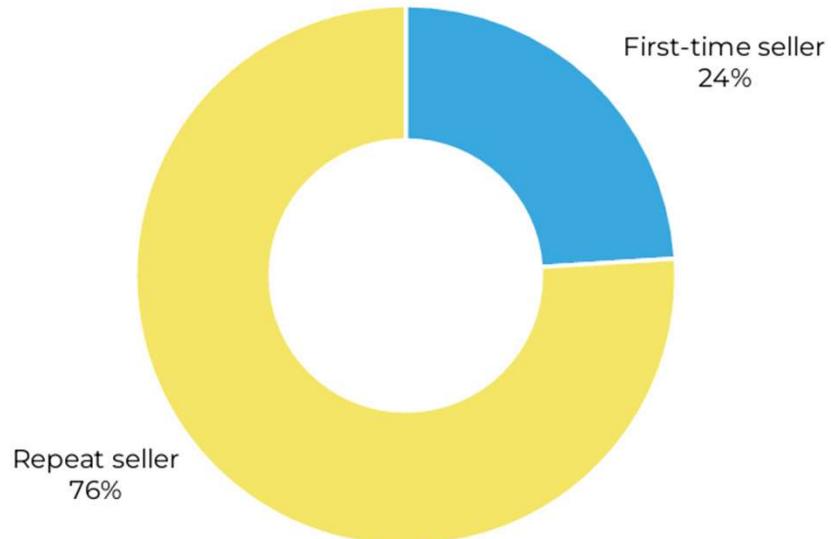


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Source: NAR's 2025 Profile of Home Buyers and Sellers

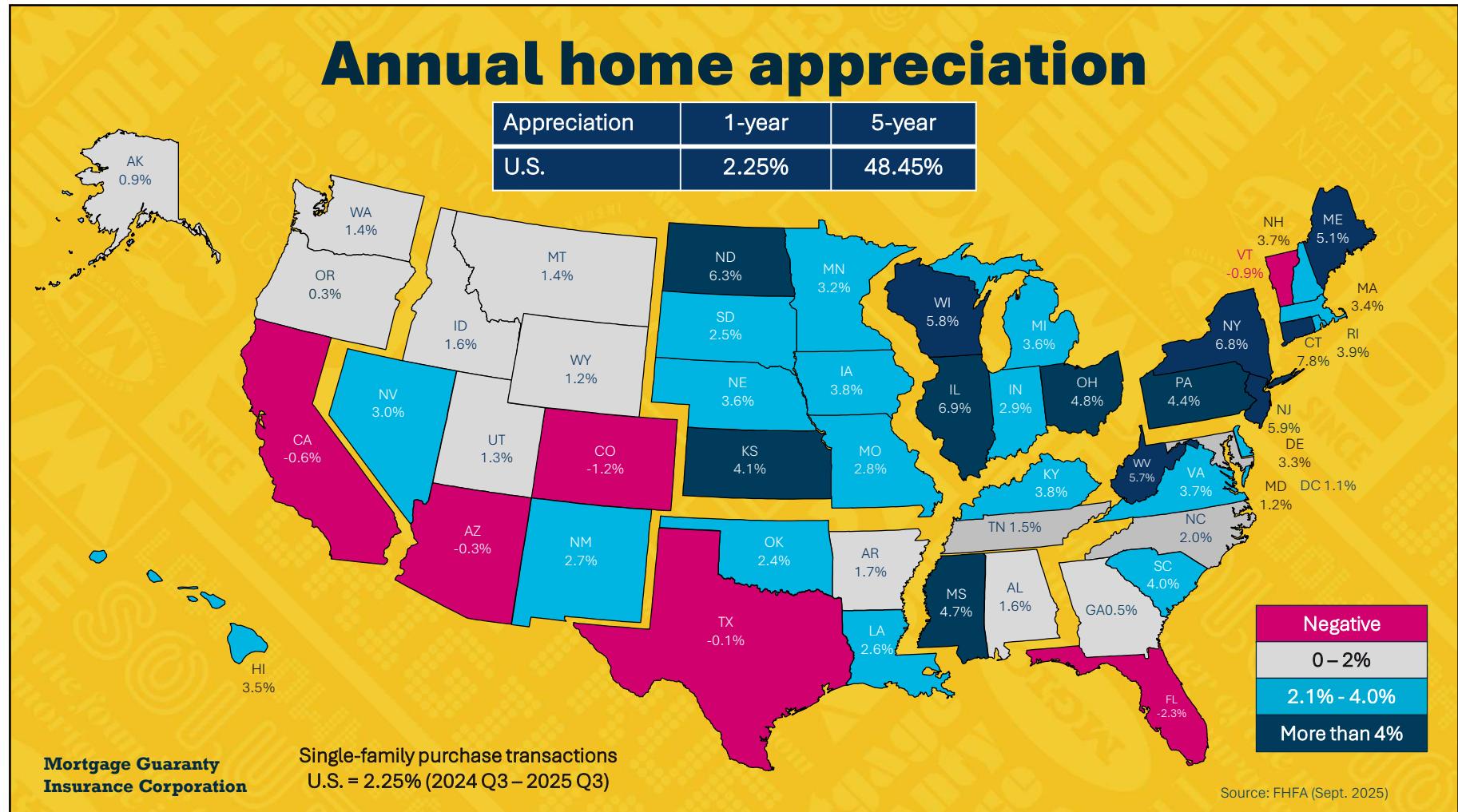
First-Time or Repeat Seller

(Percentage Distribution)



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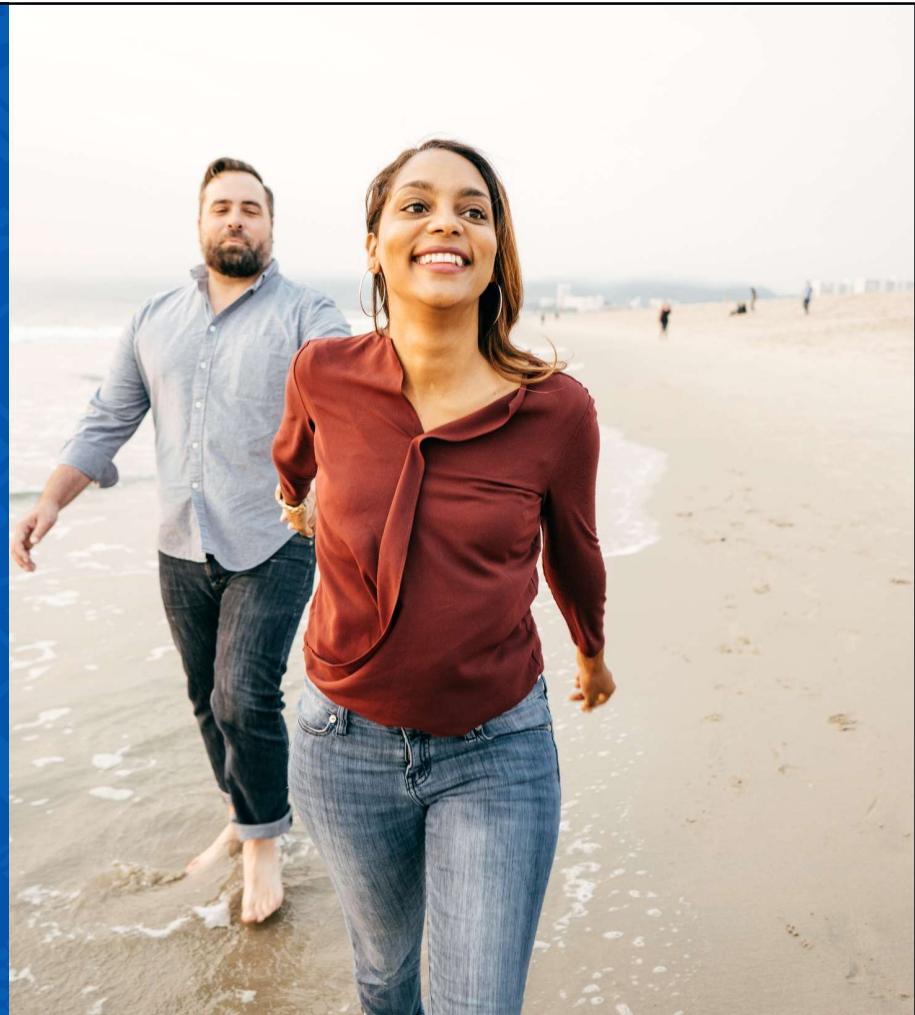
Source: NAR's 2025 Profile of Home Buyers and Sellers



52%
of repeat buyers
plan to put less than
20% down

Source: Clever Millennial's Home Buyer Report (Jan. 2026)

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By putting less money down and keeping more money for savings

	20% down	15% down
Home price	\$420,000	\$420,000
Down payment	\$84,000	\$63,000
Additional money left in savings	n/a	\$21,000
P&I	\$2,069	\$2,198
MGIC Monthly MI	n/a	\$36
Total monthly mortgage payment (P&I + MI)	\$2,069	\$2,234

Points to consider:

- At a difference of \$165 a month, it would take over 10 years to save \$21,000 – the amount they can access right away by making a 15% down payment
- Assuming 2% annual home appreciation rate, monthly MI would be eligible to cancel in just less than 4 years

Example is for illustrative purposes and meant only for mortgage and real estate professionals. It assumes a 6.25% interest rate on 30-year fixed rate loan. MI premium based on rates as of 1/19/26. [Find your right rate, right now at mgic.com/MiQ](#).

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Sacrifices parents are making to pay for college

- 19% of parents took on second job
- 30% borrowed against 401(k) or liquidated funds
- 26% paused investing entirely

62% expect to delay their retirement to pay for their kids' college education

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Source: Citizens Bank (June 2025)

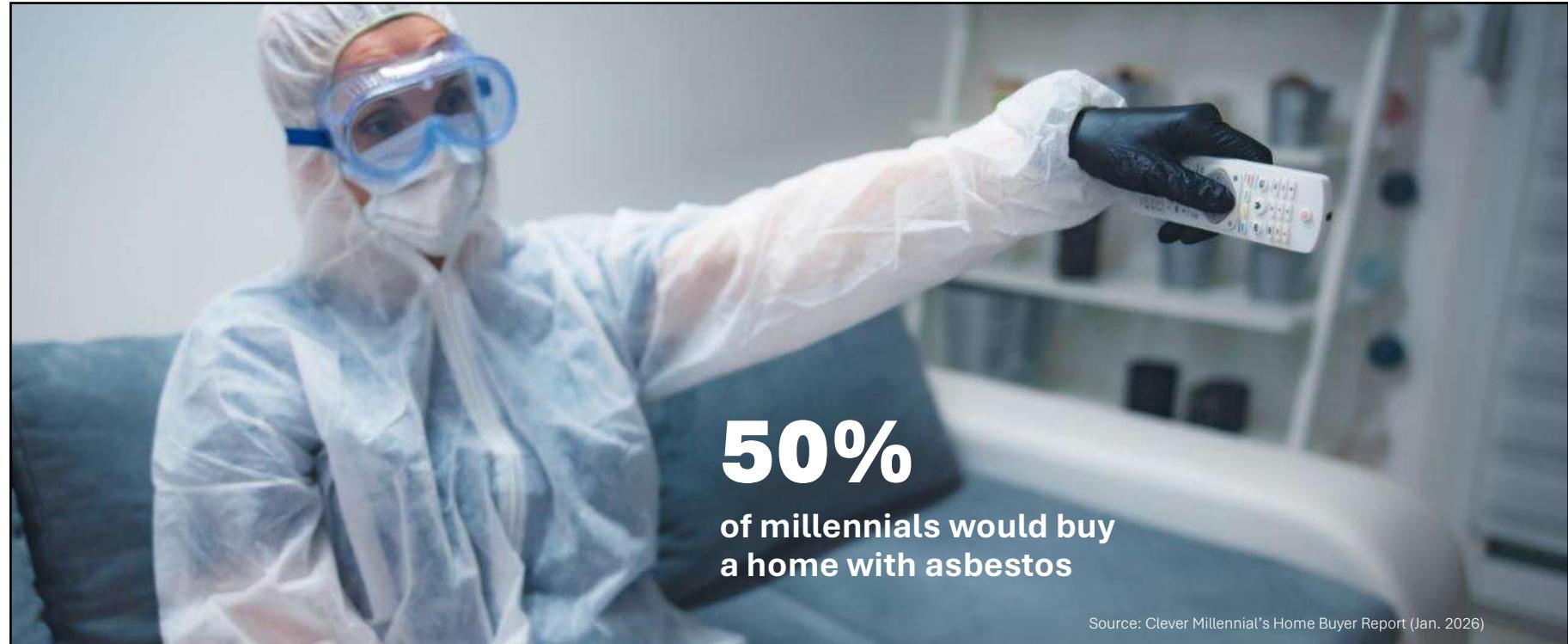




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For 61% of first-time
homebuyers,
the primary reason
they purchased a
home last year was
**the desire to
own a home of
their own.**

Source: NAR's 2025 Profile of Home Buyers and Sellers

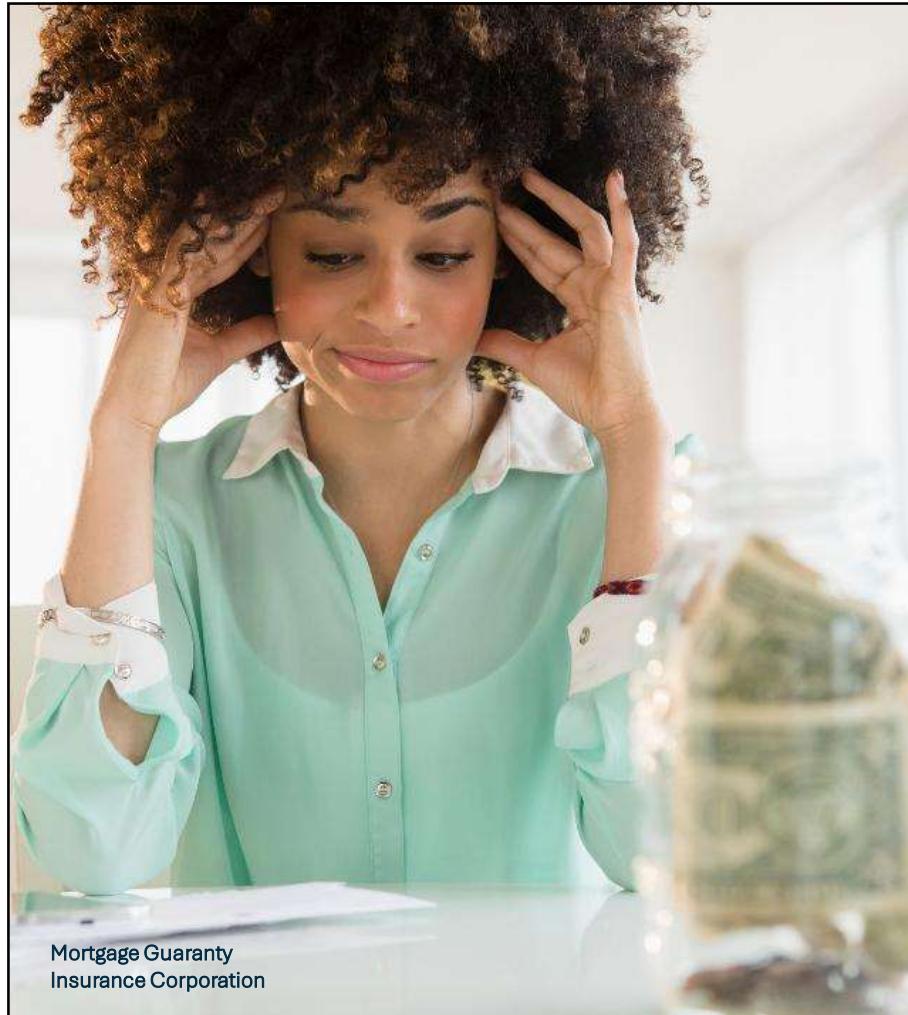




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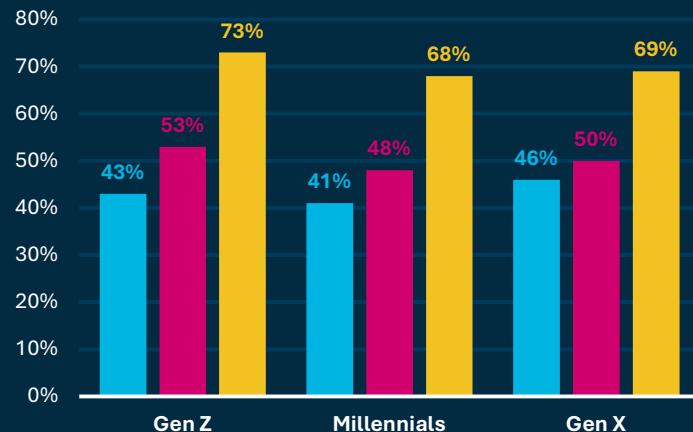
**More than 70%
of renters would
prefer to own a
home**

Source: Federal Reserve Bank of New York (2025)



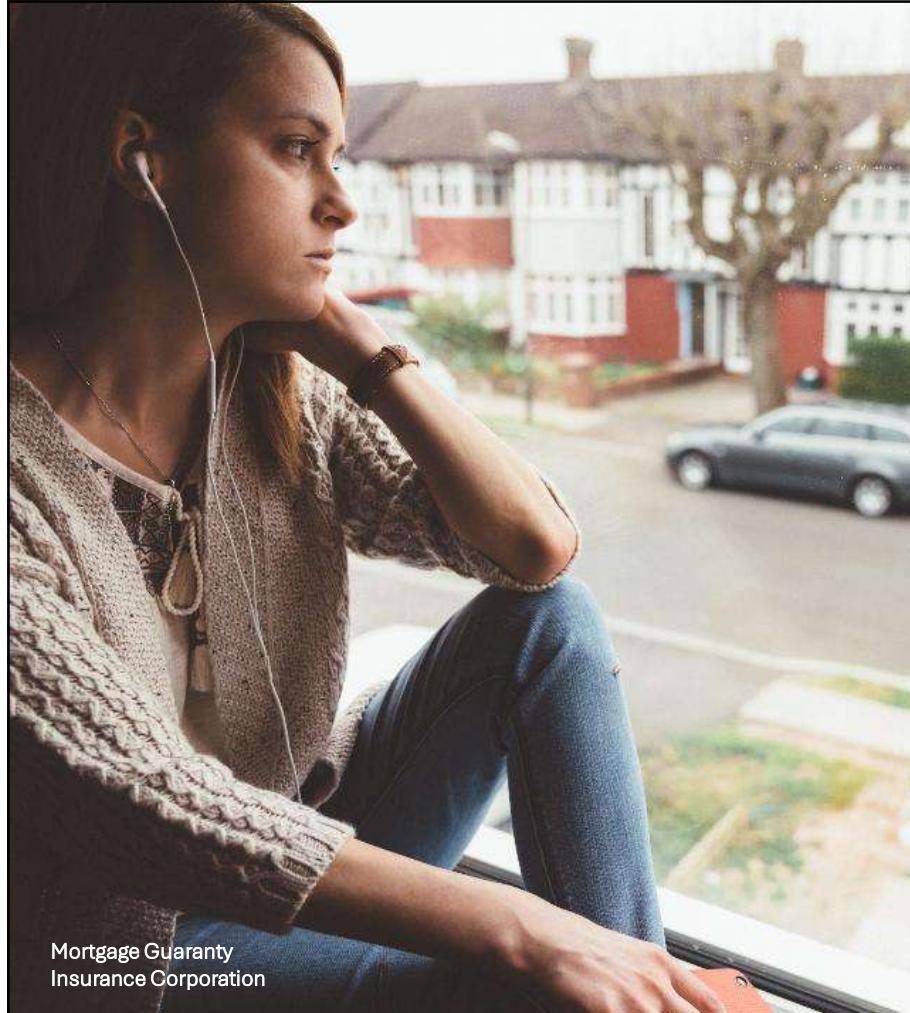
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Main obstacle preventing them from owning?



Can't qualify for mortgage
Can't afford monthly mortgage payment
Can't afford down payment

Source: Motley Fool Money's Millennial Home-Buying and Homeownership Statistics (June 2025)



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52% of renters indicate they would buy a home if they saved enough money

78% of millennials and **60%** of Gen X would consider buying a home if there were programs to address lack of down payment

Source: ICE's 2025 Borrower Insights Survey

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Why it's so important now!

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ORIGINAL

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HERE
WHEN YOU
NEED US



1957
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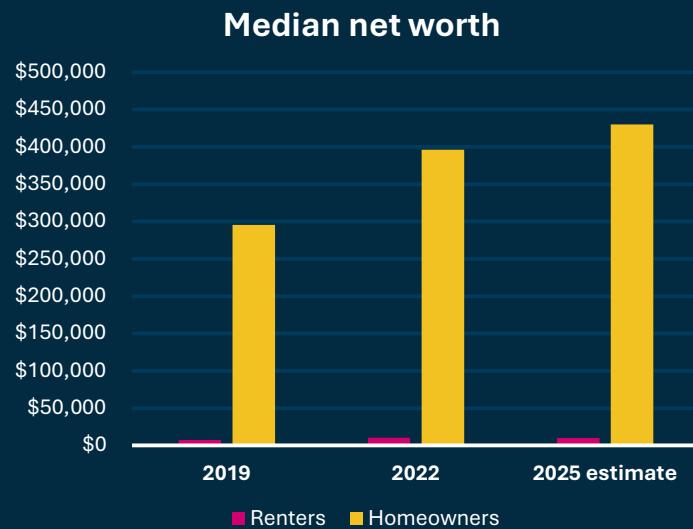
TRUE

mortgage insurance

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The typical homeowner has a median net worth 43x wealthier than the typical renter



Source: Realtor.com (June 2025)



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**There is a \$72,000
difference in median
housing wealth
of those who bought
their first home
between ages 25-34
and those who waited
until they were 35-44**

Source: Urban Institute (Nov. 2018)



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