



Look At The Financial Advantages Of Buying Your Own Home Over Renting

Here's An Example (contact us to discuss your specific situation)

- Suppose you rent an apartment for \$1,000 a month.
- Now imagine you qualified for a \$150,000 mortgage.
- And let's say you've saved enough to make a \$3,600 down payment.
- That would mean you could buy a home for \$153,600.
- The monthly principal, interest and mortgage insurance payment for a \$150,000 30-year fixed rate mortgage with a 6.25% interest rate (7.30% APR) would be: \$1047.22 for the first 10 years.
- Once you have reached a 20% equity stake, mortgage insurance will no longer be needed. There are other financing options to help you avoid mortgage insurance completely. Be sure to discuss those options with your home mortgage consultant.

RENT A HOME AND PAY A LANDLORD FOR 30 YEARS		BUY A HOME WITH A \$150,000 30-YEAR FIXED RATE MORTGAGE AT A 6.25% INTEREST RATE (APR 7.30%) ¹			
Years	Rent Payment ²	Mortgage Payment ¹	Monthly Difference	Total Equity @ 3% market appreciation (inclusive of principal paydown)	Total Equity @ 6% market appreciation (inclusive of principal paydown)
1	\$1,000	\$1,047	-\$47	\$11,724	\$14,574
5	\$1,082	\$1,047	\$35	\$38,059	\$65,546
10	\$1,195	\$1,047 ³	\$148	\$80,070	\$148,718
15	\$1,319	\$924	\$395	\$131,590	\$260,397
20	\$1,457	\$924	\$533	\$195,164	\$410,362
30	\$1,776	\$924	\$852	\$372,828	\$882,200
No Advantage Here...		The Advantages Increase Every Year!			

1. This example assumes a \$3600 down payment on a loan amount of \$150,000 with a 30-year term. The monthly principal, interest and mortgage insurance payment for this example would be \$1047.22 for the first 10 years, \$948.58 for the next 2 years. After that, the monthly principal and interest payment will be \$923.58 for the remaining term of the loan. These results assume total points of 0% plus an estimated \$1700 in additional closing costs and prepaid finance charges.
 2. Assumes a 2% annual rent increase.
 3. This example assumes mortgage insurance will no longer be needed after the twelfth year.

Stay Motivated. Keep Your Eyes On The Prize!

This example does not even factor in the ability for most homeowners to deduct their mortgage interest and property taxes at tax time*. Renters get no such deductions. Still think you are better off renting? Using the example above, over 30 years you would pay more than \$486,800 in rent. In the same 30-year time period, you could pay off your mortgage and own a home valued between \$372,828 and \$882,200.

Contact us for a free, no-obligation consultation!

* See your tax advisor for details.



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