



Harmony Mortgage

The 20% Down Payment Myth: Why Homeownership May Be Closer Than You Think

For many hopeful homebuyers, one belief stops them before they even begin: *“I need 20% down to buy a home.”*

The truth? That’s one of the most common myths in home financing—and it’s keeping people from exploring opportunities that may already be within reach.

Where the 20% Idea Comes From

The 20% benchmark isn’t a requirement—it’s simply a traditional guideline. Putting 20% down can help you avoid private mortgage insurance (PMI), but it’s far from the only path to homeownership.

In reality, many buyers—especially first-time buyers—purchase homes with significantly less down.

Options That Open the Door Sooner

There are a variety of loan programs designed to make buying a home more accessible:

- **Low down payment conventional loans** — Some options allow as little as 3% down.
- **FHA loans** — Backed by the Federal Housing Administration, these loans can require as little as 3.5% down.
- **VA loans** — Available to eligible veterans and service members, often with no down payment required.
- **USDA loans** — Designed for rural and certain suburban areas, also offering no down payment for qualified buyers.

Beyond loan programs, there are also **down payment assistance programs**, grants, and local initiatives that can help bridge the gap—many of which buyers don’t realize they qualify for.

What About PMI?

If you put down less than 20% on a conventional loan, you’ll typically have PMI. While some see this as a drawback, it can actually be a helpful tool—it allows you to buy a home sooner rather than waiting years to save a larger down payment.

Here’s the encouraging part:
PMI isn’t permanent.

Once you’ve built enough equity in your home—usually when you reach 20%—you can request to have PMI removed. In some cases, it may even come off automatically.

That means you can get into your home now, start building equity, and eliminate PMI later.

Why Waiting Could Cost More

While saving for a 20% down payment, home prices and interest rates may continue to rise. Waiting could mean paying more for the same home—or missing out altogether.

For many buyers, getting into a home sooner allows them to:

Start building equity right away

Benefit from potential home value appreciation

Stabilize monthly housing costs

You Don't Have to Navigate This Alone

Every buyer's situation is unique, and the "right" path depends on your goals, finances, and timeline. That's why having a trusted local partner matters.

At our bank, we're here to help you explore your options, understand what you qualify for, and create a plan that works for you—whether that means buying now or preparing for the near future.

Let's Start the Conversation

If you've been waiting to buy because of the 20% myth, it may be time to take another look. You might be closer than you think.

Reach out to our team today—we'd love to help you take the next step toward homeownership.