

How to Discuss Down Payment Assistance

(General Talking Points)

What is a down payment?

- A down payment is calculated as a percentage of your home's purchase price, paid on closing day, when you sign paperwork with your lender. Home buyers can either save money for their down payment, receive a gift from family, or utilize down payment assistance.
- Down Payment Assistance (often shortened to DPA) programs help borrowers through grant opportunities. DPA funds may also come in the form of a zero-interest or low interest loan (called a second mortgage) with options for forgiveness if the borrower makes the required number of consecutive, on-time payments on the first mortgage. What this means is that if all payments are made on time, or if the homeowner stays in the home for a specified period of time, or other agreed upon terms, the loan is not required to be paid back. Another benefit of DPA is the opportunity for a home buyer to lower the amount of the first mortgage, through lowered payments and greater home equity.

Down Payment Calculators

- To get a good sense of how much money you will need for a down payment, you can utilize Down Payment Calculators. There are many that provide a good estimate (your final down payment will be determined by your specific loan product and other considerations) but this is a good tool to begin!

Karls

- Website
- Apple
- Google Play

Recommended Next Steps

- Once you're ready to explore purchasing a home, your first step is to meet a mortgage lender. Many folks start by contacting a Realtor, however, it is important that you understand your purchasing power, and a trusted lender can provide you with the needed information.
- Once you've established a relationship with a mortgage lender, you can ask about information on DPA you may qualify for.
- You will also need to be pre-approved by a lender, before you can make an offer on a home, and knowing what DPA you might have access to is important.

**Although this DPA guide is for the Omaha Metro area, you can still share your basic knowledge with friends/family that live across the United States. Mortgage Lenders and Realtors are limited to only serving clients in the geographical area where they are licensed, and programs / available funds may differ from location to location.*