

Name \_\_\_\_\_

## Cracking the Code of Down Payments: Your Key to Homeownership

### Multiple Choice Questions

1. What is a down payment for a home?
  - a) The first monthly mortgage payment
  - b) A lump sum of money paid upfront when purchasing a home
  - c) A fee paid to the real estate agent
  - d) The cost of home insurance
  
2. Why is a 20% down payment commonly recommended when buying a home?
  - a) To pay for home repairs
  - b) To avoid having to take out a mortgage
  - c) To reduce the amount borrowed through a mortgage
  - d) To cover the closing costs
  
3. What is the benefit of making a 20% down payment when buying a home?
  - a) Higher monthly mortgage payments
  - b) Requirement to pay private mortgage insurance (PMI)
  - c) Lower monthly mortgage payments and better mortgage terms
  - d) No need for a mortgage
  
4. Which government-backed loan program offers down payments as low as 3.5% and is accessible to borrowers with lower credit scores?
  - a) Conventional Loan
  - b) VA Loan
  - c) FHA Loan
  - d) USDA Loan
  
5. What should you consider when saving for a down payment on a home?
  - a) Opening multiple savings accounts
  - b) Cutting back on essential expenses
  - c) Creating a budget and automating savings
  - d) Using the down payment money for other purposes

