

Name _____

Cracking the Code of Down Payments: Your Key to Homeownership

Open-Ended Response Questions

1. How can a 20% down payment influence the terms and conditions of a mortgage, and why is it often recommended for homebuyers?
2. Describe the advantages and disadvantages of government-backed loan programs that offer smaller down payment options. What factors might influence a borrower's choice between a conventional loan and a government-backed program?
3. Discuss the importance of creating a budget and automating savings when saving for a down payment on a home. How can these practices help prospective homebuyers reach their savings goals?
4. Explain the concept of private mortgage insurance (PMI) and why it is required for some borrowers. What strategies can borrowers use to avoid or minimize PMI costs?

