

# REWRITING THE FAIRYTALE

A Guide for Women Home Buyers



**PrimeLending®**







# A **FORCE** TO BE RECKONED WITH

## HOMEOWN-HER: MORE THAN A TREND

In recent years, there has been a skyrocketing increase in solo female homeownership. In fact, numerous research studies have proven that this is one of the fastest-growing demographics in terms of homeownership.

In 2019, the National Association of REALTORS® (NAR) reported that single women were the second-largest segment of the home buyers, standing right at 17%, trailing after only married couples. To put this into perspective, their single male counterparts account for only nine percent of home buyers which translated to women owning nearly 2.4 million more homes than men in 2018. Not only are women purchasing at higher rates, but they are also purchasing more expensive homes – NAR reported the median price of homes purchased by **single women was \$200,450** compared to **\$189,920 for single men**.

## WHAT HAS PROPELLED THE PURCHASING POWER OF WOMEN?

In short, the changing social and economic landscape of America has catapulted women to the forefront of homeownership.

**Dominating the Working World** According to the US Department of Labor, there are more professional women in the workforce than ever before.

**Closing the Economic Gap** The US Department of Labor also reports that women are more financially advanced than previous generations. Not surprisingly, women represent the fastest-growing segment of financial gain.

**Evolving Social Priorities** The disparity between single male and female homeowners suggest that men are waiting to settle down before purchasing, but women are charging full steam ahead.

# WHO ARE THESE WOMEN? ALL WOMEN

## DIVERSE + UNIQUE = FEMALE BUYER

Across the country, all types of women are purchasing homes. This is not a homogenous group, but instead a distinctive collection of women who, regardless of age, race, income, location, marital or maternal status, are coming out in droves to purchase homes.

## SNAPSHOT OF TODAY'S FEMALE BUYER:

33

the median age of single  
female first-time home buyers

59

the median age of single  
female repeat buyers

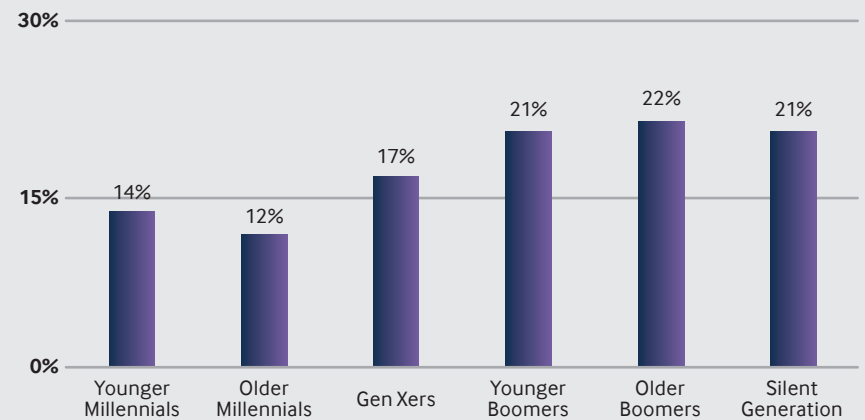
More than  
1<sup>IN</sup>5

buyers over the age of 55  
is a single female

20%

have children under the  
age of 18 in the home

## SINGLE FEMALE BUYERS BY GENERATION



Source: National Association of Realtors Home Buyer Generational Trends



A woman with dark hair tied in a bun, wearing a yellow tank top and grey leggings, is sitting cross-legged on a purple yoga mat in a bright, modern home. She has her eyes closed and a peaceful expression, suggesting she is meditating. The background shows a white sofa, a wooden floor, and large windows with white curtains.

# WHY ARE WOMEN PIVOTING TO HOMEOWNERSHIP?

## THE TIME IS NOW

As we continue to evolve as a society, fewer women are waiting for traditional milestones to pave the way towards ownership. Instead, women are confident they can tackle the responsibilities of ownership by themselves.

## THINKING AHEAD

It is no secret that purchasing a home is one of the best investment opportunities available and an excellent tactic for securing sustainable wealth. By strategically planning and preparing for the future, women are more empowered to take on whatever comes with their next chapters bring.

## AUTONOMY AND STABILITY

Are you tired of lining your landlord's pockets and dealing with the unpredictable nature of renting? Are you desperately seeking more space, privacy and freedom? If so, you're not alone — these are just some of the most common reasons women make the leap from renting into ownership.

## PERSONAL MILESTONE

Putting economic reasons aside, no matter how enticing they are, a major motivation behind owning is the emotional aspect. Purchasing a home is a huge milestone, both financially and emotionally, a surefire way to lay roots down and start an exciting new chapter.



# THE **COST** OF HOMEOWNERSHIP

## BREAKING DOWN THE TRUE COST OF OWNING

The home buying experience is notorious for being a process full of decisions and it can be overwhelming to choose between different lenders, loan products, interest rates and loan terms.

Speaking of ample choices, did you know that even a 30-year fixed-rate mortgage comes with a wide variety of options, each with its own valuable benefits? That's right, even the standard 30-year fixed-rate is not as straightforward as it might seem.

**With over 400 products to choose from,** a home loan expert will help you navigate through these options and select a loan that aligns with your unique financial goals. Before then, here's a rundown of factors to consider:



## RATES

- Universally, the lowest interest rate available for a specific loan type or product will always come with the highest fees
- To lower the rate, you end up paying fees known as points or discount points over the loan's lifespan
- Because of PMI (Private Mortgage Insurance), the lowest interest rate does not mean the lowest monthly payment



## MONTHLY PAYMENTS

- The lowest monthly payment does not mean the lowest interest rate or automatically leads to more savings over time
- If you have less than 20% to put towards a down payment, you'll end up paying PMI
- The average mortgage payment is made up of more than just principal and interest, it also includes property taxes, homeowner's insurance and mortgage insurance



## CLOSING COSTS

- Standard closing costs can be divided into two categories, lender fees and third-party fees
- Lender fees include Origination, Discount Points, Processing, Underwriting and Closing
- Third-party fees include Credit Report, Appraisal, Attorney, Final Inspection, Title Insurance, Deed Recording and Mortgage-Related Taxes to name a few



## TOTAL COST OF OWNERSHIP

- To determine the lowest cost, a variety of factors including interest rate, loan product, loan type and loan term will be evaluated
- To get the lowest total cost, realistically look at how long you'll keep these specific mortgage terms, not how long you'll keep the home



# MAKING OWNERSHIP POSSIBLE: DOWN PAYMENT 101

## DEBUNKING THE 20% MYTH

If you've done even foundational research for a mortgage, you've probably heard about the 20% rule. This number can be intimidating to many prospective homeowners, but thankfully the 20% isn't necessarily accurate. If you're able, you're certainly allowed to put the traditional 20% down, but by no means is that the only road to homeownership.

At PrimeLending, our home loan programs range from zero-percent down to however much you're comfortable putting down. Here are a few detailed examples of some of the most popular loan options available:

PROGRAM	BENEFIT	DOWN PAYMENT REQUIRED
FHA	<ul style="list-style-type: none"> <li>• Low minimum credit score requirement</li> <li>• Low minimum down payment requirement</li> <li>• Insured by the Federal Housing Administration</li> </ul>	As low as 3.5%
VA	<ul style="list-style-type: none"> <li>• Guaranteed by the U.S. Department of Veterans Affairs</li> <li>• Borrowers can finance 100% of their home.</li> </ul>	No down payment or mortgage premiums required
USDA	Home buyers' assistance for those in rural and suburban areas who may have lower incomes.	No down payment and closing costs are rolled into the loan for qualified buyers
HOMEREADY® BY FANNIE MAE	<ul style="list-style-type: none"> <li>• Borrowers can use additional income sources from family members who live in the home, but aren't listed on the loan, in order to qualify.</li> <li>• Can also use funds from gifts.</li> </ul>	As low as 3%
FREDDIE MAC HOME POSSIBLE®	Down payments can be funded via gifts or grants.	As low as 3%



# OWNING ON ONE INCOME

There are many variables at play when it comes to purchasing a home, and your finances are arguably one of the most important. If you're applying to own one income, it's critical to understand what numbers matter most when calculating your mortgage.

## CREDIT SCORE

Simply put, the higher your credit is the better. Ultimately, your credit score plays a major role in determining whether you qualify for a home loan and what your interest rate will be. If you need to build up your credit, start now. Always remember that you can run a free monthly check on your score on sites like *credit.com* or *creditkarma.com*, or talk to your financial institution of choice.

## DEBT-TO-INCOME RATIO (DTI)

DTI is another major factor in qualifying for a home loan. To calculate, add up all your monthly debt payments and then divide them by your gross monthly income. Typically, a percentage below 43% is considered acceptable when qualifying for a mortgage.

### Example

$$\frac{\$2000 \text{ MONTHLY RENT}}{\$6000 \text{ MONTHLY INCOME}} = 33\% \text{ DTI}$$



To learn more about how credit score effects homeownership, visit [blog.primelending.com](https://blog.primelending.com)



# MORTGAGE SOLUTIONS FOR YOU

## WHAT TYPE OF MORTGAGE BEST FITS MY NEEDS?

There are so many important choices during the entire homeownership process, but one of the most critical is determining what type of mortgage most closely aligns with both your short-term and long-term goals.

No matter your objective, PrimeLending is committed to offering loans that deliver a stable, flexible and rewarding experience. Are you ready to find your perfect fit?



## PURCHASE

Leaping into ownership is a huge milestone that is both exciting and overwhelming. Whether you're a first-time home buyer or a seasoned buyer who has purchased before, you can easily relax with PrimeLending at your side to make the process simple and stress-free.



## REFINANCE

If you find yourself needing to refinance your mortgage this loan option is an excellent way to leverage your home's equity. A PrimeLending home loan expert will be able to offer insight, discuss refinance terms and ensure you're confident in your decision before moving forward.



## RENOVATE

Transform that fixer-upper into a customized sanctuary with a renovation loan from America's Renovation Lender! This versatile loan option lets you take on projects of all scales while rolling in the cost of repairs or upgrades into refinancing your current mortgage.



# LOAN OPTIONS NO MATTER YOUR GOALS

## WHAT LOAN OPTION WORKS BEST FOR MY GOALS?

Every buyer's financial situation is as unique as their wish-list for their home. Understanding that each buyer has their own distinctive financial goals, PrimeLending proudly offers numerous home loan programs designed to fit various budgets and situations.

A PrimeLending home loan expert will happily help you narrow down your options from our selection of over **400 loan products**, but here are some of the most popular options.

LOAN	CONVENTIONAL	FHA	FIXED-RATE	ADJUSTABLE RATE	INTEREST ONLY
NUMBERS	Pay as little as 3% to 5% for a down payment.	Pay as little as 3.5% down with a 580 credit score or higher, or 10% down if your credit score is lower than 580.	Your rate will never change. Down payment options as low as 3%.	ARM options from 3, 5, 7 and 10 years. Adjusts annually after term.	Your rate is locked for a fixed period, which you will only pay interest.
OVERVIEW	Straightforward option with fewer docs. Requires credit.	Can purchase with less upfront cash. Must pay mortgage premium on the loan amount.	With your rate locked, you can save money over the loan term. If rates fall, you could refinance.	Save on the front end of the loan. Rates could fluctuate and change your payment during an adjustable period.	Lower monthly payments at the start of loan. Payments increase when starting to pay principal balance.

# A MORTGAGE PROCESS DESIGNED WITH YOU IN MIND

## WHAT DOES A MORTGAGE EXPERIENCE LOOK LIKE AT PRIMELENDING?

Purchasing a home is likely the largest financial transaction you'll ever make, and there are many moving parts for all parties involved.

Recognizing this is potentially an overwhelming undertaking, PrimeLending created Loanplicity® to deliver the ultimate mortgage experience by combining personal guidance and digital speed.

At PrimeLending, we've perfected the home loan process into four simple, transparent steps.

# 1

## APPLICATION PROCESS

Our award-winning digital application process captures all the info we need to get you pre-qualified, make a loan recommendation and give you an estimate.

- Submit key documents
- Credit pulled
- Document verification
- Set a price range
- Compare loan options
- Decide on down payment amount
- Get pre-qualified<sup>1</sup>
- Get your loan estimate
- Intent to proceed

# 2

## CONFIRM PROPERTY INFO

Once you've selected a property, our team will coordinate the professional appraisal and a legal search on the property title.

- Property appraisal
- Property inspection
- Title search

# 3

## PROCESS AND UNDERWRITE LOAN

Our team will review your application and any other documents while working through any last-minute questions before making any final decisions.

- Loan approval
- Lock a rate
- Order title insurance
- Schedule closing

# 4

## PROCESS AND UNDERWRITE LOAN

We'll double-check that everything is in place for a stress-free, on-time closing<sup>2</sup>. Once you get the thumbs up, it's time to sign papers, pay closing costs and start planning the housewarming party!

- Receive closing disclosure
- Closing costs and cash needed to close (if necessary)
- Closing instruction
- Sign final documents



# EMPOWERED WOMEN ARE OUR DNA

Founded by a team of females in 1986, PrimeLending has a rich history of women leading the way. As a team created by women, we understand and appreciate the unique challenges women face, and we're confident that we will help you thrive during both your mortgage and homeownership experiences.



## SNAPSHOT OF WOMEN AT PRIMELENDING:

**64.6%**

of all PrimeLending employees  
are female

**47.1%**

of Producers are Female

**26.8%**

of Branch Managers are Female

**56%**

of the Company's Officers  
are female

**7.98**

Average Tenure of Female  
Employees in Years

# YOUR DREAM, OUR JOB

For over three decades, PrimeLending has maintained its reputation as an industry powerhouse, relentlessly perfected the mortgage process and successfully delivered a best-in-class customer experience to homeowners across the country.

**Are you ready to join the thousands of women who have been guided home with our proven formula for success?**

If you're ready to start exploring your homeownership goals or even further your mortgage knowledge, a PrimeLending home loan expert is ready to be your guide.

If you have any additional questions or want more information, please reach out at any time.



(1) A prequalification is not an approval of credit, and does not signify that underwriting requirements have been met.

(2) On time closing and fast processing is dependent on many factors including receiving timely documentation from the borrower.

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