

## Setting the record straight: Homebuying myths vs. realities

**Myth:** You need a 10% or 20% down payment to buy a home.

**Reality:** MassHousing offers a number of loans with downpayments as low as 3% or 5%. We also offer a loan that allows a downpayment as low as 3% without requiring mortgage insurance.

**Myth:** You need perfect credit to buy a home.

**Reality:** You don't need "perfect credit" but you need good credit. A higher credit score may help you secure a loan with a lower interest rate. If you're concerned about qualifying for a loan, make sure you know your credit score ([www.annualcreditreport.com](http://www.annualcreditreport.com)) try a mortgage eligibility check ([www.masshousing.com/eligibility](http://www.masshousing.com/eligibility)) and talk to a professional ([www.masshousing.com/banks](http://www.masshousing.com/banks)) to help you better understand your options. MassHousing allows non-traditional credit for borrowers with limited or no credit score.

What you need to be sure of is that you can afford the monthly payments as well as the regular and unexpected costs of home ownership, from utilities to repairs to taxes.

**Myth:** Losing your job after buying a home means facing foreclosure.

**Reality:** If you have a mortgage loan through MassHousing and the loan carries MassHousing's mortgage insurance (called MI Plus™), then your principal and interest payments (up to \$2,000/month) will be covered by MassHousing for up to six months if you lose your job during the first ten years of the loan.

**Myth:** Mortgage loans always get sold, and chances are, you will end up making mortgage payments to several lenders over the life of your loan.

**Reality:** If you obtain a MassHousing loan, you will always make your payments to MassHousing, whose employees live and work in Massachusetts. Even if your loan is sold on the secondary market, MassHousing will continue to be your loan servicer—you will continue to receive your statement from and make payments to MassHousing, as well as receive the high-quality, personalized customer service MassHousing is known for.

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