ReadinessIQ
BUYER DECISION GUIDE - CHECKLIST

Should I put 20% down?

Twenty percent down is not a requirement - it's a threshold that removes private mortgage insurance on a conventional loan and strengthens your offer.

YOUR CHECKLIST

- [ ] Run your target purchase price through the affordability calculator at 5%, 10%, and 20% down
- [ ] Confirm your credit score, since it affects PMI pricing at every down payment level
- [ ] Check VA and USDA eligibility before assuming you need a down payment at all
- [ ] Estimate closing costs separately from your down payment - they're not the same expense
- [ ] Decide how much cash reserve you want left in the bank after closing
- [ ] Ask your loan officer to quote standard PMI, LPMI, and single-premium options side by side
- [ ] Compare FHA's permanent MIP against conventional PMI's cancellation timeline for your situation
- [ ] Check state and local down payment assistance eligibility before ruling out a lower down payment
- [ ] Calculate your debt-to-income ratio at each down payment scenario
- [ ] Confirm your original loan amount and home value in writing so you can track LTV over time

WATCH OUT FOR

- Assuming 20% down is required to get a mortgage
- Draining the emergency fund to hit 20%
- Forgetting FHA's mortgage insurance doesn't cancel the same way