


# 101 SERIES DOWN PAYMENT



Buying a home is a huge responsibility, and your largest financial commitment of the home buying process is the down payment. However, many home buyers find themselves mystified about the basics of a down payment. Below, we clear up the mystery!

## What is a Down Payment?

When you purchase a home you will need a mortgage from a lender to buy it. The lender will expect you to place a certain amount of money down toward the home before they will finance the rest. The amount that you put down on the home is called the down payment.

## How Can I Come Up With a Down Payment?

This is where your home purchase should really begin—managing your finances and saving up for a down payment. Because a down payment is generally a larger amount than most people have lying around, you may have to save up for months or even years.

Learn how to save up for a down payment.  
<https://www.nchfa.com/news/top-5-savings-tips-renters>

## Can I Use Cash Gifts as a Down Payment?

Yes, but there are certain restrictions. A cash gift can only be used as a down payment if the gift comes from a relative or live-in partner, and only if the source of the gift can be documented.

## How Much Down Payment Do I Need?

The amount required to secure your mortgage loan is dependent on many things. Although a down payment of 10–20% has become standard, many lenders will accept down payments between 3–10% as well.

Get the inside scoop on how much your down payment should be.

<https://www.nchfa.com/news/how-much-should-your-down-payment-be>

## NEED DOWN PAYMENT HELP?

If you want to buy a home but need help with the down payment, the NC Housing Finance Agency can help. In fact, with the NC Home Advantage Mortgage™ with down payment assistance, buyers can get help of up to 3 percent of the loan amount to go toward the entire down payment on the home or to give the buyer's existing savings a boost!

### LEARN MORE

<https://www.nchfa.com/home-buyers/buy-home/nc-home-advantage-mortgage>



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**THINK AGAIN.**  
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[www.nchomeadvantagemortgage.com](http://www.nchomeadvantagemortgage.com)



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