



The Monthly Payment

Let's Break It Down!

4 Parts To Your Monthly Payment

If you are buying a home, and your **downpayment is less than 20%**, there is a good chance you will have a monthly payment that may include the following:

1. Principal And Interest Payment

This is the part of the payment that pays back the lender for the money you borrowed to purchase your home.

2. Property Taxes

Homeowners pay property taxes to the local county and local governments. When your loan closes, the lender sets up an escrow account and separates this portion of your monthly payment to pay the property taxes for you before they become due.

3. Homeowners Insurance

The homeowner's insurance may protect you and your home from loss of personal property and property structural damages. This portion of your monthly payment will also go into the escrow account that the lender opens to pay your property taxes to also pay the homeowner's insurance before it becomes due.

4. Mortgage Insurance

When you buy a home with less than a 20 percent downpayment, a lender will most likely require mortgage insurance. The purpose of mortgage insurance is to protect the lender against a loan default.

Give me a call. I am here to help you!



Rene Ramos

Sr. Loan Officer

Call/Txt 310-386-1693

Call/Txt 818-941-4198

Rene@Q4HomeLoan.com

NMLS 1004421 & DRE 02133360



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