



Adulting Unlocked: The Gen-Z Homebuying Guide

What nobody told you about buying your first home.

The 20% Down Myth

Ask most Gen Z buyers what it takes to buy a home, and they'll say the same thing: "I need to save 20% first." This belief, often passed down from parents or grandparents, is one of the biggest reasons first-time buyers wait years longer than they need to.

What Loan Officers Actually See:

The reality? You can buy a home with as little as 3–3.5% down. Buyers can even use gift funds or down payment assistance (DPA) towards that.

"Many people hear from your parents that you need 20% down. That statement is false. It can take many years to save up a 20% down payment. A minimum down payment of 3%–3.5% is much more achievable for most people, and that is all you need!"

— **Maddie Poropat, Loan Officer**

Inflation Argument for Buying Sooner: Waiting to hit a 20% savings milestone doesn't just take a long time, it can cost you. Home prices rise with inflation. The house that costs \$250,000 today may cost significantly more in two years.

"I always tell my borrowers to consider inflation in the housing market. If you buy a house now or a year from now, it is going to cost more a year from now and you will have a higher payment."

— **Maddie Poropat, Loan Officer**

Curious to know more about down payment assistance programs and if you qualify?

There's resources for you!
Check out **downpaymentresource.com** for more information.



Building Trust

Gen Z has grown up watching financial institutions make promises they didn't keep. Student loan debt, the 2008 housing crisis, and bank bailouts have created a generation that approaches financial services with skepticism, and rightfully so. So how do you find a mortgage professional you can actually trust?

Transparency From the Start: The best loan officers know that Gen Z buyers don't want to be sold to, they want to be educated. And more borrowers are walking in better informed than ever, thanks to AI and a quick Google search. But online research often only fills in half the picture. Look for a lender who fills in the rest, walking you through actual numbers.



The Knowledge Gap Is Real. And That's Okay.

Most first-time buyers don't know how the mortgage process works. That's not a character flaw; it's just never been taught. A good lender will break the process down step by step, not rush you through it.

Green Flags to Look for In a Lender:

- ✓ They share numbers before asking you to commit to anything
- ✓ They explain each step rather than rushing toward approval
- ✓ They ask about your comfort level, not just your maximum qualification
- ✓ They treat your skepticism as valid, not an obstacle

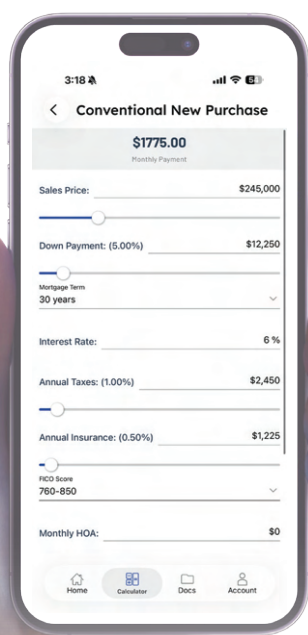
"I relate very well to Gen Z borrowers, as I am one of them myself. I have found that the best approach is to be very analytical and transparent from the start. I walk all of my buyers through payment estimates and closing costs before writing them a pre-approval letter. Being transparent (and breaking down the process) upfront allows me to build trust right away."

— **Maddie Poropat, Loan Officer**

Rethinking the Timeline

One of the most common things loan officers hear from Gen Z buyers is some version of: "I'm not ready yet." But when you dig into what's actually holding people back, it's often a comparison problem, not a financial one.

The Rent vs. Mortgage Reality Check: Before you assume homeownership is out of reach, compare your current rent to what a mortgage payment would actually look like. For many buyers, the numbers are closer than expected, and with assistance programs, buying can sometimes cost less upfront than a security deposit.



"There are two monthly payment numbers: what you qualify for and what you are comfortable with. My goal is always to get them to the number they are comfortable with, not just a maximum qualification number. The best defense against an unknown future is your ability to make a payment."

— **Ben MacLeay, Loan Officer**

Check out the mortgage calculator on our website to get an idea of a monthly payment you're comfortable with.

Calculations are estimates provided to help borrowers decide if buying a property may be viable option. Once an application is submitted to Gershman Mortgage a loan officer and our in-house underwriting team can determine a borrower's exact qualifications.

What "Ready" Actually Means

Readiness for homeownership isn't about a magic savings number or a perfect credit score. It's about understanding your monthly budget and finding a payment you're genuinely comfortable with, not just one you qualify for on paper.

Playing the Long Game

Gen Z thinks differently about money than previous generations. The idea of being locked into a 30-year mortgage feels risky in an era of job-hopping, remote work, and economic uncertainty. But the long game on homeownership is more resilient and more attainable than most people realize.

Your First Home Can Become Your First

Rental: Here's the long-term picture most 24-year-olds aren't shown: the home you buy today may become a rental property in 7–10 years when you're ready to upgrade. That's wealth-building, not because you got lucky on the market, but because you made a manageable, consistent investment. You don't need to predict interest rate movements or time the market just perfectly.



Focus on payment comfort, not market timing



Your first home is a long-term investment, not just a place to live



A manageable payment protects you through downturns; history proves it



Most millionaires got to where they are through rental properties they once lived in

*"What we tend to find in the long run is that the safe decision is also the smartest decision. A first-time buyer who purchases within their means and with a manageable payment tends to own the perfect rental property in 7–10 years. In *The Millionaire Next Door*, the authors show that the average millionaire in this country owns at least one rental property — and they all used to live in those properties at one point."*

— **Ben MacLeay, Loan Officer**

Homebuyer Head Start

Getting a jump on preparation can put you well ahead of homebuyers who wait until the fall rush.

Here are some simple actions you can take now:

- 1.** Call a loan officer to review your finances and get personalized guidance!
- 2.** Set a savings goal and start a budget for your down payment and closing costs.
- 3.** Avoid taking on new debt unless it's cleared with your loan officer.
- 4.** Review your credit with your lender to see if there are ways to improve it. Aim for a credit score of at least 640 before starting your home search. It's the most important first step to set yourself up for success.
- 5.** Check your credit with a soft pull through your lender. This won't affect your credit score and gives a more accurate picture than free credit monitoring and personal finance apps.
- 6.** Keep your funds steady — avoid transferring money between accounts you'll use for your home purchase. Consider opening a dedicated savings account just for this purpose.

Know Your Spending Power.

See what you can afford, see what you can afford. Call a Gershman Mortgage loan officer and take your first step toward homeownership with confidence, clarity, and control. Your FIRST home is closer than you think!



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