**[8 Ways to save for a down payment]**

2 min read

**Headline: 8 ways to save for a down payment**

**Subhead:** Coming up with the funds for a down payment on a new home may seem overwhelming at first, but it is possible by developing a solid plan and sticking with it.

**Intro:** It’s not an insurmountable task to save for the down payment on a new house. With patience, diligence, and discipline, you can come up with the money you’ll need at closing time. Determine how much you need to save, develop a plan, and stick with it. You’ll soon be planning your move-in.

**Do your homework first**

The first step is figuring out how much money you need to save for a down payment. You might want to meet with a mortgage loan officer to look at your finances, determine your price range, and discuss the loans you might qualify for.

Some loans require less than a 20 percent down payment. For example, FHA loans, which are backed by the government, may require as little as a 3.5 percent down payment. A mortgage loan officer can help you navigate these options. Once you have an idea of how much you need for a down payment, you can look at your own budget and craft a savings plan.

**Look for all the places you can save**

Saving for a down payment when you already have a stack of regular monthly bills can seem daunting at first. But take a closer look at your budget. You might be surprised at the places where you can save a little each month.

It could be as simple as cooking at home more often instead of going out to eat. Figure out all the areas where you can save and you might find the money adds up quickly.

**Consider these strategies to save for a down payment**

You probably won’t need to implement all the ideas listed here. Think about your own financial situation and determine which ones might work best for you.

1. **Establish a savings account just for your down payment.**

If you’re paid by direct deposit, most employers will allow you to split your paycheck between two bank accounts. Set up a savings account and have a portion of each paycheck diverted into it. By doing so, you’ll be less tempted to spend that money on other purchases and you’ll consistently save for your down payment.

1. **Explore an extra job.**

Does your schedule afford a few extra hours each week to pick up some cash on the side? If so, think about ways you can earn a little additional money on top of what you’re already saving. Whether it’s freelancing, driving for a ridesharing app, or working at a part-time gig on the weekends, you might be able to boost your savings with an extra job. Be disciplined with the money you earn and make sure you deposit into your savings account.

1. **Let that vacation wait.**

Everyone likes to get away, but vacations cost money. Take a temporary holiday from vacations while you save for your new home. You can still find plenty of fun things to do in your local area or plan a day trip to a destination within driving distance.

1. **Attack your debt.**

Having debt not only affects how much you can save each month, it can also affect the amount of money you can borrow for your home purchase. If you have credit card balances, pay those down as quickly as possible. Explore your options for refinancing student loans at a lower interest rate.

1. **Ask for cash instead of gifts.**

When the next birthday or holiday comes around, don’t be shy if family or friends ask what gift you want. Instead of the latest gadget, ask them for cash for your down payment. The gift-giver will feel satisfaction helping you with such an important purchase, and you will be that much closer to making your new home a reality.

1. **Rent out an extra bedroom.**

If you have a spare room, put it to work for you. Websites like Airbnb let you control when the space is available for rent, so you can set up a schedule that’s convenient for you. It’s not right for everyone, but this is an option to consider if you have extra room that could generate funds for your down payment.

1. **Keep an eye on the job market.**

Finding a job that pays you more can accelerate the pace of your savings. Compare what you earn in your current job with similar positions in your region. Ask for a raise from your employer if you feel you deserve it, or consider opportunities with other companies. Many factors affect a job change, so consider this option carefully. It doesn’t hurt to see what other roles might be a good fit for you and your budget.

1. **Temporarily stop or reduce retirement savings.**

If you’re saving a healthy amount toward retirement already, you might consider this option to quickly boost your down payment fund. This approach generally makes more sense the younger you are; if you’re nearing retirement age, it’s probably not the best strategy.

If you decide to slow down or stop your retirement savings, establish a specific amount you want to save using this method, as well as a firm date for resuming your retirement contributions.

Consistency is the key to saving the money you need for a down payment. By following these tips, you’ll quickly develop habits that will help you put money aside on a regular basis. The payoff will come soon enough — when you move into your new home!

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**Ready to buy a home?**

Contact your mortgage loan officer to learn more about getting a mortgage.

**[Let’s get started]** button

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