

## FINANCING THE HOME PURCHASE

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# FINANCING THE HOME PURCHASE

Exhibit 5-1

## BUYERS WHO FINANCED THEIR HOME PURCHASE, BY AGE

(Percent of Respondents)

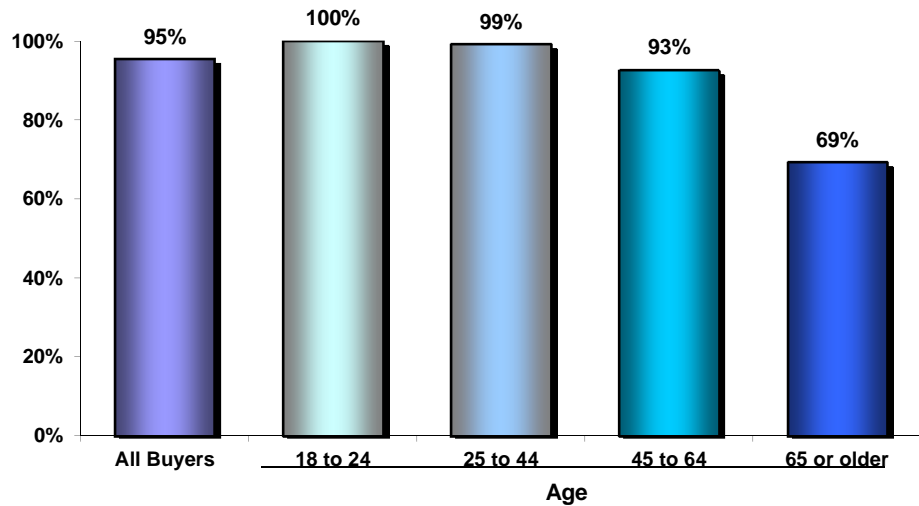
### New Hampshire

All Buyers	95%
18 to 24	100%
25 to 44	99%
45 to 64	93%
65 or older	69%

### BUYERS WHO FINANCED THEIR HOME PURCHASE, BY AGE

(Percent of Respondents)

#### New Hampshire



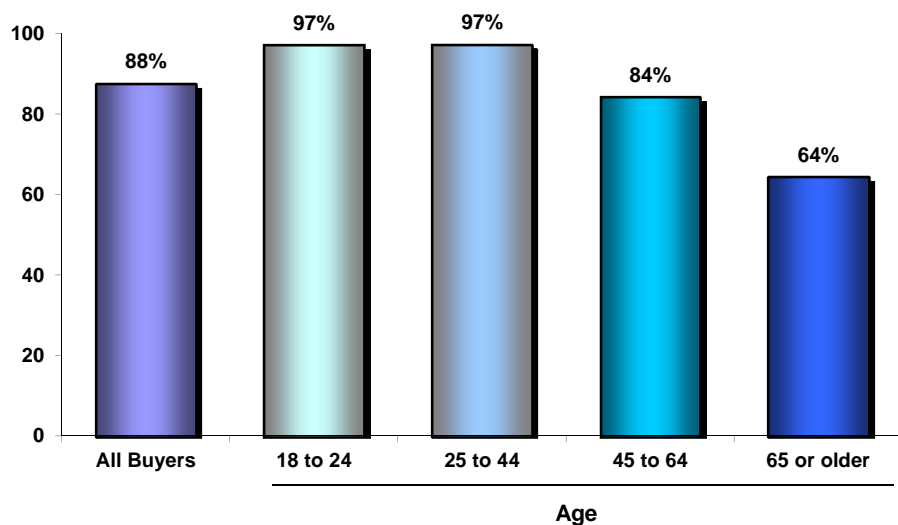
### U.S.

All Buyers	88%
18 to 24	97%
25 to 44	97%
45 to 64	84%
65 or older	64%

### BUYERS WHO FINANCED THEIR HOME PURCHASE, BY AGE

(Percent of Respondents)

#### U.S.



## FINANCING THE HOME PURCHASE

Exhibit 5-2

### BUYERS WHO FINANCED THEIR HOME PURCHASE, BY ADULT COMPOSITION OF HOUSEHOLD (Percent of Respondents)

#### New Hampshire

	ADULT COMPOSITION OF HOUSEHOLD					
	All buyers	Married couple	Single female	Single male	Unmarried couple	Other
All Buyers	95%	94%	100%	94%	100%	100%
First-time Buyers	100	100	100	100	100	100
Repeat Buyers	93	92	100	91	100	100

#### U.S.

	ADULT COMPOSITION OF HOUSEHOLD					
	All buyers	Married couple	Single female	Single male	Unmarried couple	Other
All Buyers	88%	88%	82%	85%	96%	83%
First-time Buyers	95	96	95	92	97	90
Repeat Buyers	84	86	76	81	93	76

## FINANCING THE HOME PURCHASE

Exhibit 5-3

### PERCENT OF HOME FINANCED BY FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

#### New Hampshire

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Less than 50%	9%	5%	12%	16%	8%
50% to 59%	4	*	6	4	4
60% to 69%	5	1	8	4	6
70% to 79%	7	2	10	24	5
80% to 89%	20	17	21	20	19
90% to 94%	14	21	10	16	14
95% to 99%	26	35	20	12	28
100% – Financed the entire purchase price with a mortgage	14	18	12	4	16
<b>Median percent financed</b>	<b>92%</b>	<b>95%</b>	<b>86%</b>	<b>81%</b>	<b>93%</b>

\* Less than 1 percent

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Less than 50%	9%	5%	10%	11%	8%
50% to 59%	3	1	4	4	3
60% to 69%	5	3	6	3	5
70% to 79%	12	9	13	12	12
80% to 89%	23	19	26	23	23
90% to 94%	15	15	14	15	15
95% to 99%	21	31	15	18	21
100% – Financed the entire purchase price with a mortgage	14	17	12	15	14
<b>Median percent financed</b>	<b>90%</b>	<b>94%</b>	<b>87%</b>	<b>89%</b>	<b>90%</b>

## FINANCING THE HOME PURCHASE

Exhibit 5-5

### SOURCES OF DOWNPAYMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents Among those who Made a Downpayment)

#### New Hampshire

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Savings	70%	71%	42%	73%	78%	*
Proceeds from sale of primary residence	34	37	50	27	17	*
Gift from relative or friend	16	16	8	7	30	*
Sale of stocks or bonds	8	7	8	13	9	*
401k/pension fund including a loan	11	12	*	7	17	*
Loan from relative or friend	3	2	8	*	9	*
Equity from primary residence buyer continue to own	1	2	*	*	*	*
Inheritance	4	3	8	7	*	100
Individual Retirement Account (IRA)	2	3	*	*	*	*
Loan or financial assistance from source other than employer	*	*	*	*	*	*
Proceeds from sale of real estate other than primary residence	2	2	*	7	*	*
Loan from financial institution other than a mortgage	1	1	*	*	*	*
Loan or financial assistance through employer	*	*	*	*	*	*
Other	5	6	*	*	4	*

#### U.S.

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Savings	65%	64%	59%	71%	79%	55%
Proceeds from sale of primary residence	33	37	30	25	14	30
Gift from relative or friend	14	13	14	12	23	12
Sale of stocks or bonds	9	10	6	8	9	5
401k/pension fund including a loan	9	9	9	8	13	7
Inheritance	4	3	6	6	7	11
Loan from relative or friend	4	3	6	4	4	*
Individual Retirement Account (IRA)	3	3	4	3	3	2
Equity from primary residence buyer continue to own	2	3	2	2	3	*
Proceeds from sale of real estate other than primary residence	2	2	3	2	1	7
Loan or financial assistance from source other than employer	1	1	2	1	2	*
Loan from financial institution other than a mortgage	1	1	1	1	1	*
Loan or financial assistance through employer	1	1	*	1	1	2
Other	4	4	5	2	4	7

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

Exhibit 5-6

### LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT, FIRST-TIME AND REPEAT BUYERS

*(Percentage Distribution Among those who Made a Downpayment)*

#### New Hampshire

	All Buyers	First-time Buyers	Repeat Buyers
6 months or less	35%	25%	41%
6 to 12 months	18	25	14
12 to 18 months	9	13	6
18 to 24 months	10	8	12
24 months to 5 years	18	22	15
More than 5 years	10	6	13

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
6 months or less	37%	28%	43%
6 to 12 months	15	19	13
12 to 18 months	10	12	8
18 to 24 months	9	9	8
24 months to 5 years	16	19	14
More than 5 years	13	13	14

## FINANCING THE HOME PURCHASE

Exhibit 5-7

### LENGTH OF TIME TO SAVE FOR A DOWNPAYMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution Among those who Made a Downpayment)

#### New Hampshire

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
6 months or less	35%	33%	42%	42%	39%	100%
6 to 12 months	18	16	25	17	22	*
12 to 18 months	9	9	*	*	22	*
18 to 24 months	10	9	17	17	9	*
24 months to 5 years	18	21	17	17	4	*
More than 5 years	10	12	*	8	4	*

#### U.S.

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
6 months or less	37%	39%	36%	35%	33%	34%
6 to 12 months	15	15	14	15	19	16
12 to 18 months	10	9	9	11	11	14
18 to 24 months	9	9	9	7	12	1
24 months to 5 years	16	15	17	18	16	21
More than 5 years	13	13	15	14	10	14

FINANCING THE HOME PURCHASE

Exhibit 5-8

**EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY FIRST-**

*(Percent of Respondents Who Reported Saving for a Down Payment was Difficult)*

**New Hampshire**

	All Buyers	First-time Buyers	Repeat Buyers
Share Saving for Downpayment was Most Difficult Task in Buying Process:	18%	30%	10%
<b>Debt that Delayed Saving:</b>			
Student Loans	61%	83%	36%
Credit card debt	30	17	46
Car loan	30	25	36
Child care expenses	30	8	55
Health care costs	13	8	18
Other	4	8	*

**U.S.**

	All Buyers	First-time Buyers	Repeat Buyers
Share Saving for Downpayment was Most Difficult Task in Buying Process:	12%	23%	7%
<b>Debt that Delayed Saving:</b>			
Student Loans	46%	57%	28%
Credit card debt	50	45	58
Car loan	38	42	32
Child care expenses	17	13	24
Health care costs	12	8	17
Other	8	5	14



**·TIME AND REPEAT BUYERS**

## FINANCING THE HOME PURCHASE

Exhibit 5-9

### EXPENSES THAT DELAYED SAVING FOR A DOWNPAYMENT OR SAVING FOR A HOME PURCHASE, BY ADULT COMPOS

(Percent of Respondents Who Reported Saving for a Down Payment was Difficult)

#### New Hampshire

	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Share Saving for Downpayment was Most Difficult Task in Buying Process:	18%	19%	19%	6%	14%	*
<b>Debt that Delayed Saving:</b>						
Student Loans	61%	53%	100%	*	100%	*
Credit card debt	30	29	*	100	50	*
Car loan	30	35	*	*	50	*
Child care expenses	30	35	*	100	*	*
Health care costs	13	18	*	*	*	*
Other	4	6	*	*	*	*

#### U.S.

	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Share Saving for Downpayment was Most Difficult Task in Buying Process:	12%	12%	11%	13%	18%	10%
<b>Debt that Delayed Saving:</b>						
Student Loans		44%	42%	54%	57%	57%
Credit card debt		48	59	36	55	17
Car loan		36	34	51	37	57
Child care expenses		20	12	8	6	43
Health care costs		11	14	8	12	43
Other		9	12	5	*	*

\* Less than 1 percent

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## FINANCING THE HOME PURCHASE

Exhibit 5-10

### SACRIFICES MADE TO PURCHASE HOME, BY FIRST-TIME AND REPEAT BUYERS

(Percent of Respondents)

#### New Hampshire

	All Buyers	First-time Buyers	Repeat Buyers
Cut spending on luxury items or non-essential items	40%	50%	34%
Cut spending on entertainment	28	42	20
Cut spending on clothes	20	23	18
Cancelled vacation plans	11	10	12
Earned extra income through a second job	6	9	4
Sold a vehicle or decided not to purchase a vehicle	6	5	7
Other	1	1	1
Did not need to make any sacrifices	52	38	61

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
Cut spending on luxury items or non-essential items	72%	77%	68%
Cut spending on entertainment	56	63	49
Cut spending on clothes	45	51	39
Canceled vacation plans	24	19	28
Earned extra income through a second job	13	14	11
Sold a vehicle or decided not to purchase a vehicle	12	11	13
Other	4	3	4
Did not need to make any sacrifices	54	40	62

## FINANCING THE HOME PURCHASE

Exhibit 5-11

### SACRIFICES MADE TO PURCHASE HOME, BY ADULT COMPOSITION OF HOUSEHOLD

(Percent of Respondents)

#### New Hampshire

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Cut spending on luxury items or non-essential items	40%	43%	31%	31%	41%	*
Cut spending on entertainment	28	27	25	19	41	*
Cut spending on clothes	20	22	25	*	21	*
Cancelled vacation plans	11	14	*	*	14	*
Earned extra income through a second job	6	6	*	6	7	*
Sold a vehicle or decided not to purchase a vehicle	6	6	6	*	7	*
Other	1	1	6	*	*	*
Did not need to make any sacrifices	52	48	69	63	52	100

#### U.S.

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Cut spending on luxury items or non-essential items	72%	71%	74%	69%	76%	72%
Cut spending on entertainment	56	53	57	61	64	54
Cut spending on clothes	45	41	57	34	51	40
Cancelled vacation plans	24	25	21	23	24	51
Earned extra income through a second job	13	12	16	8	14	9
Sold a vehicle or decided not to purchase a vehicle	12	13	6	12	14	23
Other	4	4	4	2	3	*
Did not need to make any sacrifices	54	57	48	56	41	51

## FINANCING THE HOME PURCHASE

Exhibit 5-12

### DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY FIRST-TIME AND REPEAT BUYERS

*(Percentage Distribution Among those who Financed their Home Purchase)*

#### New Hampshire

	All Buyers	First-time Buyers	Repeat Buyers
Much more difficult than expected	14%	14%	15%
Somewhat more difficult than expected	28	24	31
Not difficult/No more difficult than expected	40	37	41
Easier than expected	18	26	13

\* Less than 1 percent

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
Much more difficult than expected	18%	17%	18%
Somewhat more difficult than expected	26	30	23
Not difficult/No more difficult than expected	42	36	45
Easier than expected	15	18	14

## FINANCING THE HOME PURCHASE

Exhibit 5-13

### DIFFICULTY OF MORTGAGE APPLICATION AND APPROVAL PROCESS, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution Among those who Financed their Home Purchase)

#### New Hampshire

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Much more difficult than expected	14%	16%	13%	12%	10%	*
Somewhat more difficult than expected	28	28	31	18	28	*
Not difficult/No more difficult than expected	40	42	38	41	28	100
Easier than expected	18	14	19	29	35	*

\* Less than 1 percent

#### U.S.

	All Buyers	ADULT COMPOSITION OF HOUSEHOLD				
		Married couple	Single female	Single male	Unmarried couple	Other
Much more difficult than expected	18%	17%	19%	13%	21%	23%
Somewhat more difficult than expected	26	26	20	24	30	44
Not difficult/No more difficult than expected	42	43	41	45	35	21
Easier than expected	15	14	20	18	14	11

## FINANCING THE HOME PURCHASE

Exhibit 5-14

### **BUYERS WHO HAD MORTGAGE APPLICATION REJECTED BY LENDER**

*(Percentage Distribution)*

#### **New Hampshire**

##### All Buyers

Was rejected by a lender (s)	5%
Did not have application rejected	96

#### **U.S.**

##### All Buyers

Was rejected by a lender (s)	4%
Did not have application rejected	96



## FINANCING THE HOME PURCHASE

Exhibit 5-15

### **BUYER PREVIOUSLY SOLD A DISTRESSED PROPERTY (SHORT SALE OR FORECLOSURE)** *(Percentage Distribution)*

#### **New Hampshire**

All Buyers	
Previously had a distressed property s	6%
Median year of sale	2008

#### **U.S.**

All Buyers	
Previously had a distressed property sale	8%
Median year of sale	2009

## FINANCING THE HOME PURCHASE

Exhibit 5-16

### TYPE OF MORTGAGE, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among those who Financed their Home Purchase)

#### New Hampshire

	All Buyers	First-time	
		Buyers	Repeat Buyers
Fixed-rate mortgage	92%	90%	94%
Adjustable-rate mortgage	3	5	2
Don't know	*	*	*
Other	*	*	*

\* Less than 1 percent

#### U.S.

	All Buyers	First-time	
		Buyers	Repeat Buyers
Fixed-rate mortgage	92%	93%	91%
Fixed-then adjustable rate mortgage	5%	4%	5%
Adjustable-rate mortgage	3	2	3
Don't know	*	*	*
Other	1	*	1

\* Less than 1 percent

## FINANCING THE HOME PURCHASE

Exhibit 5-17

### TYPE OF LOAN, FIRST-TIME AND REPEAT BUYERS

(Percentage Distribution Among those who Financed their Home Purchase)

#### New Hampshire

	All Buyers	First-time Buyers	Repeat Buyers
Conventional	57%	40%	68%
VA	10	10	10
FHA	28	41	19
Don't know	3	4	3
Other	2	6	*

\* Less than 1 percent

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers
Conventional	61%	48%	69%
FHA	22	35	15
VA	12	9	13
Don't Know	4	6	2
Other	2	3	1

## FINANCING THE HOME PURCHASE

Exhibit 5-18

### BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT, FIRST-TIME AND REPEAT BUYERS, AND BUYERS OF NEW AND PREVIOUSLY OWNED HOMES

(Percentage Distribution)

#### New Hampshire

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Good financial investment	76%	81%	74%	88%	75%
Better than stocks	38	51	31	28	40
About as good as stocks	24	18	27	40	22
Not as good as stocks	14	11	16	20	14
Not a good financial investment	8	4	11	4	9
Don't know	16	16	15	8	16

\* Less than 1 percent

#### U.S.

	All Buyers	First-time Buyers	Repeat Buyers	BUYERS OF	
				New Homes	Previously Owned Homes
Good financial investment	79%	83%	78%	80%	79%
Better than stocks	40	44	38	37	41
About as good as stocks	27	29	26	30	26
Not as good as stocks	12	10	14	13	12
Not a good financial investment	7	4	8	7	7
Don't know	14	14	15	13	14

## FINANCING THE HOME PURCHASE

Exhibit 5-19

### BUYERS' VIEW OF HOMES AS A FINANCIAL INVESTMENT, BY ADULT COMPOSITION OF HOUSEHOLD

(Percentage Distribution)

#### New Hampshire

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Good financial investment	76%	74%	93%	61%	86%	100%
Better than stocks	38	38	33	33	48	*
About as good as stocks	24	21	47	6	31	100
Not as good as stocks	14	15	13	22	7	*
Not a good financial investment	8	8	*	22	7	*
Don't know	16	18	7	17	7	*

\* Less than 1 percent

#### U.S.

	ADULT COMPOSITION OF HOUSEHOLD					
	All Buyers	Married couple	Single female	Single male	Unmarried couple	Other
Good financial investment	79%	79%	78%	81%	83%	77%
Better than stocks	40	39	46	40	37	46
About as good as stocks	27	27	25	24	33	27
Not as good as stocks	12	13	7	17	13	4
Not a good financial investment	7	7	6	8	6	4
Don't know	14	14	15	12	12	20