



Buying vs. Renting

It's an age-old question, 'to buy or to rent?' Well, we've done the math.*

Initial Cost **\$12,494** vs. **\$4,092**
 Cost to buy includes 3% downpayment & closing costs
 Cost to rent includes security deposit, first & last month's rent

Monthly Cost **\$1,149** vs. **\$1,364**
 Mortgage (principle/interest/MI)
 Rental payment

When you factor in the ability to build equity, the tax savings¹ on mortgage interest and the appreciation rate of your home's value, buying a home becomes a better deal within just a few years.

Over 5 years, buying is a **\$30,822** advantage over renting.
 And it can be an even greater advantage depending on taxes and appreciation in your market.

5-Year Summary	Buying	Renting
Cost (initial cost + monthly payments)	\$ 81,434	\$83,204
Property Taxes (2%)	\$ 20,824	0
Home Value Appreciation (2%)	(\$21,673)	0
Tax Savings (15%, interest + property tax)	(\$ 8,908)	0
Equity Increase	(\$19,295)	0
Net Expense	\$52,382	\$83,204

Bottom line: the decision to buy is a big one, but there are also big benefits when compared to renting.

To learn more, visit www.radian.biz/homebuyer.

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*Based on median US home sale price (\$208,238) and monthly rent (\$1,364) according to Zillow Research, April 2015.

Mortgage assumes 97% LTV loan with BPMI, 4% interest rate, and 720 FICO. Costs may vary in different markets.

¹ Borrowers should consult their own tax advisors to determine if they are eligible for deductions.

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