

HOME

A Move-Up Homebuyer Turns Moxie into Money

NewsUSA

(NU) - Jocelyn Vasquez is a determined Hispanic woman who knows exactly what she wants: To build financial wealth through homeownership.

Three years ago, the L.A.-based mortgage professional was on the cusp of making her dream of buying a home – before she turned 30 -- a reality. She was single, 28 years old and wasn't going to let a little thing like not having a 20 percent down payment stand in her way.

Her parents, like many people, felt she should hold off until she could save for a larger down payment. But Jocelyn had other ideas.

"I did my homework and knew using mortgage insurance (MI) would allow me to make as low as a 3 percent down payment," she explains. "I bought my townhouse for \$278,000 and put down \$13,900. It would have taken me almost eight years to save \$55,600 for a 20 percent down payment! As it was, my 5 percent down payment used up most of my savings." Fast forward a few years and her decision paid off. Due to low interest rates and increased demand for housing, her home had appreciated significantly. In March 2020, she sold her townhouse and made an \$86,926 profit.

"Imagine if I had waited eight years to save for a 20 percent down payment!" marvels Jocelyn. "I wouldn't have been able to get my foot in the door of homeownership when I did."

The sale of her townhouse allowed Jocelyn to move up to a much larger house in a gated community in Simi Valley, CA. Typically, when buyers like Jocelyn move up, they have enough equity or profit from the sale of their previous home to put down 20 percent.

Relying on her experience as a loan processor and mortgage insurance employee, Jocelyn chose to buck that trend and use MI as a financial tool again.

She purchased her second home this spring for \$537,500, and despite having enough money for a 20 percent down payment, Joce-



Jocelyn Vasquez was determined not to let small down payments prevent her from experiencing the financial benefits of homeownership.

lyn put down 11 percent or \$60,000.

"In my last house, I cut myself short by using almost all my savings for my down payment," Jocelyn explains. "I didn't want to do that this time around. I knew my new house needed some repairs and updates. Plus, I was purchasing it during the uncertainty of the pandemic, and I wanted to have ready cash in case I lost my job."

Her decision gave her the financial freedom to remodel her kitchen, buy furniture, pay off two credit cards and still have savings left for a rainy day.

In addition to having a bigger house in a better location, Jocelyn feels she made another great investment. She reports that four neighborhood homes like hers recently sold in the \$550,000 to \$560,000 range, most likely increasing her equity by \$17,500 in less than six months. In fact, she may soon qualify to cancel her MI.

"I try to educate people about all the tools and resources available to homebuyers," says Jocelyn. "I tell them, 'I'm living proof.' Had I waited those eight years to save for a 20 percent down payment, I would have missed out on all this money and the perks of being a homeowner!"

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