



A CLOSER LOOK AT SELLER SECONDS

	5% Down No Seller Seconds	5% Down 15% Seller Second
Sales Price	\$400,000	\$400,000
Down Payment 5%	\$20,000	\$20,000
Primary Loan Amount	\$380,000 (95% LTV)	\$320,000 (80% LTV)
Primary Loan Payment (30 years at 6.5%)	\$2,401	\$2,022
PMI Payment	\$160	\$0
Seller Second Loan Amount	\$0	\$60,000
Seller Second Payment (30 years at 7.5%)	\$0	\$419
Total Payment	\$2,561	\$2,441

FIGURE 53 To avoid PMI the buyer would have to bring a much larger down payment to the table; the seller second solves this problem and also lowers the total monthly payment.