

Renting vs. Owning

Although some renters believe that renting is “maintenance free,” they are actually paying for maintenance in their rent – whether they need it or not. Renting offers you no equity, no tax benefit, and no protection against regular rent increases. If you’re paying rent, you’re really just paying someone else’s mortgage. Let’s compare.*

	<i>Rent</i>	vs.	<i>Own</i>	
Monthly Payment	\$1,000		Monthly Payment	\$ 855
Insurance	\$ 30		Insurance	\$ 50
Taxes	\$ 0		Taxes	\$ 260
			MIP Insurance	\$ 45
Total Payment	\$1,030		Total Payment	\$1,210
<hr/> <i>Savings</i> <hr/>				
Interest Deduction	\$ 0		Interest Deduction	\$ 175
Tax Deduction	\$ 0		Tax Deduction	\$ 75
			After Tax	
Net Monthly Payment	\$1,030		Net Monthly Payment	\$ 960

* Approximate Payment/Cost Comparison based on estimated annual tax results. Based on 2.5 tax bracket and on estimated first year interest and taxes. Recommend consulting with tax expert. Payment based on FHA 30-year fixed rate loan with 7% interest rate, sales price of \$125,000 and a loan balance of \$121,250. Interest rate/rental rates, prices, terms, and availability subject to change without notice. See a qualified tax consultant for more details.