



Kansas City, Oklahoma City, and Louisville Top LendingTree's Ranking of Best Metros for First-Time Homebuyers

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LendingTree ranks largest US metro areas based on first-time homebuyer friendliness

CHARLOTTE, N.C., July 21, 2021 /PRNewswire/ -- [LendingTree®](#), the nation's leading online loan marketplace, released its annual [ranking](#) of the nation's 50 largest metropolitan areas by how friendly they are for those buying their first home. LendingTree considered the following factors in its ranking: average down payment, average down payment percentage, share of buyers utilizing an FHA loan, percentage of buyers with credit scores below 680, and share of homeowners who spend 30% or more of their monthly income on housing costs.



Key findings

- **Kansas City, Mo., Oklahoma City, Okla., and Louisville, Ky., are the metros that are most friendly to first-time homebuyers.** Though each of these areas fall near the middle of the pack when it comes to the share of buyers using FHA loans, their high rankings across other categories make them appealing to first-timers.
- **Oklahoma City, Kansas City and Buffalo, N.Y., have the lowest down payments in our study.** The average down payment in these three areas is \$33,188, which is considerably lower than the average down payment of \$63,216 across all 50 metros.
- **Kansas City, Salt Lake City and Oklahoma City had the lowest down payment percentages out of the top 50 largest metros.** These three metros have an average down payment percent of 10.4%, which is about 4 basis points lower than the average across all 50 metros.
- **Memphis, Tenn., Las Vegas and Virginia Beach, Va., are the metros with the largest share of buyers who have credit scores below 680.** Slightly more than a quarter of buyers in these areas have credit scores below 680. This suggests that people who live in these metros have a better chance of securing a loan with a lower credit score than they might need in other parts of the country.
- **At an average of 22.6%, San Diego, Los Angeles and Sacramento, Calif., had the highest share of buyers who used an FHA loan.** FHA loans can be especially helpful for cash-strapped, first-time buyers in expensive areas like these, as this loan program requires a smaller down payment than some other loan types.
- **Indianapolis, Raleigh, N.C., and Buffalo contain the smallest share of households that are spending 30% or more of their monthly income on housing.** Buyers in these areas can generally expect their mortgage payments to be relatively affordable.

First-Time Homebuyer Tips:

- **Shop around for a mortgage before committing.** Different mortgage lenders can offer different interest rates to borrowers, even if they have similar credit profiles. As a result, the first lender may not be the one who offers the best rate. By shopping around, homebuyers can increase the odds of finding the lowest possible rate. The lower the rate, the more you can save on your monthly mortgage payments.
- **Save up as much as possible for a down payment.** The more money applied toward a down payment on a house, the lower the overall amount needed to be mortgaged. Not only will lenders be more likely to approve a loan with a lower loan-to-value ratio, you may also get a better rate.
- **Consider different loan options.** Even outside of FHA loans, there are numerous loan programs that can be helpful for first-time buyers. For example, VA loans and USDA loans are two options for those with limited cash for a down payment, or less-than-stellar credit.

Top 10 Metros for First-Time Homebuyers

| Metro | Average down payment amount | Avg down payment % | % of buyers with credit score < 680 | % of buyers with FHA mortgage | % of households spending 30%+ of income on housing |
|--------------------|-----------------------------|--------------------|-------------------------------------|-------------------------------|--|
| Kansas City, MO | \$30,219 | 10.10% | 21.10% | 10.20% | 20.70% |
| Oklahoma City, OK | \$28,777 | 10.70% | 20.80% | 11.60% | 22.60% |
| Louisville, KY | \$46,375 | 13.00% | 20.50% | 10.10% | 21.70% |
| St. Louis, MO | \$48,377 | 13.30% | 21.30% | 10.20% | 21.90% |
| Salt Lake City, UT | \$43,365 | 10.40% | 15.40% | 10.60% | 24.00% |
| Memphis, TN | \$49,933 | 14.40% | 27.30% | 14.40% | 25.50% |
| Cleveland, OH | \$44,680 | 13.10% | 19.00% | 9.20% | 23.70% |
| Birmingham, AL | \$45,685 | 15.20% | 22.50% | 11.40% | 23.60% |
| Richmond, VA | \$45,732 | 12.80% | 17.50% | 10.60% | 25.30% |
| Atlanta, GA | \$51,794 | 12.80% | 18.70% | 9.80% | 25.10% |

To view the full report, visit

<https://www.lendingtree.com/home/mortgage/best-metros-for-first-time-homebuyers/>

Methodology

LendingTree determined the overall ranking for this study by averaging the individual rankings in each category together, and then ordering them from lowest to highest. Data was analyzed from over 100,000 LendingTree users from January 1, 2021 through July 1, 2021 along with the 2019 American Community Survey.

About LendingTree


LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. LendingTree empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays, comparing multiple offers from a nationwide network of over 500 partners in one simple search, and can choose the option that best fits their financial needs. Services include mortgage loans, mortgage refinances, auto loans, personal loans, business loans, student loans, insurance, credit cards and more. Through the LendingTree platform, consumers receive free credit scores, credit monitoring and recommendations to improve credit health. LendingTree proactively compares consumers' credit accounts against offers on our network and notifies consumers when there is an opportunity to save money. In short, LendingTree's purpose is to help simplify financial decisions for life's meaningful moments through choice, education and support. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information, go to www.lendingtree.com, dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree

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