



## 1 Dangerous Mistake Many Millennials Are Making Today

### Description

Being able to buy and own a home is a goal for many people, especially for millennials who may believe that's the norm, especially with their parents' generation being able to do so without much problem. However, with housing prices soaring in some markets and it being more difficult to qualify for a mortgage, the dream of owning a home is definitely more difficult to attain today.

One way that buyers can sometimes get around the tight requirements is by inflating their worth on mortgage applications. And according to a survey by **Equifax** Canada, nearly one-quarter (23%) of millennials believe that it's okay to lie about their annual income. That's significantly higher than what the population as a whole thinks, with just 12% agreeing with that sentiment. When it comes to actually lying on an application, Equifax says that 19% of millennials indicated that they had actually done so.

### Here's why that's a big problem

Lying on an application could result in serious problems for a home buyer later on. One of the reasons that the government has put in tighter rules around mortgages is to ensure that people are not buying homes beyond their means and giving them the best odds of success. With many people already being stretched to their limits, making the rules more stringent is important to prevent foreclosures from happening, or worse — an economic crisis.

If homeowners run into problems later on in life, whether it's losing a job or having some large unexpected expenses come up, it could put them at serious risk of not having the funds needed to pay their mortgage, especially if they've been living paycheck to paycheck and not been able to save for an emergency. Not only could that result in problems with the bank and the mortgage, but it could hurt their credit score and impact their ability to be able to take out loans in the future.

Although the temptation to lie may be there to help millennials qualify for a mortgage today, doing so puts individuals at significant risk that could end up doing more harm than good in the long run.

## Saving is a better approach

Rather than lying on an application, millennials should start building up their savings instead. An easy way to do that is to invest in a stock like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). Not only is it a [safe investment](#), even for those that may be unfamiliar with investing, but it's a good bet to not only rise in value. It also pays a great [dividend](#). TD has a great track record for increasing its payouts, and that will give investors a lot of potential dividend income to help pad their overall returns from owning the stock and maximizing their savings.

Investing in shares of TD early on can help grow your savings, and for millennials, that can mean it's a lot easier to get a mortgage later on. By having a larger downpayment to be able to make on the purchase of a home, there will be less of a need for millennials to have a high income to be able to obtain a mortgage. Building up savings is important and makes many things in life much easier, and buying a home is certainly one of them. And investing in TD early on can be a great way to do that.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

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