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Media Contact: Jessica Williams

618.772.2349

jwilliams@bammarketingagency.com

First Mid Bank & Trust Explains Why Buying a Home is Smarter Than Renting

Expert insight on building equity, creating long-term wealth, and making the most of homeownership

St. Louis, MO (August 10, 2026) With rising housing costs and evolving market conditions often creating confusion and uncertainty, First Mid Bank & Trust (First Mid) believes homeownership continues to be one of the strongest ways to build long-term wealth and financial stability.

While people often choose to rent a home due to lower upfront costs and perceived affordability, Erica Pallardy, Mortgage Loan Officer at First Mid, shares that many renters could instead own a home and make mortgage payments that are equivalent to or even lower than their monthly rent payments. Over time, those payments contribute toward building equity, an asset that can provide financial flexibility and support future goals.

“Although buying a home may look different today than it did 20 years ago, homeownership is still one of the best investments people can make,” said Pallardy. “Owning a home allows you to build equity over time instead of paying toward someone else's investment through rent. That equity can become a valuable financial resource for future goals.”

Beyond building long-term wealth, home equity can also provide financial flexibility. Homeowners can tap into that equity through a home equity loan or Home Equity Line of Credit (HELOC) to fund home improvements, pay off student loans and credit card debt, or support other major expenses while continuing to grow their overall financial wealth.

“Many homeowners purchased their homes when interest rates were significantly lower, so they're choosing to renovate or make improvements to their current home instead of moving,” Pallardy said. “A HELOC can be an effective option because you only pay interest on the amount you borrow, and it can often provide a lower interest rate than other forms of borrowing, such as credit cards.”

[When starting the homebuying process](#), Pallardy encourages people to start the conversation early, even before applying for a mortgage. Speaking with a mortgage lender who understands the local market can help buyers understand what they can comfortably afford, estimate the costs and cash needed at closing, and develop a savings plan before they even begin house hunting.

“It’s important to talk to an expert in your market, especially in today’s digital age,” said Pallardy. “Many people assume they need a 20% down payment before they can buy a home, but that's one of the biggest misconceptions we hear. There are loan programs that often allow qualified buyers to put down as little as 3%, and there are also down payment assistance programs available for many borrowers. Every situation is different, and a local lender can help identify the financing options, available resources, and community connections that best meet your needs.”

Whether purchasing a first home, upgrading an existing property, or exploring home equity options, First Mid encourages consumers to seek trusted guidance to determine the financing solution that best aligns with their long-term goals.

To learn more about First Mid's mortgage and home equity solutions, visit www.firstmid.com/mortgage/home-equity.

About First Mid Bancshares, Inc.: First Mid Bancshares, Inc. is the parent company of First Mid Bank & Trust, N.A., First Mid Insurance Group, and First Mid Wealth Management Company. First Mid is a \$9.2 billion community-focused organization that provides financial services including banking, insurance, wealth management, brokerage, and ag services through a network of locations in Illinois, Iowa, Missouri, Texas, and Wisconsin, and a loan production office in Indiana. Together, our First Mid team takes great pride in providing solutions and services to our customers and communities and has done so since 1865. More information about the Company is available on our website at www.firstmid.com. Our stock is traded in The NASDAQ Stock Market LLC under the ticker symbol “FMBH”. Member FDIC | Equal Housing Lender.