



90 MINUTE WORKSHOP

Homebuying 101

FACILITATOR GUIDE

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OVERVIEW & OBJECTIVES

Workshop Title: Homebuying 101: Your Roadmap to Ownership

Target Audience: Adults age 18+ who want to understand the comprehensive financial and qualification steps required to purchase a home.

Duration: 90 minutes

Learning Objectives By the end of this session, participants will:

1. Understand the core financial pillars of mortgage approval, focusing on DTI (Debt-to-Income) and Down Payment.
2. Learn how to estimate their maximum mortgage affordability using the Banzai calculator.
3. Understand the differences between major mortgage loan types (Conventional, FHA, VA).
4. Identify strategies for saving for a down payment and the purpose of PMI.
5. Know the key steps in the overall home-buying process from pre-approval to closing.
6. Commit to one actionable step toward homeownership.

AGENDA & TIMELINE

#	Duration/ Time	Activity	Facilitator	Materials
1	10 minutes	Intro: The 5-Year Vision		
2	15 minutes	Lesson: The Fundamentals of Affordability		
3	10 minutes	Activity: Calculate Your Affordability		
4	15 minutes	Lesson: Understanding Mortgage Loan Types		
5	10 minutes	Lesson: Down Payment, PMI, & Closing Costs		
	5 minutes	Break (optional)		
6	15 minutes	Lesson: The Home-Buying Process: Key Steps		
7	10 minutes	Conclusion & Personal Action Plan		

PREPARATION REQUIREMENTS

Materials Prep

Copies to Make

Print copies of the following handout and worksheets for participants.

- ☐ Worksheet: My 5-Year Homeownership Vision
- ☐ My 90-Day Homebuying Action Plan

Supplies

Gather the following supplies for the presentation.

- ☐ Supplies for each participant:
 - ☐ Folder with printed materials for workshop
 - ☐ Water bottle
 - ☐ Privacy tri-fold
 - ☐ Notepad and pen for taking notes

Technology Prep

Presenter Slides

Copy the slideshow to your Google Drive or add them to your slideshow app and make the following customizations:

- ☐ Add presenter name on slide 1 ("PRESENTED BY")
- ☐ Add logo on slides 1, 3, 5, 6, 8, 9, 10, 12, 14, 20, 24, 33, 35 ("YOUR LOGO HERE")
- ☐ Update subdomain in links on slides 12, 14, and 34 ("yoursubdomain")
- ☐ Add contact information on slide 35

Online Links

Have the following page open and ready (all accessible via your Banzai Wellness Center):

- Calculator: Mortgage Loan Affordability

Room Setup and Logistics

Equipment Requirements

- Computer for slides
- Projector/TV to display slides and resources
- Whiteboard and markers
- Participants: computer or device and WiFi accessibility, if you want them to complete activities on their own device

Room Layout Suggestions

- Tables and chairs facing whiteboard/projector wall
- Table at entry point with name tags for participants
- Table at the back with any additional handouts and resources

At Each Seat

- Folder with printed materials for workshop
- Water bottle
- Privacy tri-fold
- Notepad and pen for taking notes

FACILITATOR TIPS

Presentation Style and Tone

Approachable and relatable. Avoid jargon and overly technical financial terms. Explain concepts in simple, everyday language—the script in the workshop outline will strike the right tone.

Friendly and welcoming. Create a comfortable and non-judgmental atmosphere where participants feel safe to ask questions and share their experiences. Smile!

Optimistic and enthusiastic. Frame topics as a tool for achieving financial goals and reducing stress, rather than just a restrictive exercise.

Practical and knowledgeable. Focus on actionable steps and real-world examples that participants can implement immediately.

Resourceful. Be prepared to offer helpful resources, tools, and tips beyond the core content.

Presentation & Engagement Techniques

Rotate presenters often. Consider rotating presenters for every segment of the workshop. This keeps participants' interest, and different styles of presenting can speak to different attendees.

Keep stories brief. Share personal anecdotes to illustrate points and build connections, but keep stories to a few minutes or less.

Use breaks if necessary. For longer workshops, build in 5-minute breaks for participants to stretch their legs and check their phones.

Vary presentation styles. Include icebreakers, large and small group discussions, visual aids, and more.

Stay on the clock. Be mindful of the time—even use a stopwatch—to keep the workshop from dragging.

WORKSHOP OVERVIEW

FACILITATOR GUIDE

INTRO

The 5-Year Vision

Duration: 10 minutes

Key Messages

Homeownership is a financial goal rooted in a personal vision for the future.

Script & Instructions

Begin slideshow on slide 1—Welcome

"Good morning, everyone. Today, we're going to talk about Home Buying 101."

Before you begin, let participants know where the bathrooms are, where they can find water/snacks, and any expected break times.

Advance to slide 2 — Agenda

"This is the agenda for today's workshop. We will leave time at the end for questions, but please raise your hand if you have any questions throughout the presentation."

Advance to slide 3—Homeowner Dreams

"Since you're here to learn about buying a home, I want us to take a quick jump into the future. Why are you putting in the work now? Why does homeownership matter to you?"

Distribute copies of My 5-Year Homeownership Vision worksheet and give attendees a few minutes to work through the questions.

Provide Examples:

- "...finally decorate my walls exactly how I want and not worry about a landlord."
(Control/Personalization)

- *"...feel secure knowing my monthly payment is building my own equity, not paying someone else's mortgage." (Security/Wealth)*
- *"...have a stable community where I can truly put down roots for my family." (Stability/Community)*
- *"...start a big garden or take on a major renovation project that is truly mine." (Freedom/Projects)*

Go around the room and let participants share their name and their completed visions.

Advance to slide 4—Intentionality

"That is powerful. Every one of those goals—(rephrase their examples here)—is the reason we're hosting this workshop."

"We're going to break down the steps to achieve that stability and opportunity you just mentioned over the next 90 minutes. Let's start with the financial foundation..."

LESSON:

The Fundamentals of Affordability

Duration: 15 minutes

Key Messages

- Mortgage approval is based on three main pillars: DTI, Down Payment/Reserves, and LTV.

Script

Advance to slide 5 —Affordability

"Now that we've talked about your home goals, let's talk about the cold, hard numbers. When you apply for a mortgage, you are asking a lender to take a risk on you for 15-30 years. Their job is to minimize that risk. They don't just look at your salary; they look at three main pillars that determine what you can *realistically* afford and, therefore, what mortgage they can approve."

Advance to slide 6 —Debt-to-Income Ratio

"The most critical pillar is your **Debt-to-Income Ratio, or DTI**. Simply put, DTI is the percentage of your gross (pre-tax) monthly income that goes toward all your debt payments."

"Crucially, a lender is looking at debts that show up on your credit report: credit cards, car loans, student loans, and minimum payments on any revolving lines of credit. Things like utilities, groceries, or cell phone bills are usually *not* included—just the required monthly debt payments."

"Lenders actually look at two numbers: the Front-End DTI is the ratio of *just* the proposed monthly house payment to your income. The Back-End DTI is the total—the proposed house payment *plus* all your existing debts, divided by your income. The Back-End DTI is the one that matters most."

Advance to slide 7 —Magic Number

"For many conventional loan programs, the absolute maximum DTI they allow is around 43%. Some programs go higher, but if you can keep your total DTI below 43%, you look much more financially stable.

Actionable takeaway: If you can pay off one credit card or a small installment loan, it lowers your debt, lowers your DTI, and can instantly raise your maximum pre-approval amount."

Advance to slide 8—Down Payment

"The second pillar is Down Payment and Reserves. Most people focus only on the down payment, which is the cash you put toward the home price to reduce the amount you borrow. You'll hear ranges from 3.5% up to 20%."

"The benchmark goal is 20%. Why? Because hitting 20% down avoids Private Mortgage Insurance, or PMI. PMI is an extra fee added to your monthly payment that protects the *lender*, not you. If you can save 20%, you save hundreds every month by skipping PMI."

Advance to slide 9—Reserves

"This is where people get tripped up: Reserves. Lenders don't just want you to have enough cash for the down payment and closing costs; they want to see you have *extra* money left over—liquid assets—to cover unexpected costs like a job loss or a surprise repair. They want to see you have enough cash to cover two to six months of your new mortgage payment *after* the deal is closed. This proves stability."

Advance to slide 10—PITI

"The third pillar is understanding the full sticker price of your monthly commitment, known by the acronym P-I-T-I. This stands for Principle, Income, Taxes, and Insurance. The lender doesn't calculate your DTI using just your principal and interest; they use the full PITI amount."

"The Principal is the part of the payment that pays down the actual loan amount. The Interest is the cost of borrowing the money. These two are fixed for the life of a fixed-rate loan."

"The two other components are Taxes (property taxes) and Insurance (homeowner's insurance). These are *not* fixed. Because these costs can change, lenders typically require you to pay them monthly into an Escrow Account."

"Think of Escrow as a holding account managed by your loan servicer. Every month, a portion of your payment goes into it. When your annual tax bill or insurance premium is

due, the lender pays it directly from that account. This makes sure those two big bills never catch you by surprise, and it ensures the property is always protected."

Advance to slide 11—Summary

"To recap the fundamentals of affordability: A lender wants to see you have low debt (DTI), cash in the bank for the purchase and emergencies (Down Payment & Reserves), and that the total true monthly cost (PITI) fits comfortably within your income. Knowing these three numbers is the key to understanding your buying power."

"Now that we know what the lender is looking for, let's talk about how you can concretely prepare for these pillars. Our next section is dedicated to..."

ACTIVITY:

Calculate Your Affordability

Duration: 10 minutes

Key Messages

Translating financial factors into a tangible monthly payment.

Script

Advance to slide 12—Affordability Calculator

"Now that we know the rules (DTI, PITI), let's make it real."

"We are going to run a simplified scenario using the Banzai Mortgage Affordability Calculator. This tool gives us a quick, rough estimate of the maximum a lender might let you borrow. "

*Click the link on slide 12 to open
(your subdomain).banzai.org/wellness/resources/mortgage-affordability-calculator.*

"Please take out your device and navigate to the Banzai Mortgage Affordability Calculator. This calculator works backwards from your budget, to help you figure out how much you can afford by looking at your desired monthly payment, your take-home pay, and all of your monthly expenses."

Advance to slide 13—The Aspiring Buyer

"Let's imagine an 'Aspiring Buyer.' After looking at their budget, they have decided their absolute comfortable ceiling for a monthly payment is \$2,100."

1. Projected Monthly Mortgage Payment: \$ 2,100

"This calculator asks for your take-home pay (net income). Let's assume the Aspiring Buyer's net monthly income is \$5,200."

2. The Financial Inputs (Income & Expenses): \$5,200

"Now, you need to list your total non-housing monthly expenses. This includes everything you pay for besides your mortgage. Since the Banzai calculator requires specific category inputs, let's break down the Aspiring Buyer's total of \$2,500 into realistic categories. Please use the 'Add Category' button to enter these amounts one by one:"

3. Expenses: \$2,500 broken down into...

Car Payment/Transport \$450

Student Loans/Other Debt \$450

Utilities/Phone/Internet \$350

Groceries/Food \$700

Other (Personal/Medical) \$550

"For now, we will clear the Yearly Expenses section to keep this focused on monthly cash flow. Please set all pre-filled amounts in the Yearly Expenses section to 0."

"Click the 'Finish' button and look at the results."

"What color is the gauge? (Wait for responses—it should be Yellow/Red indicating it's borderline or unaffordable.) The tool suggests that while they want to pay \$2,100, their existing \$2,500 in expenses makes that mortgage payment risky."

"This is the most important lesson. A lender won't approve a mortgage that leaves you struggling. Click Back and see if you can adjust income or expenses to move the needle to Green."

"This is the reality of home buying: It's often not one small adjustment, but multiple strategic moves—like reducing debt *and* being realistic about the initial home price—that move you into the safe, 'Green' zone for a lender."

Advance to slide 14—Your Ideal Mortgage

Now, encourage the participants to run their own scenarios in the calculator.

"Your turn. Adjust your numbers until you hit the green zone. That's the payment you should target!"

LESSON:

Understanding Mortgage Loan Types

Duration: 15 minutes

Key Messages

Choosing the right loan type impacts down payment requirements, interest rates, and long-term costs

Script

Advance to slide 15—Loan Types slide

"We used the calculator to determine that the size of the mortgage you qualify for is directly tied to your income and debt. But once you know the size of the loan you need, you have another crucial choice to make: the type of loan."

"The type of loan you choose—Conventional, FHA, or VA—dictates your required down payment, the interest rate you receive, and the fees you pay over the life of the loan. This choice is just as important as the numbers we just calculated."

Advance to slide 16—Conventional slide

"The Conventional Loan is the most standard type, and it's not insured or guaranteed by the government. These loans follow stricter guidelines, which is why lenders prefer them. The key number here is 20%."

"If you put 20% down, it's the ideal scenario—you get the best interest rates, and you avoid that extra monthly fee we talked about: Private Mortgage Insurance (PMI). If you put less than 20% down, you *will* have PMI, but the good news is you can usually request to have that PMI removed once you hit 20% equity."

"Eligibility for a Conventional loan usually requires a stronger credit score and a lower DTI than other loan types."

Advance to slide 17—FHA slide

"Next up is the FHA Loan, which is guaranteed by the Federal Housing Administration. This loan is designed to make homeownership accessible, particularly for first-time buyers or those with lower savings."

"The biggest feature of an FHA Loan is the low down payment: you can qualify with as little as 3.5% down. This is a huge benefit for getting into a home sooner. The trade-off is that instead of PMI, you pay something called Mortgage Insurance Premium (MIP). MIP is usually paid for the entire life of the loan unless you refinance out of it, which is the main difference from Conventional PMI."

"Because of that government guarantee, FHA loans are typically more forgiving of lower credit scores or slightly higher DTI ratios."

Advance to slide 18—VA slide

"The third major type is the VA Loan, guaranteed by the Department of Veterans Affairs. This is an incredible benefit for eligible service members, veterans, and surviving spouses."

"The two stand-out features of the VA loan are: zero down payment—that's 0% down!—and no monthly Mortgage Insurance (no PMI or MIP), regardless of the down payment size. It is, generally speaking, the most powerful loan option available if you qualify."

"While there is no monthly insurance, there is a one-time, upfront VA Funding Fee, which can be rolled into the loan amount."

Advance to slide 19—Rate Types slide

"Now that you know about types of loans (Conventional, FHA, VA), you need to choose your *rate* structure: Fixed-Rate or Adjustable-Rate. This affects your payment stability over time."

"A Fixed-Rate Mortgage is the most common and safest option. The interest rate you lock in today never changes for the entire life of the loan—usually 15 or 30 years. Your Principal and Interest payment is the same in Year 1 as it is in Year 30. This gives you ultimate budgeting predictability."

"An Adjustable-Rate Mortgage, or ARM, starts with a lower, fixed interest rate for an initial period—say, five, seven, or ten years (a 5/1 ARM, 7/1 ARM, etc.). Once that fixed period ends, the rate adjusts annually based on market conditions."

"The advantage is that the initial payment is lower. The risk is that when the rate adjusts, your monthly payment can go up—sometimes substantially. ARMs are best for people who are certain they will sell or refinance before the fixed period ends."

Advance to slide 20—Choices slide

"So, you'll choose your Loan Type (Conventional, FHA, VA) based on your down payment and credit, and you'll choose your Rate Structure (Fixed or Adjustable) based on your risk tolerance and long-term plans. These choices are made in close consultation with your lender."

"Speaking of lenders, that brings us to our next crucial step. Knowing what cash you need in order to close a loan."

LESSON:

Down Payment, PMI & Closing

Duration: 10 minutes

Key Messages

Buying a home requires cash for three main categories: Down Payment, Monthly Mortgage Insurance (PMI/MIP), and Closing Costs (2-5% of the price).

Script

Advance to slide 21—Cash Required

"We've learned what mortgage you can *get* (affordability) and what kind you can *choose* (loan types). Now we address the most common challenge: The cash you need to bring to the closing table. There are three major costs you need to save for."

"You'll need to cover the down payment, the monthly insurance if you don't hit 20%, and closing costs. Let's break down the saving requirements."

"As we discussed, 20% down is the ideal. It gets you the best rates and eliminates monthly mortgage insurance. However, the *reality* is that many first-time buyers put far less down. Remember: FHA allows as low as 3.5%, and there are Conventional programs that go as low as 3%."

"So, how do you get there? Beyond disciplined budgeting, investigate two things: 1. Down Payment Assistance programs offered by your state or city, which are often grants or second loans; and 2. Gift Funds—money gifted from family members, which is typically allowed by lenders, provided there's a paper trail."

Advance to slide 22—PMI slide

"If you opt for a low down payment—anything under 20% on a Conventional loan—you must pay Private Mortgage Insurance, or PMI, as we've discussed before."

Advance to slide 23—Closing Costs slide

"This is the cost that surprises most buyers: Closing Costs. These are the required fees paid to various third parties to finalize the purchase. They are completely separate from your down payment."

"These costs include things like: Appraisal Fees (to determine the home's value), Title Insurance (to protect against ownership disputes), Lender Fees, and Legal/Escrow Fees. When you factor everything in, you should budget for 2% to 5% of the total home price for closing costs alone."

"On a \$300,000 home, 4% in closing costs is \$12,000. So, if you put 5% down (\$15,000), you actually need to have \$27,000 saved just for the initial transaction."

"Sometimes, if the market allows, you can negotiate with the seller to cover a portion of these closing costs, which reduces the amount of cash you need to bring to the table."

"To summarize, getting your cash ready means saving for the **Down Payment** (aiming for 20%, but prepared for 3.5%), understanding the monthly cost of **PMI**, and budgeting separately for **Closing Costs** (2-5% of the price). Knowing these three numbers gives you your total cash budget."

"Saving all this cash takes time, but it's worth it. Once you know your budget, the next step is securing your **Pre-Approval**."

LESSON:

The Home-Buying Process

Duration: 15 minutes

Key Messages

The home-buying process is a structured sequence of six steps, starting with pre-approval, and relying on professional partners to guide you through contingencies and closing.

Script

Advance to slide 24—Process Overview

"We've spent the first part of this workshop determining your financial readiness. Now, let's talk about what happens next. Buying a home can seem like a chaotic process, but it's actually a very structured, six-step journey. We're going to walk through this roadmap."

Advance to slide 25—Step 1: Get Pre-Approved

"The first step—and the most critical—is Getting Pre-Approved. I cannot overstate this: you cannot start house hunting seriously without one. A Pre-Approval Letter is an official document from a lender that shows they have preliminarily reviewed your credit, income, and debt, and are willing to lend you a specific amount of money."

"Why is this essential? Because in a competitive market, a pre-approval shows the seller that you are a serious, qualified buyer. An offer without one is usually ignored. It also gives you a non-negotiable budget, preventing wasted time looking at homes you can't afford."

Advance to slide 26—Step 2: Hire An Agent

"Your second step is to hire an experienced agent. Think of your real estate agent as your guide and your advocate. They know the local market, they have negotiating skills, and critically, their commission is typically paid by the *seller*, meaning their services are free to you, the buyer."

Advance to slide 27—Step 3: House Hunt & Offer

"Once you have your pre-approval and your agent, the fun begins: House Hunt and Offer. When you find a home you love, your agent will draft an offer. This offer isn't just a price; it includes Contingencies—clauses that protect you. Common ones are the Inspection Contingency and the Financing Contingency. If the home fails inspection, or if your loan falls through, those contingencies allow you to walk away with your deposit."

Advance to slide 28—Step 4: Inspection & Appraisal

"After your offer is accepted, two major reviews happen. First, the Home Inspection, which is for your protection. An inspector checks the condition of the roof, foundation, electrical, and plumbing. Second, the Appraisal, which is for the lender's protection. An appraiser determines the true market value of the home. The bank will not lend you more money than the home is worth."

Advance to slide 29—Step 5: Final Underwriting

"This is where the rubber meets the road: Final Underwriting. The bank's underwriters will go over every document you provided in Step 1—paystubs, bank statements, tax returns—one last time. They are confirming that nothing has changed since your pre-approval. *Tip: Do not buy a new car or open new credit cards during this stage!*"

Advance to slide 30—Step 6: Closing

"Finally, Closing! This is the final meeting, usually with your agent and a title company representative. You sign a huge stack of documents, remit your final cash funds (the closing costs we discussed earlier), and once the funds are processed, you officially receive the keys!"

Discussion Questions

Advance to slide 31—Process Overview 2

Looking at this roadmap, which of these six steps seems the most intimidating or confusing to you, and why? *(Pause and take 2-3 responses.)*

CONCLUSION & PERSONAL ACTION PLAN

Duration: 10 minutes

Key Messages

You are in control of your journey; take action immediately.

Script & Instructions

Advance to slide 32—Key Takeaways

"We've covered a lot of ground in the last 90 minutes, from dream homes to DTI ratios. Let's briefly recap the three biggest, most actionable takeaways from today:"

"1. Master Your Affordability: The lender's view is defined by your Debt-to-Income (DTI) ratio. Your power is knowing that number and reducing your debt to increase your buying power."

"2. Know Your Options and Costs: You now understand the difference between Conventional, FHA, and VA loans, and the required cash buckets: Down Payment, PMI, and Closing Costs (that 2% to 5% outside the loan)."

"3. Get Pre-Approved First: Don't start looking at homes until you have that letter in hand. It solidifies your budget and turns you into a serious buyer in the eyes of any seller."

Advance to slide 33—Personal Action Plan

"Knowledge is great, but action is everything. I'm handing out worksheets that will help you put together an action plan for the next 90 days."

Distribute the My 90-Day Homebuying Action plan worksheets.

Give attendees 5 minutes to complete the worksheet.

"We have just a few minutes left for Q&A. Any final questions on the process, affordability, or getting started?" (*Answer 1-2 quick questions.*)

Advance to slide 34—Resources

"Here are some additional online resources we provide to help you get ready to buy a home and get your financial house in order, accessed via our Wellness Center."

Feel free to note other websites, seminars, and workshops provided by your financial institution.

Advance to slide 35—Contact Info

"Thank you for participating today. Your journey to homeownership is absolutely achievable, and you have the power to control your financial foundation."

"Please take the handouts with you. They include links to our free tools, like the calculator we used today, and our contact information if you have follow-up questions. We wish you the very best of luck on your path to owning a home!"