

**MGIC**

**homebuyer seminar**

# How to host a homebuyer seminar

Along with our seminar slides, borrower workbooks and promotional pieces, this facilitator guide is all you need to host a seminar for potential homebuyers. The following pages include discussion points for each slide.

## Don't forget your downloads!

If you haven't already, download the seminar slide deck, borrower workbooks, and promotional poster from [mgic.com/kit](http://mgic.com/kit).

## Tips for promoting your seminar

- Consider partnering with a real estate agent, school, local housing finance authority or community organization. They can help you get the word out about your seminar
- Start promoting your seminar a month before the date
- Place flyers or posters at libraries, schools, grocery stores, community centers or other places where you might reach first-time homebuyers
- Consider offering a special incentive to attend – a branded giveaway or discount on the loan application fee, for example
- At least a few days before your seminar, send a reminder email to participants that includes directions and parking instructions

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### Sample promotional email:

**Subject:** Are you ready to be a homeowner?

**Email body:**

Join me for a free homebuyer seminar to find out if you're ready for homeownership and learn how to get started.

- **Seminar date**
- **Seminar time**
- **Seminar location**

You'll learn about the mortgage and homebuying process from start to finish – from how to figure out what you can afford to what to expect after you get the keys.

Reply to this email to reserve your spot!

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## Tips for generating leads from your seminar

While we can't directly co-brand our materials for you, we suggest you try one or more of the following:

- Create your own branded slide to put onscreen during check-in time for your seminar
- If you're hosting a webinar in person, print labels with your contact info and a message like, "Contact me when you're ready to buy!" Stick one on any materials you printed for the occasion – like our borrower workbook, or an educational flyer from our first-time homebuyer library ([mgic.com/fthb-library](http://mgic.com/fthb-library))
- Ask participants to sign in and provide their email addresses, so you can follow up with them

## Presenter tips

### How to facilitate a successful seminar

- Practice! Don't just flip through the slides – find a private space to practice presenting out loud
- Engage participants with questions and/or activities
- Pause for questions
- Listen

### Tailor the seminar to your area

We've included space for you to mention average costs in your area on pages 14 and 15. You'll want to gather these average statistics:

- Home inspection fee
- Closing costs
- Homeowners insurance
- Application fee
- Appraisal fee

## Day-of seminar checklist

### Don't forget to bring:

- Any materials you printed for participants, such as our borrower workbook
- Sign-in sheet for follow-up
- Pens/pencils
- Seminar slide deck
- A/V equipment for presentation (and an extension cord)

### Optional:

- Snacks and beverages
- Name tags or tent cards (get to know your potential customers)
- Flip chart/markers
- Notepads
- Evaluation forms if you want to solicit feedback

### When you get to your presentation space:

- Arrive early to set up and test A/V equipment and your presentation
- Place materials and pen or pencil at each space
- Set up a registration table where participants can sign in and pick up a name tag
- Make sure your lighting, sound and temperature are comfortable





## Today's agenda

- Getting ready to buy a home
- Buying your home
- Getting your mortgage
- Closing your home loan
- Being a successful homeowner

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slide 3

### Discussion points

“Today’s discussion will help you understand the whole homebuying process, from what you need to do to prepare, to home maintenance once you own your home.”

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Reference each section on the slide.

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If you provided workbooks, let them know that the information is covered there in more detail.

Transition: **“Let’s get started!”**



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# Chapter 1 Getting ready to buy a home

slide 4

4

## Discussion points

“There are steps you can take before you ever begin the house hunt that will put you in a better position to afford a home. In this section, we’ll cover what you can do to get ready.”

Transition: **“We’ll start with the importance of credit.”**

# Credit

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- What is credit?
- How do you establish good credit?
- How to improve your credit
- Check your credit reports once a year

slide 5

## Discussion points

“Credit lets you obtain something for little or no money down. Creditors keep track of your payment history and report on it. That information goes into a credit report, with or without a credit score.”

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“Your credit score helps a bank decide if they are willing to lend you a lot of money.”

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“A credit report or score tells them a lot about a person, especially how reliably and quickly they pay back money they have borrowed from a company.”

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Ask the participants, “With what purchases do you build credit? What are some good practices for building good credit?”

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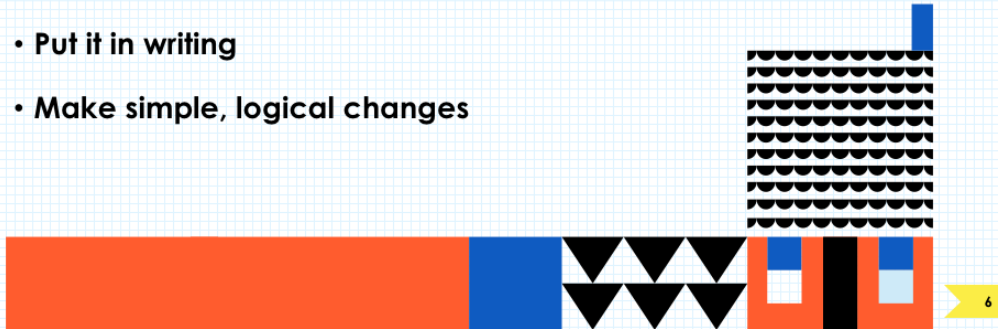
“Building credit doesn’t happen overnight. Mistakes can lower your credit score easily, but it’ll take time to improve your score by paying your bills promptly and regularly.”

Transition: **“Another important step in getting ready to buy a house is knowing what you can afford. Creating a budget to help you save can help.”**

# Saving and budgeting

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- Sticking to a budget doesn't have to hurt
- Identify your expenses
- Put it in writing
- Make simple, logical changes



slide 6

## Discussion points

“Sticking to a budget doesn’t have to be painful. A good budget is logical and practical.”

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“First, go through all of your expenses and be honest with yourself about how much you spend a month on needs AND wants.”

---

“Comparing your monthly expenses to your monthly income can help you see where you can cut, how much fun money to allow yourself, and how much you can save for a down payment.”

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“Make a plan and stick to it! Keep tracking your expenses each month in the worksheet to hold yourself accountable.”

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“Like they say, everything in moderation! It’s hard to stick to extreme diets OR budgets. Make logical changes that are doable so you don’t set yourself up for failure AND bad credit.”

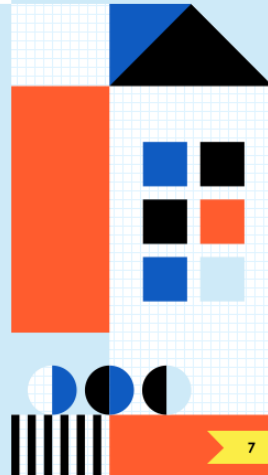
Transition: **“Once you’re pretty serious about buying a house, the first step is to get prequalified.”**



## Prequalifying for a mortgage

- **Helps you know what you can afford**
  - Purchase price of home
  - Monthly mortgage payment
  - How much you'll need for a down payment
- **Documents you may need to provide:**
  - Tax returns and W-2s
  - Employment history
  - Paycheck stubs
  - Statements from savings & checking accounts

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slide 7

### Discussion points

“Getting prequalified can help you understand your price range before you start looking for a house.”

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Explain the specific benefits:

- Shows you home price and monthly payment you can afford
  - Helps you understand down payment you will need
  - Can strengthen your offer to purchase
- 

“For a lender to get to the magic number of what you can afford, they may ask you for...” Go through the list of documents.

Transition: **“Now that you’ve found out how much you can afford, it’s time to start looking for your home.”**



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## Chapter 2 Buying your home

slide 8

8

### Discussion points

Ask participants, “What kind of factors do you think are important when you start the house hunt in earnest?”

Transition: **“Let’s talk about what you should look for in a home.”**

# What to look for in a home

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- **Must-haves vs. nice-to-haves**
- **What to consider**
  - Location and neighborhood
  - Taxes
  - Age of home
  - Utilities
  - Condition & maintenance concerns
  - Size & space



slide 9

## Discussion points

“Remember that finding the perfect house at the perfect price in the perfect location is unlikely. You’ll probably need to compromise somewhere, so make sure you know what’s a must-have and what’s a nice-to-have.”

“Beyond the obvious, you might not always know exactly what to look for when you walk through a house. A comparison chart like the one on page 43 of your workbook can help.”

Talk through the items on the slide.

- Ask: “What other things should you look for?”
- Ask: “Why would you visit at other times of day?”

Transition: **“Knowing what you’re looking for is great - now it’s time to get out and look for your home with the help of some professionals.”**

The slide features a grid background with various geometric shapes in blue, black, and orange. The MGIC logo is in the top right. The title 'Who helps you buy a home?' is in orange. The content lists 'Real estate agent' and 'Loan officer' with sub-points. A yellow arrow with the number '10' is in the bottom right.

## Who helps you buy a home?

- **Real estate agent**
  - Buyer's agent vs. seller's agent
  - Be clear on your expectations and criteria
- **Loan officer**

slide 10

### Discussion points

Explain the difference between a buyer's agent and a seller's agent.

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“Be clear with your agent on what criteria is important to you as you're looking for a home. The agent will narrow your search based on the basics about the home you're looking for:

- Size
  - Number of rooms
  - Location
  - Price
  - Attached garage, etc.”
- 

“You may know a loan officer you'd like to work with from the prequalification process. If not, ask for referrals from friends or family and meet with prospects.”

Transition: **“When you find the home you think might be ‘the one,’ make sure you think it through before making an official offer.”**



**Making an offer**

- What influences the amount of your offer?
- Contingencies
- Counteroffers

slide 11

## Discussion points

Illustrate a scenario with different offer prices and explain the differences. For example, the selling price is \$199,000 and the house needs a new roof:

- Offer 1: \$187,000; buyer will fix roof
- Offer 2: \$191,000; seller must fix roof
- Offer 3: \$193,000; seller must fix roof and include appliances

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Explain contingencies and go through common examples

- Offer contingent on preapproval letter
- Offer contingent on home inspection

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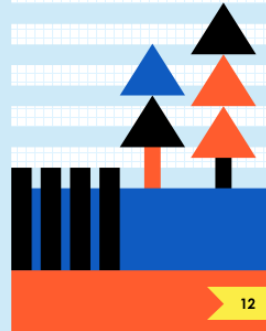
“Counteroffers are common, but be respectful of the seller and know when to stop. You’re trying to come to an agreement on the price.

Transition: **“After an offer is made, you’ll want to make sure the house you saw isn’t hiding any unpleasant surprises. That’s where a home inspection comes in.”**

# Home inspections

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- Takes about 2-3 hours
- Your offer should include a home inspection contingency
- Negotiating tool
- Seller's condition report
- Also helps you understand the home



slide 12

## Discussion points

“Home inspections take about 2 to 3 hours.”

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Mention the average cost in your area:

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“Most offers should include, ‘Contingent on home inspection.’ This is your negotiating tool for things an inspector might find that were not apparent when you toured the house.”

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Give common examples with cause and effect:

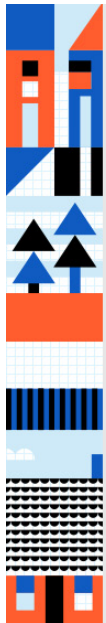
- Side of house needs grading > No change in offer, buyer will fix
  - Radon found in basement > Offer contingent on seller fixing
- 

“This is your last chance to have everything thoroughly looked over, and it’s a great learning opportunity to learn about how things work in the home.”

- Where do you shut the water off?
  - How does  work?”
- 

“That’s why you should always attend your home inspection!”

Transition: **“There are expenses associated with buying a home beyond the purchase price you are financing with a mortgage loan. Let’s look at those now.”**



## Expenses during the mortgage process

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### Prior to close

- Earnest money
- Home inspection
- Application fee
- Appraisal fee

### At closing

- Closing costs
- 1 year of homeowners insurance
- Escrow

13

slide 13

## Discussion points

Go over each item on the slide and give approximate costs for your area:

- Home inspection:
- Application fee:
- Appraisal fee:
- Closing costs:
- Homeowners insurance:

Explain what each fee is and the timing of when it will be needed.

Transition: **“When your offer has been made, it’s time to get your mortgage. Let’s go over your options.”**



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## Chapter 3 Getting your mortgage

slide 14

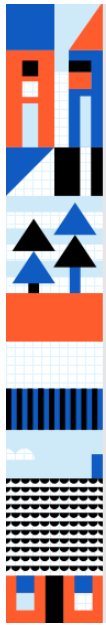
14

### Discussion points

“You have choices to make when shopping for a home loan, from length of the loan to terms. It’s important to understand what different types of loans might mean for you. ”

Transition: **“The type of loan you get will affect the amount of your monthly mortgage payment. So what goes into a monthly mortgage payment anyway?”**





## Your monthly mortgage payment

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### Principal

The portion of the payment that is used to reduce the loan balance

### Interest

The portion of the payment used to pay interest that is due

### Taxes

Usually one-twelfth of the annual property tax bill

### Insurance

Usually one-twelfth of the annual mortgage and homeowners insurance bills

15

slide 15

## Discussion points

“You’ll probably hear the phrase P.I.T.I. when talking with lenders, so it’s important to understand what that means.”

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Go through the definition of each part of P.I.T.I.

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Explain that taxes and insurance are often escrowed, but not always, which is why we say “usually” one-twelfth for them on this slide.

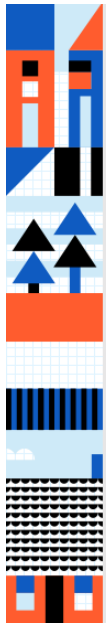
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Ask participants if they know what “escrow” means.

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“You may see other costs included in your monthly payment. One example would be homeowners association dues if you buy a condo.”

Transition: **“When talking with your lender, you’ll hear about a variety of different types of loans. Let’s talk about the most common loan types.”**



## Types of mortgages and home loans

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- **Fixed-rate**
  - Most popular type
- **Nonfixed-rate**
  - Also known as adjustable-rate mortgages (ARMs)
  - Make sure you fully understand the term

16

slide 16

### Discussion points

“There are many loan types out there, each with advantages and disadvantages, depending on your individual situation.”

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Explain characteristics of fixed-rate loans:

- Interest does not change
  - Different loan terms available (15- and 30-year most popular)
  - Shorter term means faster payoff/equity
  - Comfort in knowing P&I will not change (ask if they remember what P&I stand for)
  - Most popular type
- 

Explain characteristics of nonfixed-rate or ARMs:

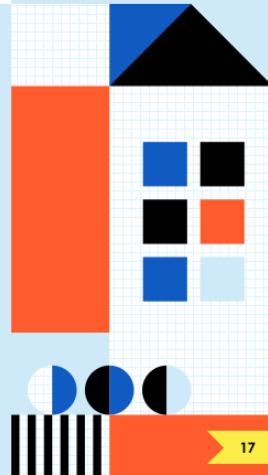
- Interest rate/payment may adjust
- Offers lower initial interest rate
- Could be better for borrowers who expect sharp income increases and/or plan on short-term ownership
- Important for borrowers to fully understand the terms of this type of loan

Transition: **“Once you know what type of loan is right for you, you’ll need to figure out your down payment.”**

## Down payment options

- Initial investment in your home
- Minimum usually 3-5%
- If you put less than 20% down, loan options include:
  - VA (Veterans Administration)
  - FHA (Federal Housing Administration)
  - Conventional with private mortgage insurance (PMI)

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slide 17

### Discussion points

“Depending on your situation and loan type, the minimum down payment you’ll need to make is usually between 3 and 5 percent.”

Run through an example of how much a down payment would be for a \$200,000 home:

- 20% would be \$40,000
- 5% would be \$10,000

“If you aren’t willing or able to put down 20% – or \$40,000, in this example – you’ll need to take advantage of one of these options:

- VA loan for members or veterans of the military
- FHA loan
- Conventional loan with private mortgage insurance, which offers the bank protection for part of the loan”

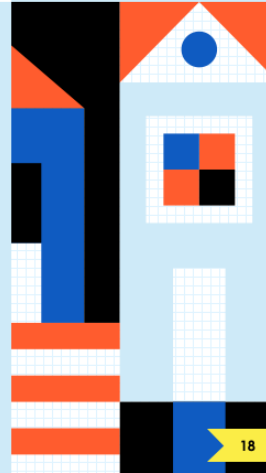
Explain that gift and grant funds may be allowed. Borrowers should ask their lender what percentage of their down payment needs to be their own money and what is allowed from a gift or other sources.

Transition: **“Private mortgage insurance, or PMI, was just mentioned. Let’s discuss what that is and how it can help you.”**

# Private mortgage insurance

- **Not the same as homeowners insurance**
- **PMI can help you:**
  - Buy a home sooner
  - Increase your buying options
  - Reserve funds
- **PMI may be cancelled**

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slide 18

## Discussion points

“Private mortgage insurance protects the bank by reducing their exposure to loss on the loan, therefore reducing the bank’s risk. It helps borrowers who don’t have 20% to put down. You may have heard of it as PMI or just MI.”

---

“It’s different from homeowners insurance, which protects YOU financially against the risk of what could happen to your home or your belongings inside the home, like a fire or burglary.”

---

Explain how PMI can help borrowers. “If you can put less than 20% down:

- You could buy a home sooner since you don’t have to wait while saving up 20%
  - You could buy more home based on the amount you have saved – instead of buying a \$100,000 home with a 20% down payment of \$20,000, you could use that \$20,000 on a 10% down payment for a \$200,000 home.
  - You can keep some of the money you saved for remodeling, furniture and appliances, or to make other investments.”
- 

“Your monthly private MI premiums may be cancelled once the equity you have in your home has reached a certain point. Check out pages 38-40 of your workbook for more info on PMI.”

Transition: **“While you’re shopping for a mortgage, it’s important to know your rights.”**

# Homebuyer rights

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- Fair Housing Act
- Predatory Mortgage Lending

slide 19

## Discussion points

Explain the goal of the Fair Housing Act is to eliminate discrimination and to protect consumers against unfair activities which would deny housing.

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“Be aware of Predatory Mortgage Lending, which is imposing unfair and abusive loan terms on borrowers.”

---

“Be sure you’re using a well-respected and trusted lending institution.”

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For more information, direct homebuyers to [hud.gov](http://hud.gov).

Transition: **“Keep your rights in mind throughout the mortgage process, which starts with an application.”**

**Mortgage application**

- Documents you may need to provide:
  - Tax returns and W-2s
  - Employment history
  - Paycheck stubs
  - Statements from savings & checking accounts

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slide 20

20

The slide features a blue grid background. On the left, there is a vertical black bar, a light blue circle, and a black circle. Below these are three vertical black bars and a large orange rectangle. To the right of the orange rectangle is a row of blue and black triangles. Further right is a vertical stack of blue and light blue horizontal bars, with the MGIC logo at the top. A yellow arrow with the number 20 points to the right from the bottom right corner of the slide content area. The text 'slide 20' is located in a grey vertical bar on the far right.

## Discussion points

“Like with the prequalification, you may need the following forms.” Go through the list on the slide.

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“Before meeting with your lender, call and ask exactly which forms they’ll need and how far back they should go.”

---

“The application process takes about an hour.”

Transition: **“After providing your documents and filling out the application, let’s see what documents you’ll get back from the lender...”**

**Mortgage application**

- Documents lender provides to you:
  - Loan Estimate
  - Commitment Letter

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slide 21

21

## Discussion points

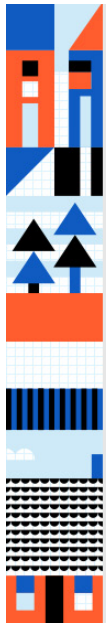
Explain the documents that the lender will provide after completing the application:

- Loan Estimate
  - Provides estimated settlement costs, such as: appraisal fee, MI premium, credit report fees, etc.
  - Required that lender provide the loan estimate within 3 business days of application
  - Helps borrowers compare different loan offers, including conditions and terms
- Commitment Letter
  - Once the loan approval process is over, the commitment letter is a binding promise of the lender's intention to grant a loan at the stated terms

---

“Save these documents in a safe place with all of your other mortgage and home documents!”

Transition: **“Does anyone know what comes after the application phase?”**



## Processing and underwriting

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- Loan is reviewed by processor
- Loan sent to underwriter for approval

At either stage, you might need to provide additional info.

22

slide 22

## Discussion points

Go through the behind-the-scenes process of a pending loan:

- Processor reviews loan for data integrity, gathers and verifies all documentation
- Processor prepares loan file and submits to underwriting
- Underwriter evaluates the info in the file to make sure it meets loan requirements
- Underwriter issues loan approval if all requirements are met

---

“At either of these stages, you might need to provide additional information or documents. Your lender will let you know.”

Transition: **“Once the loan is approved and you receive your commitment letter, your closing date will be scheduled. Here’s what you can expect.”**





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## Chapter 4 Closing your home loan

23

slide 23

### Discussion points

“Does anyone have any guesses about what you might need to do before your closing date?”

Transition: **“Let’s talk about what you will need to do to prepare.”**

## Preparing for closing

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- **What to bring:**
  - Proof of homeowners insurance
  - Certified check for down payment and closing costs
- **Review your Closing Disclosure carefully**



slide 24

### Discussion points

“Most lenders require proof of one year of homeowners insurance. You’ll need to contact your insurance agent to order the insurance and get the insurance binder and paid receipt.”

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“You’ll also need to bring a check for your closing costs and down payment. Your lender will let you know the exact amount close to the closing date. This can’t be a personal check, so make sure to get a certified check prior to the big day.”

---

Explain what a Closing Disclosure is:

- Borrowers receive it 3 days prior to the scheduled closing date
  - “Review this document carefully to make sure the details are correct and match the initial Loan Estimate. If something looks different that you expect, contact your lender – don’t wait until the day of.”
- 

“Check with your lender to see if there’s anything else you might need to bring. You don’t want to be caught by surprise!”

Transition: **“Here’s what you can expect at the closing itself.”**

## During closing

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- Closing officer will review and have you sign:
  - Mortgage Note
  - Mortgage related documents
  - Closing Disclosure
- Closing officer will go over costs and distribute checks
- You'll get your keys!



25

slide 25

### Discussion points

Explain the documents borrowers will need to sign. Go over the list on the slide.

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“If you have questions, don’t be afraid to ask. You want to have any confusion clarified before you sign a binding legal document!”

---

“Once the closing is complete, you’ll receive copies of the documents and keys to your new home.”

Transition: **“The house is officially yours! Now what?”**



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## Chapter 5 Being a successful homeowner

26

slide 26

### Discussion points

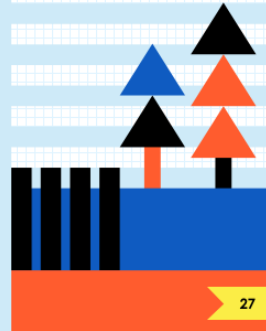
“Being a homeowner is exciting, but it also comes with responsibilities.”

Transition: **“Let’s talk about how to maintain your new home.”**

# Maintaining your home

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- You're responsible for:
  - Lawn and garden
  - Snow removal
  - Pest control
  - Routine maintenance
- You may need to purchase:
  - Outdoor equipment
  - Power tools
  - Appliances
  - Furniture, paint or window treatments



slide 27

## Discussion points

“When you transition from renting to owning, the tasks that used to be your landlord’s responsibility are now yours.” Go through the list on the slide.

---

“What else might you need to do to care for your home?”

---

“A home maintenance checklist like the one on page 45 of the workbook can help you stay on top of routine maintenance and know what to look out for.”

---

“You might also have to buy some equipment to perform those maintenance tasks on your home. And if they didn’t come with the house or you just want to make some changes, there are some other expenses you might face.”

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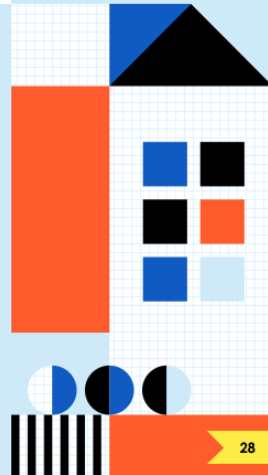
Go through the list of items new homeowners might need to purchase.

Transition: **“As you can see, maintaining your house isn’t free. Let’s talk about how to plan for the expenses of homeownership.”**

## Financial responsibility

- Budget for more than your mortgage
- Expect the unexpected
- Establish a reserve

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slide 28

### Discussion points

“After you close on the house, there’ll be additional expenses beyond what you pay the bank for your monthly mortgage.”

---

“It’s a great idea to save and set up a reserve for possible maintenance issues that can come up. For example, replacing a roof is expensive. Do you know how much that costs? Would you be able to replace it if needed?”

---

“Knowing what kind of issues may arise or what you might need to replace can help you identify how much you’ll need to save for a good reserve.”

---

“Keep tracking your expenses and saving! A household budget is even more important when you own a home and are responsible for your monthly mortgage payment.”

Transition: **“And one more thing. Be sure to...”**



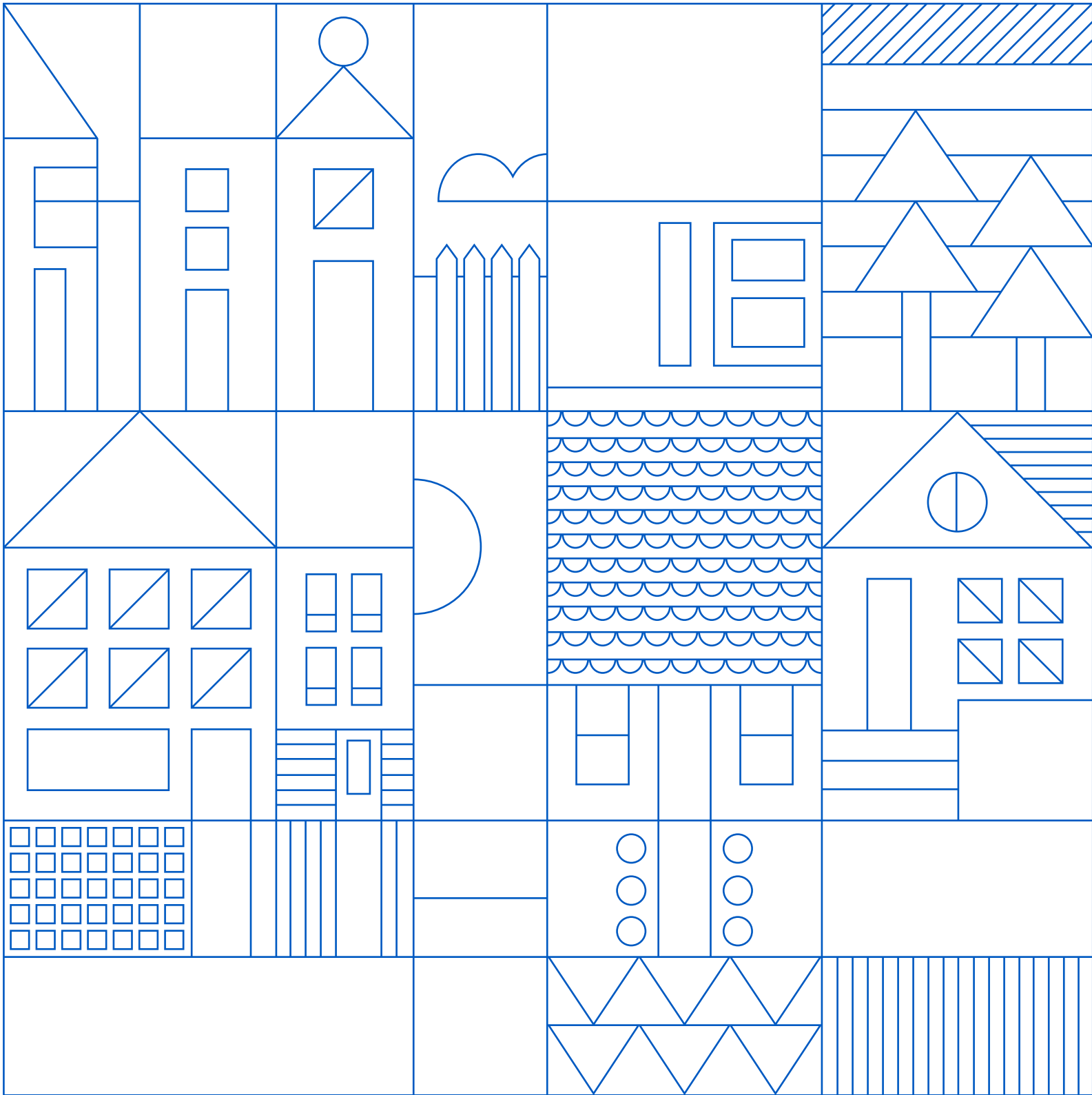
## Discussion points

“Enjoy your new home!”

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“Becoming a homeowner is an accomplishment! Take the time to celebrate. A house is work, but it’s also your refuge, and for many, the realization of a dream. So enjoy every minute of it!”

Transition: **Ask if there are any questions and thank your audience for their time and attention. If you have prepared an evaluation, ask the participants to take a moment to write down their feedback.**



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