

Module 2 Workbook

Saving for Homeownership

How much do you actually need to save? Down payments, closing costs, reserves. Use this workbook with Module 2 online at yourmortgagetoolbox.com/learn/saving-for-homeownership/ or in a class led by an instructor. Type directly into the shaded boxes on screen, or print it and write by hand.

Name

Date started

Instructor or class (if any)

How to use this workbook

1. Read or attend each lesson, then fill in the matching page.
2. Use real numbers from your own situation where asked. Nothing here is submitted anywhere. It stays with you.
3. Take the self-assessment quiz before you check the answers online.
4. Finish with your action plan. That plan is the real goal of this module.

Lessons in this module

Lesson	Topic	Done
2.1	How Much Do You Actually Need to Save?	☐
2.2	Down Payment Requirements by Loan Type	☐
2.3	Down Payment Assistance Programs	☐
2.4	Closing Costs: What They Are and How Much to Budget	☐
2.5	Building a Realistic Savings Timeline	☐
Quiz	Self-assessment (7 questions)	☐

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LESSON 2.1

How Much Do You Actually Need to Save?

The question "how much do I need to save?" has more components than most buyers expect.

Key ideas

Key idea	In my own words
The Four Cash Needs	
A Realistic Savings Target	

Seller concessions can reduce cash to close: In a buyer-friendly market, you may be able to negotiate for the seller to pay a portion of your closing costs (called "seller concessions"). Conventional loans allow up to 3–9% depending on down payment amount; FHA allows up to 6%. This doesn't.

Worksheet A: How this applies to me

What applies to my situation

One question I still have

One action I will take

Notes

LESSON 2.2

Down Payment Requirements by Loan Type

The 20% down payment is a myth for many buyers. The national average down payment for first-time buyers has been closer to 6–8% in recent years.

Key ideas

Key idea	In my own words
The 20% Down Advantage: What You Get and What You Give Up	
The Conventional 3% Programs	
The FHA Decision	

Worksheet B: Run it in the Total Mortgage Payment & Cash to Close Calculator

Open the Total Mortgage Payment & Cash to Close Calculator at yourmortgagetoolbox.com and run your own numbers. Record what you find.

Scenario I ran (price, down payment, rate, etc.)	
Result I want to remember	
What surprised me	

Notes

Down Payment Assistance Programs

Down payment assistance (DPA) programs are one of the most underutilized resources in homebuying.

Key ideas

Key idea	In my own words
What DPA Programs Are	
Who Offers DPA Programs	
Typical DPA Program Requirements	

Worksheet C: Run it in the YMT calculator

Open the YMT calculator at yourmortgagetoolbox.com and run your own numbers. Record what you find.

Scenario I ran (price, down payment, rate, etc.)	
Result I want to remember	
What surprised me	

Notes

LESSON 2.4

Closing Costs: What They Are and How Much to Budget

Closing costs are the fees paid at settlement to complete a real estate transaction.

Key ideas

Key idea	In my own words
Lender Fees (Section A on the Loan Estimate)	
Third-Party Service Fees (Sections B and C)	
Government Fees (Section E)	
Prepaid Items and Escrow Setup (Sections F and G)	

Total closing cost estimate: Budget 2–5% of the loan amount for closing costs. For a \$300,000 loan, that's \$6,000–\$15,000. The variance is real. High-cost states with transfer taxes and mortgage taxes can push closing costs to the upper end of this range or beyond for high-balance loans.

Worksheet D: Run it in the Total Mortgage Payment & Cash to Close Calculator

Open the Total Mortgage Payment & Cash to Close Calculator at yourmortgagetoolbox.com and run your own numbers. Record what you find.

Scenario I ran (price, down payment, rate, etc.)

Result I want to remember

What surprised me

Notes

LESSON 2.5

Building a Realistic Savings Timeline

Once you know how much you need to save, the question becomes: how long will it take, and what actions can accelerate the timeline?

Key ideas

Key idea	In my own words
The Basic Calculation	
Where the Money Comes From	
Where to Save	
Accelerating the Timeline	
Strategy: Stacking Programs to Minimize Cash to Close	

Reference table

	Scenario 1 Standard FHA	Scenario 2 FHA + Seller Concessions	Scenario 3 FHA + Seller Concessions + DPA
Down payment (3.5%)	\$10,500 (borrower pays)	\$10,500 (borrower pays)	\$0 (covered by DPA grant)
Closing costs & pre-pays	\$11,000 (borrower pays)	\$0 (seller pays, concessions)	\$0 (seller pays, concessions)
Seller concessions used	None	~\$11,000 (of \$18,000 allowed)	~\$11,000 (of \$18,000 allowed)
DPA grant	None	None	Covers down payment
Cash to close	~\$21,500	~\$10,500	~\$0

Worksheet E: Run it in the Down Payment Savings Calculator

Open the Down Payment Savings Calculator at yourmortgagetoolbox.com and run your own numbers. Record what you find.

Scenario I ran (price, down payment, rate, etc.)

Result I want to remember

What surprised me

Notes

Module 2 Quiz

Type the letter of your answer, or write it in by hand. Then check your results online at yourmortgagetoolbox.com/learn/saving-for-homeownership/ or ask your instructor for the answer key.

1. Beyond the down payment, what are the three other cash needs a buyer must plan for? My answer

- A. Furniture, moving costs, and landscaping
- B. Closing costs, earnest money deposit, and reserves
- C. Title insurance, appraisal, and home inspection only

2. The minimum down payment for an FHA loan (for a borrower with a 620 credit score) is: My answer

- A. 10%
- B. 5%
- C. 3.5%

3. Which loan programs allow 0% down payment? My answer

- A. FHA and Conventional
- B. VA and USDA
- C. FHA and USDA

4. A lender will not count cash kept at home ("mattress money") toward your down payment or closing costs because: My answer

- A. Cash is considered taxable income and must be reported on a separate form
- B. Funds must be verifiable. Lenders pull two months of bank statements to confirm the money is yours and not borrowed, and cash outside a financial institution has no paper trail
- C. Lenders only accept funds wired directly from an employer or retirement account

5. Closing costs typically range from what percentage of the loan amount? My answer

- A. Less than 1%
- B. 2–5%
- C. 8–10%

6. Why is keeping your down payment savings in a high-yield savings account (rather than invested in stocks) generally recommended? My answer

- A. Savings accounts earn higher returns than stocks
- B. Money needed within 1–3 years should not be exposed to equity market volatility
- C. Stock investments are not allowed as down payment funds

7. On an FHA purchase, the maximum a seller can contribute toward the buyer's closing costs and pre-pays is: My answer

- A. 3% of the purchase price
- B. 4% of the purchase price
- C. 6% of the purchase price

My score (out of 7)

Topics I want to review

PUTTING IT TO WORK

My Action Plan

Pick the three or four actions that matter most for you. Be specific: what, how much, and by when.

Next 30 days

31 to 60 days

61 to 90 days and beyond

My Module 2 readiness check

- ☐ I can explain: How Much Do You Actually Need to Save?
- ☐ I can explain: Down Payment Requirements by Loan Type
- ☐ I can explain: Down Payment Assistance Programs
- ☐ I can explain: Closing Costs: What They Are and How Much to Budget
- ☐ I can explain: Building a Realistic Savings Timeline

Questions for my housing counselor or loan officer

Next: continue with the next module at yourmortgagetoolbox.com/learn/, and try the calculators at yourmortgagetoolbox.com to run your own numbers.

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