

Homebuyer Education and Counseling

Purpose

This announcement includes the following topic:

- ✓ Homebuyer Education and Counseling - Requirements
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Homebuyer Education

Is required for all Purchase transactions with LTV, CLTV or HCLTV ratios greater than 95.00%, when **all** Borrowers are first-time homebuyers.

**Fannie Mae
Home Ready &
Freddie Mac
Home Possible**

At least one Borrower must complete homebuyer education, prior to the Note date, for the following transactions:

- Home Ready and Home Possible purchase transactions when all occupying Borrowers are first-time homebuyers, regardless of the LTV ratio.
- ✓ Home Ready
 - Fannie Mae (DU) requires counseling must be provided by Framework. [Framework Course Link](#)
- ✓ HomePossible
 - Freddie Mac's (LPA) CreditSmart Homebuyer U program (free)
 - Programs provided by MI Companies, HUD approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions
 - Programs that meet the standards of the National Industry Standards (NIS) for Homeownership Education and Counseling

[Link to National Industry Standards for Homeownership Education and Counseling:](https://www.homeownershipstandards.org/Home/Home.aspx)
<https://www.homeownershipstandards.org/Home/Home.aspx>

[Link to HUD approved agency:](https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=IL)
<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=IL>

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Homebuyer Education and Counseling, Continued

**Fannie Mae
97% and
Freddie Mac
97%**

- ✓ Fannie Mae 97% (DU) - must use Framework
 - ✓ Freddie Mac 97% (LPA) - must use CreditSmart Homebuyer U
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**IHDA/Assist –
Retail Only**

IHDA requires all pre-purchasing counseling to meet the standards defined by HUD or the National Industry Standards (NIS) for Homeownership Education and Counseling and must follow the appropriate agency guidelines as well.

Acceptable courses:

- ✓ When using DU: Fannie Mae requires counseling must be provided by Framework. [Framework Course Link](#)
- ✓ When using LPA:
 - Freddie Mac’s CreditSmart Homebuyer U program (free)
 - Programs provided by MI companies, HUD Approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions
 - Programs that meet the standards of the National Industry Standards (NIS) for Homeownership Education and Counseling

[Link to National Industry Standards for Homeownership Education and Counseling:](https://www.homeownershipstandards.org/Home/Home.aspx)

<https://www.homeownershipstandards.org/Home/Home.aspx>

[Link to HUD approved agency:](https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=IL)

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Homebuyer Education and Counseling, Continued

**FHLB – Retail
Only**

Homebuyer Education ***and*** counseling (both are required) by either:

- Framework
- eHomeAmerica
- Embarras River Basin Agency, Inc.

Note: RETAIL: See your yearly FHLB DPP Program Tip Sheet for specifics
