

# Homeownership Education Updates

Fannie Mae believes homeownership education helps borrowers gain essential knowledge to prepare for sustainable homeownership. With it, borrowers are better informed and have a clearer understanding of the intricate process, benefiting both the homebuyer and the lender. With that in mind, recent and upcoming changes to homeownership education include:

- Policy changes expanding homeownership education requirements for purchase loans greater than 95% LTV were implemented on December 7<sup>th</sup>, helping to ensure that new homebuyers are well prepared for sustainable homeownership.
- Framework® homeownership education \$75 course fee has been waived for borrowers who register for the course via [https://educate.frameworkhomeownership.org\\*](https://educate.frameworkhomeownership.org*), reducing the cost burden and potential cost hurdle.
- A new mobile- and web-based application by Framework will launch in 2020.

## I. Policy changes for homeownership education requirements went into effect December 7, 2019.

- Non-HomeReady Purchase loans with LTV, CLTV, or HCLTV > 95%:
  - Before December 7: Homeownership education was not required.
  - Today: New loan casefiles submitted to Desktop Underwriter® (DU®) on or after December 7, 2019 will require that at least one borrower on a mortgage loan with an LTV/CLTV/HCLTV > 95% completes homeownership education, regardless of the mortgage product chosen. This applies to loans where ALL occupying borrowers are first-time homebuyers.
- HomeReady Purchase loans:
  - Before December 7: Homeownership education was required, even if borrowers were not first-time homebuyers.
  - Today: New loan casefiles submitted to Desktop Underwriter® (DU®) on or after December 7, 2019 will require homeownership education for at least one borrower only if ALL occupying borrowers are first-time homebuyers, regardless of LTV.
- No Credit Score borrowers:
  - No policy change – homeownership education will be required for all loans.

## II. Fannie Mae began waiving the Framework homeownership \$75 course fee on October 23, 2019 for borrowers who register for the course via the link below.

- **To receive the \$75 fee waiver**, borrowers should register for the course through the new Framework URL:
  - [https://educate.frameworkhomeownership.org\\*](https://educate.frameworkhomeownership.org*)
- To qualify for the \$75 course waiver, borrowers must have enrolled on or after October 23<sup>rd</sup>.
  - For reference, certificates of completion include the course enrollment date.
- Lenders should also update any marketing collateral that still references the \$75 fee.

## III. In 2020, launching a new mobile- and web-based application by Framework designed to provide an improved borrower and lender experience including:

- Simplified registration process
- More customized and personalized content relevant to homebuyers
- Automated certification delivery

\* To receive the \$75 Framework course fee waiver, borrowers must register through the new course link <https://educate.frameworkhomeownership.org> or <https://homeready.frameworkhomeownership.org>. Borrowers registering via other URLs may be charged the non-refundable \$75 fee.