Homeownership Education Updates

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

- Policy changes expanding home ownership education requirements for purchase loans greater than 95% LTV were implemented on December 7th, helping to ensure that new homebuyers are well prepared for sustainable home ownership.
- Framework® home ownership education $75 course fee has been waived for borrowers who register for the course via https://educate.frameworkhomeownership.org*, reducing the cost burden and potential cost hurdle.

I. **Policy changes for home ownership education requirements went into effect December 7, 2019.**

- **Non-HomeReady Purchase loans with LTV, CLTV, or HCLTV > 95%:**
  - Before December 7: Home ownership 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 home ownership 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: Home ownership 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 home ownership 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 – home ownership education will be required for all loans.

II. **Fannie Mae began waiving the Framework home ownership $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 23rd.
  - 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 home buyers
- Automated certification delivery

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