

# Homeownership Education and Housing Counseling FAQs

Fannie Mae believes that quality homeownership education provides borrowers with the information and resources they need to navigate the homebuying process and make informed decisions that support sustainable homeownership.

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## General

### Q1. What is the homeownership education requirement for mortgage qualification?

Homeownership education is required per the bulleted list below and may be delivered in various formats (in-person, Internet, telephone, or a hybrid format).

- For HomeReady purchase transactions, if ALL occupying borrowers are first-time homebuyers, then at least one borrower must complete a course from a qualified provider\*, regardless of LTV.
- For other purchase transactions where LTV, CLTV, or HCLTV > 95%, if ALL occupying borrowers are first-time homebuyers, then at least one borrower must complete a course from a qualified provider\*, regardless of the product chosen.

For transactions where all borrowers are relying solely on nontraditional credit to qualify, at least one borrower must complete a course from a qualified provider\*, regardless of the loan product or whether the borrowers are first-time homebuyers.

\* A qualified provider must be independent of the lender, with homeownership education content that is aligned with National Industry Standards (NIS) or U.S. Department of Housing and Urban Development (HUD) standards.

Fannie Mae HomeView can be used to satisfy the homeownership education requirements.

The borrower may choose to receive housing counseling from a HUD-approved agency. If so, completion of housing counseling prior to closing will satisfy Fannie Mae's homeownership education requirement. The lender must retain a copy of the certificate of course completion in the loan file.

For more information [click here](#).



## **Q2. What is Fannie Mae's objective with the homeownership education requirement?**

We believe that financial literacy and foundational homeownership education is critical to successful homeownership, and it must be delivered in a way that is timely, relevant, and accessible to the borrower. With that in mind, we are offering our own proprietary homeownership education course, HomeView, to broaden the options first-time homebuyers have and provide them with resources that will make them more informed homeowners.

We recognize that some potential homeowners may want more personalized assistance and others may need additional help with challenging financial and credit issues that can be more effectively addressed working one-on-one with a housing counselor, also known as a homeownership advisor.

Housing counselors are committed to providing unbiased, quality advice early in the homebuying process, before critical decisions are made – such as when to buy, which house to buy, or which mortgage is best suited to their financial situation. Housing counselors empower consumers to make informed decisions about their home purchase and to move forward with confidence. Working with a counselor can help prepare borrowers for success and improve loan performance for lenders and investors.

## **Q3. Who are eligible providers for Homeownership Education and Housing Counseling?**

Any qualified third-party provider, independent of the lender, may provide homeownership education, provided the course content aligns with NIS or HUD standards. Examples of providers:

- Community Seconds or other down payment assistance program providers
- Mortgage insurance companies (without regard to whether they provide mortgage insurance coverage for the particular transaction)
- HUD-approved counseling agencies
- Housing Finance Agencies (HFAs)
- Community Development Financial Institutions (CDFIs)

Housing counseling must be provided by a HUD-approved agency.

## **Q4. What if an online course is not an appropriate option for a potential home buyer?**

In certain circumstances, an online format may not be the appropriate option for a potential home buyer. The presence of a disability, lack of internet access, and other issues may indicate that a potential borrower is better served through other modes (e.g., in-person classroom, telephone conference call, etc.). In these situations, potential borrowers should be directed to the HOPE® Hotline 1-888-995-HOPE (4673) to speak with a HUD-certified counselor that can meet their needs. Housing counseling must be provided by a HUD-certified housing counselor.

## **Q5. Must the lender have the Borrower's Authorization for Counseling form signed at closing?**

No, this is not a requirement. Several years ago, we removed this requirement for lenders to execute the Borrower Authorization for Counseling form at or prior to closing.



**Q6. Is landlord education required for loans secured by 2- to 4-unit properties?**

No, landlord education is not required.

**Fannie Mae HomeView**

**Q7. Why did Fannie Mae develop a proprietary homeownership education course?**

Fannie Mae is committed to supporting sustainable homeownership and believes that broadening access to quality homeownership education is key to empowering new homeowners. To showcase our commitment, we have developed HomeView, a course that aligns with NIS for Homeownership Education for pre-purchase homeownership education content. This course can be used to satisfy our Selling Guide's education requirement, and we are providing borrowers with free access to it and other comprehensive resources that will help them toward sustainable homeownership.

**Q8. Is there a cost associated with HomeView?**

The course, completion certificate and resources, such as downloadable checklists, are available free of charge.

**Q9. What are the benefits of taking HomeView?**

HomeView aligns with National Industry Standards (NIS) for Homeownership Education and Counseling and can help to pave the way for borrowers towards successful homeownership. Whether it's by providing tips to save for a down payment, outlining steps to make an informed offer, or finding a reliable housing counselor for trusted guidance, our objective is to be a trusted source and support consumers where they are in their homebuying journey. There are 7 modules that span the homebuying process and the entire course takes about 3 – 4 hours to complete, but it doesn't have to be done all at once. Borrowers can work at their own pace, accessing the course anywhere, anytime with our mobile-friendly design. Once they have completed all seven modules and passed the course assessment, they will receive a certificate of completion to share with their lender to meet Fannie Mae's education requirements. Borrowers are able to take the assessment as many times as they need in order to pass. Overall, this course helps your customers gain confidence in their readiness to purchase and sustain ownership of a home, and it is offered free of charge.

**Q10. How can borrowers access HomeView?**

Loan officers and others working with potential borrowers can easily refer them to HomeView at <http://www.fanniemae.com/education>.

**Q11. What does HomeView cover? How long is the course?**

The course includes seven modules covering the basics of buying and owning a home. Completion of all seven modules takes approximately three to four hours to complete:

- Module 1: Knowing When You're Ready
- Module 2: Saving for Homeownership
- Module 3: Understanding the Mortgage Loan Process
- Module 4: Shopping for a Home with a Real Estate Agent



- Module 5: Making an Offer on a Home
- Module 6: Getting Ready to Close on Your Loan
- Module 7: Welcome to Homeownership

**Q12. How does a lender verify that a borrower has completed HomeView?**

After completing HomeView, and scoring 80% or higher on the final assessment, borrowers will receive a certificate of completion indicating they have satisfied the homeownership course requirement. Lenders should ask borrowers to provide a copy of the certificate of completion and retain a copy in the loan file.

**Q13. What if a borrower does not score at least 80% on the quiz?**

A borrower may review modules and take the quiz as many times as they wish until they score 80% or higher.

**Q14. How long does the borrower have to complete HomeView?**

There is no time limit; completing all seven modules should take about 3 – 4 hours but it doesn't have to be completed all at once. Borrowers may pause if necessary and resume when ready. However, in order to maximize the benefit from the course information and resources, we recommend that borrowers complete the course as early as possible in their homebuying journey.

**Q15. How long is the certificate of completion valid?**

Each certificate includes a date of completion, but there is no expiration date. Lenders may have specific policies regarding how long certificates are valid after the date of completion. Borrowers should check with their lender/program administrator to confirm their lender's policy.

**Q16. If a loan application includes multiple borrowers, are all borrowers required to take homeownership education?**

No, if homeownership education is required, Fannie Mae requires that at least one borrower on the loan take a homeownership education course from a qualified provider\*.

\* A qualified provider must be independent of the lender, with homeownership education content that is aligned with National Industry Standards (NIS) or U.S. Department of Housing and Urban Development (HUD) standards.

## **Housing Counseling**

**Q17. What does Fannie Mae mean by “housing counseling”?**

Housing counseling refers to customized homebuyer support provided exclusively by the trained staff of HUD-approved nonprofit counseling agencies. These agencies are approved and monitored by HUD as providers of independent, professional advice on homebuying and housing issues. “Housing counselor” is defined in the HUD Counseling Program Handbook.



**Q18. What are the requirements for housing counseling?**

Housing counseling, as defined here, follows the guidance of the HUD housing counseling program. The specific requirements are detailed in [B2-2-06](#).

	Delivery Method	Content	Timing
<b>Homeownership Education</b>	<ul style="list-style-type: none"><li>▪ Fannie Mae HomeView or homeownership education course from a qualified provider</li><li>▪ Education course provided by a Community Seconds or DPA provider</li></ul>	<ul style="list-style-type: none"><li>▪ Comprehensive curriculum and instructional goals</li><li>▪ Examples of topics:<ul style="list-style-type: none"><li>▪ Knowing if you're ready to buy or rent</li><li>▪ Comprehension of the mortgage process and documentation needed</li><li>▪ Home inspections, appraisals insurance and closing process</li><li>▪ Responsibilities of homeownership</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ Typically occurs between loan application and closing</li><li>▪ Earlier is better</li><li>▪ Must be completed by closing</li></ul>
<b>Housing Counseling</b>	<ul style="list-style-type: none"><li>▪ Services are unique to individual's financial situation.</li><li>▪ Services delivered one-on-one or via classroom, which may be in person, telephonic, video conference or as per any other HUD delivery standard.</li></ul>	<ul style="list-style-type: none"><li>▪ Covers all topics included in education setting</li><li>▪ MUST cover:<ul style="list-style-type: none"><li>▪ Buy or rent decision</li><li>▪ Establishing a household budget</li><li>▪ Review of credit report</li><li>▪ Preparation of a written action plan based on the client's individual goals</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ As early as possible</li></ul>

**Q19. What are the benefits of housing counseling?**

Housing counseling may fulfill the homeownership education requirement. And, exclusively for HomeReady, HomeReady First and HFA Preferred purchase transactions where borrowers have received housing counseling from a HUD-approved housing counseling agency within the 12 months prior to the loan closing date (as evidenced by completing the Housing Counseling data fields in DU or on the Supplemental Consumer Information Form [Form 1103] for manually underwritten loans prior to loan closing), shall be eligible for a **loan-level price adjustment credit of \$500**, when the purchase loan is delivered with Special Feature Code 184.



**Q20. Who should be referred to housing counseling?**

Housing counseling is an acceptable option for satisfying the homeownership education requirements. It may be helpful to homebuyers who are looking for tailored one-on-one or group counseling or may need additional assistance with understanding the homebuying or lending process.

**Q21. If a borrower completes housing counseling, does he or she have to complete a homeownership education course?**

Many housing counselors use online homeownership education courses, like HomeView, as part of their programs. When borrowers work with a HUD-certified housing counselor, they have fulfilled the education requirement and do not need to complete a homeownership education course.

**Q22. How can I find out more about the required content for housing counseling?**

Housing counseling begins with an assessment of the potential buyer's housing needs and discussion of whether it is the right time to buy. It includes a detailed review of the potential buyer's household budget and credit to determine how much they can afford. The counselor can help to identify and work with real estate agents, lenders, and other professionals. The counselor must provide a written action plan.

More details are available in the HUD Counseling Program Handbook:

<http://portal.hud.gov/hudportal/documents/huddoc?id=76101HSGH.pdf>

**Q23. What if a potential homebuyer wants housing counseling?**

As stated previously, housing counseling is not required in addition to homeownership education; however, potential borrowers seeking additional assistance are encouraged to contact a HUD-approved counseling agency for help. Potential borrowers can either visit <https://www.consumerfinance.gov/find-a-housing-counselor/> or reach out to 995Hope by visiting their site at <https://995hope.org/> or calling the HOPE® Hotline 1-888-995-HOPE (4673) to speak with a HUD-certified counselor.