



Home Possible® Mortgages Homeownership Education Requirements

➤ Improving borrowers' ability to achieve a successful homeownership experience

Freddie Mac supports and encourages homeownership education, believing that well-informed and well-prepared homeowners are on the best path to enjoying successful and sustainable homeownership.

Homeownership Education Requirements

As part of our ongoing commitment to improve borrowers' ability to achieve a positive homeownership experience, Freddie Mac will require homeownership education for First-Time Homebuyers for purchase transaction Home Possible Mortgages with Freddie Mac settlement dates on and after June 1, 2008. Our updated requirements specify:

- For purchase transaction Home Possible Mortgages, when all the borrowers are First-Time Homebuyers, at least one qualifying borrower must participate in a homeownership education program before the note date.
- Homeownership education must be provided by a party not involved in the sale or financing of the property.
- Homeownership education must be conducted by someone not directly involved in the loan origination, processing or mortgage approval process.

- Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable:
 - Internet homeownership education programs that have been developed by mortgage insurance companies.
 - Homeownership education programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (www.homeownershipstandards.com).
 - Programs using Freddie Mac's CreditSmart® financial education curriculum, provided modules 1, 2, 7, 11 and 12 are included.
- A copy of Exhibit 20, Homeownership Education Certification, or another document containing comparable information must be retained in the mortgage file.

View Chapter A34.12 of the *Single-Family Seller/Service Guide* (Guide) for complete details.

Guidance on Additional Sources for Homeownership Education

We do not mandate specific homeownership education courses or formats in our requirements and believe that originating lenders are best equipped to choose the homeownership education resources that meet their organization's and borrower's needs. For your convenience, we've outlined additional sources of homeownership education information that may be of assistance to you as you seek appropriate outlets to fulfill our requirements.

National Industry Standards for Homeownership Education and Counseling

We recommend utilizing a comprehensive curriculum containing the minimum core content specified by the National Industry Standards for Homeownership Education and Counseling (www.homeownershipstandards.com). Those topics include:

- Assessing Readiness to Buy a Home
- Budgeting and Credit
- Financing a Home
- Selecting a Home
- Maintaining a Home and Finances
- Budgeting for Homeownership
- Sustaining Homeownership and Avoiding Delinquency

Freddie Mac's CreditSmart Resources

Several CreditSmart (www.freddiemac.com/creditsmart) modules can be combined and deployed as live, instructor-led sessions by your organization, provided the following modules are included:

- CreditSmart Module 1: *Your Credit and Why It Is Important*
- CreditSmart Module 2: *Managing Your Money*
- CreditSmart Module 7: *Thinking Like a Lender*
- CreditSmart Module 11: *Becoming a Homeowner*
- CreditSmart Module 12: *Preserving Homeownership: Protecting Your Home Investment*

Online Homeownership Education from Mortgage Insurers

Many mortgage insurers offer online and telephone homeownership education programs that fulfill our

Learn more about Home Possible Mortgages Homeownership Education Requirements

- Review Chapter A34.12 of the *Single-Family Seller/Service/Guide*
- Call (800) FREDDIE
- Visit www.FreddieMac.com

Home Possible homeownership education requirements, including:

- AIG United Guaranty's *The Road to Home Ownership*® at <https://www.ugcorp.com/rtho.html>
- Genworth Financial's homebuyer education series at <http://mortgageinsurance.genworth.com/EmergingMarkets/HomebuyerEducation.aspx>
- MGIC's Buyers Ed program at <http://www.mgic.com/education/buyersed.html>
- PMI's homebuyer education at http://www.pmi-us.com/expanding_markets/homebuyereducation.html
- RMIC's pre-homeownership education course at <http://www.rmic.com/productsandservices/prehomeownership/borrowereducation/Pages/default.aspx>

Homeownership Education Providers

Many affiliates/members of national organizations provide homeownership education and counseling:

- NeighborWorks® America at www.nw.org
- Housing Partnership Network at www.housingpartnership.net
- National Council of La Raza at www.nclr.org
- National Urban League at www.nul.org
- Local Initiatives Support Corporation's (LISC) at www.liscnet.org
- The Enterprise Foundation at www.enterprisefoundation.org
- National Coalition for Asian Pacific American Community Development at www.nationalcapacd.org

Other Helpful Resources

The Department of Housing and Urban Development (HUD) lists non-profit organizations with HUD-approved counselors at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webli-staction=summary>. We recommend that this HUD designation be considered along with other factors when deciding if a specific homeownership education program is sufficient.