



Seller Guide Update



SEL-2021-040: Reminder: Fannie Mae Homeownership Education Requirements

July 23, 2021

- Correspondent Lending
- Housing Finance Agency (HFA)

Summary

| Underwriting/Delivery | |
|-------------------------------------|---------------------|
| <input type="checkbox"/> | Corr. Delegated |
| <input type="checkbox"/> | Corr. Non-Delegated |
| <input type="checkbox"/> | Corr. EZD |
| <input type="checkbox"/> | Corr. Mandatory |
| <input checked="" type="checkbox"/> | HFA Delegated |
| <input checked="" type="checkbox"/> | HFA Non-Delegated |
| Products | |
| <input type="checkbox"/> | Conv. (Freddie) |
| <input checked="" type="checkbox"/> | Conv. (Fannie) |
| <input type="checkbox"/> | Conv. (Portfolio) |
| <input type="checkbox"/> | FHA |
| <input type="checkbox"/> | VA |
| <input type="checkbox"/> | Rural Development |

In **SEL-2021-005**, U.S. Bank reminded HFA lenders that homeownership education and counseling must meet the following requirements for HFA loans delivered to Fannie Mae on or after January 1, 2021.

We would like to take this opportunity to remind lenders that loans delivered after the date referenced above that do not meet these requirements will not be eligible for purchase by U.S. Bank.

Homeownership education and housing counseling must comply with the Selling Guide Part B2-2-06, Homeownership Education and Housing Counseling, unless the borrower participates in education and/or counseling that the Participating Member determines to be appropriate in format and scope for the borrower pursuant to a policy established by the Participating Member, provided:

- The Participating HFA Member may be the direct provider of the education and/or counseling even if the Participating Member is also the Lender or property seller.
- If the Participating HFA Member is not the direct provider of the education and/or counseling, the homeownership education course or counseling must meet the standards for Homeownership Education and Counseling set by HUD or the National Industry standards for Homeownership Education and Counseling. Lenders must retain a copy of the certificate of course or counseling completion in the loan file.

Regardless of the date the loan is delivered, landlord education is also required for purchase money Loans secured by 2- to 4-unit properties that exceed the LTV required by the Selling Guide Eligibility Matrix.

Important Notes:

- There has been some confusion surrounding MGIC being an allowable counseling agency. MGIC is not considered to be HUD-approved or a nationally recognized counseling service; it is an **ineligible** counseling option and any loans delivered that uses them will not be eligible for purchase by U.S. Bank.
- **National Industry Standards for Homeownership Education and Counseling** – a set of guidelines for quality homeownership and counseling services. Industry professionals who adopt these standards can be trusted to provide consistent, high quality advice. Find adopting organizations at: <https://homeownershipstandards.org/Home/Home.aspx>

Questions



HFA: Please contact the Housing Finance Agency Hotline at 800.562.5165, option 1 for the HFA Customer Care Team.

