

## 6 – HOMEBUYER EDUCATION

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### ***POLICY***

All Borrowers listed on the Note and Deed of Trust need to complete a Homebuyer Education Seminar registered through the Commission that meets the standards stated in this section. Potential homebuyers must have their Completion Certificate before reservation of funds for Commission Programs. If a reservation of funds is made before the borrower(s) take a Commission sponsored homebuyer education course, the current reservation will be considered invalid and will be subject to worse case pricing. No Exceptions.

Completion Certificates remain valid for two years and if lost can be re-issued so long as the Commission's database of seminar participants confirms attendance. Instructors will be limited to teaching no more than 2 classes per week, per county and no more than 1 class per day.

### ***SEMINAR INSTRUCTORS***

All seminar instructors must complete the Commission's Program and Homebuyer Education Instructor training. Additionally, it is recommended that seminar instructors have a minimum of two years residential mortgage lending experience. Seminars must be co-instructed by a real estate professional and a lending professional who have attended the Commission's Home Advantage and Homebuyer Education Instructor training. Two exceptions exist:

- In outlying areas where there are no real estate professionals, real estate professionals who have not attended training may be invited as guest speakers only. Advanced approval by the Commission is required.
- Nonprofit 501(c) 3 organizations conducting seminars are highly encouraged to include Commission trained real estate professionals, but are not required to include them.

To remain eligible to teach our seminars, real estate professionals and nonprofit 501(c) 3 organizations need to annually instruct or co-instruct at least one Commission sponsored seminar. Mortgage loan originators need to annually close and have purchased by the Commission a minimum of one Home Advantage Program loan.

### ***INSTRUCTORS WHO NO LONGER WORK FOR A PARTICIPATING LENDER***

Previously Commission trained lending instructors who move to Non-Participating Home Advantage lending institutions may temporarily continue to teach homebuyer education until their new company is approved as a participating lender. If new lending institution is not eligible to participate, you cannot teach our seminars. The instructor must receive permission from the Commission in advance and must teach with a Commission trained real estate professional or nonprofit. The Commission may not be able to publicize these seminars on our Website.

## ***SEMINAR FORMAT***

The Commission requires all seminars offered contain the following elements:

- free of charge
- open to the public.
- a total minimum seminar time of five hours
- unbiased format
- effective coverage of **ALL** subjects listed under "Seminar Curriculum" located in this section of the Program Manual.

Seminar instructors may coordinate guest speakers to present specific topics such as credit, property inspections, etc. The purpose of the seminars is to present information in an unbiased learning environment.

Instructors may pass out business cards. **Sales presentations are prohibited.**

## ***SEMINAR CURRICULUM***

The Commission developed homebuyer education minimum benchmark standards to ensure all participants receive the necessary information to become informed homeowners. The below standards apply to all Commission-sponsored Homebuyer Education seminars.

1. Advantages/Disadvantages of Owning a Home
2. Steps to Homeownership
3. The Players in the Homebuying Process
4. The Benefits of Getting Loan Pre-Qualified & Pre-Approved Before Searching for a Home
5. Shopping for a Lender
6. How Much Can You Afford? Risk Layering and Compensating Factors
7. Identifying Credit Issues and How to Address Them
8. How Much Money Will You Need?
9. Selecting a Loan Program and How Downpayment and Past Credit Affect Loan Choices
10. Secondary Market Explanation
11. Budgeting/Saving for the Downpayment and Closing Costs
12. How to Shop for a Real Estate Professional – Understanding Agency Representation
13. Selecting a Home and Negotiating a Purchase Price
14. The Importance of a Home Inspection
15. Commission program overview including Home Advantage, downpayment assistance options, MCC program – Recapture Tax, Occupancy and Property Restrictions
16. The Loan Closing – What to Expect, Review Sample Loan Documents
17. Foreclosure Prevention and Early Delinquency Intervention
18. Home Maintenance
19. Consumer Protection Resources
20. Community Resources for Further Counseling or Other Assistance.
21. Fair Housing
22. Predatory Lending
23. How Going Green Saves Money

## ***INTERPRETERS***

The Commission pays for the use of interpreters if sufficient notice is given (6-8 weeks), subject to cost and availability of funds.

## ***SEMINAR WORKBOOKS***

The Department of Financial Institutions (DFI) provides free participant workbooks. Instructors must coordinate directly with the DFI for delivery of seminar workbooks. Here is the link to order books: [http://www.dfi.wa.gov/consumers/publications/home\\_loans.htm](http://www.dfi.wa.gov/consumers/publications/home_loans.htm)

The Commission also approved materials provided by the following organizations:

- On-line books from Mortgage Insurance Companies
- Spokane Neighborhood Action Partners
- Homeownership Center of Tacoma
- HomeSight
- From Renter to Owner from Heritage Savings
- ABA Neighborworks
- Bank of America
- Yakama Nation's "Sheltering Our People" for tribal lands
- ABC's of Homebuying
- Well's Fargo's Plan, Purchase & Own Certificate Program
- American Center for Credit Education's Make Your Move

## ***COMMISSION PROVIDED MATERIALS***

The Commission's Participant Registration Forms, brochures, evaluation forms, and Completion Certificates are required for use in all registered seminars. These documents are provided by the Commission. When the instructor registers the seminar, they will select to download the materials electronically or request to have the materials sent to them. If the instructor opts to download materials, the instructor is responsible for copying brochures, evaluations and certificates. **The Participant Registration Form requires originals and cannot be copied or downloaded.** The instructor is responsible for ordering original forms from the Commission in advance of the seminar. If the instructor selects to have materials mailed, the Commission automatically sends 10 sets of copied materials to instructor unless otherwise noted by instructor. Please remember to contact the Commission to adjust number as needed. If seminar registrations are received by the Commission 6 or less business days prior to seminar date, the Commission will email or fax materials to instructor to copy.

Additional handouts on a variety of homebuying topics as well as the Commission's programs are available upon request and on the Web site.

## ***SEMINAR ARRANGEMENTS***

Please see our instructor information page with links to registration form at <http://www.wshfc.org/sf/SemSetUp.html>. Please register each seminar online at the Commission website at least **six** weeks in advance. It is the instructor's responsibility to check the Commission's Website approximately one week after registration to make sure all information is correct.

When a seminar's date or location change, please cancel the first seminar and submit a new online registration with the new information using the links under "Homebuyer Education Seminar Set-Up for Instructors." A new class number will be assigned to the new registration. If the class has a time change or an instructor change, please submit a registration using the "UPDATE" button.

At the seminar, please make sure all participants write legibly and **completely** all questions on the Participant Registration Form with a ballpoint pen prior to issuing a completion certificate. Blue or black ballpoint ink is recommended. Be sure the class control number and seminar date are correct.

At the end of the seminar, ask participants to complete the evaluation form. Return the routing slip, completed evaluation forms and Participant Registration Forms to the Commission in the envelope provided.

Issue a separate, signed and completed Completion Certificate to each individual participant who completes the Participant Registration Form and finishes the 5 hours of classroom instruction. Discard leftover Completion Certificates and evaluations. Seminar instructors should inform participants of their need to provide a copy of their Completion Certificate to their loan officer for Home Advantage or other Community Homebuyer type loans.

For additional help, please see the Seminar checklist at the end of this section when setting up a homebuyer education seminar.

## ***PUBLICITY***

The Commission maintains a Homebuyer Education Seminar Schedule and makes it available to the general public. All seminars are posted to the seminar schedule on our Web site within 60 days of the seminar unless special circumstances exist and are pre-approved by the Commission.

Instructors are encouraged to also publicize seminars on their own. **Usage of the Commission's logo is prohibited.** A homebuyer education logo and mandatory disclaimer have been developed for use by instructors. Please contact the Homebuyer Education Administrator for further information on name and logo usage. Any advertising using our name and showing the language "seminar sponsored by the Washington State Housing Finance Commission," must be approved by the Homebuyer Education and Training Administrator prior to use.

## ***ONLINE HOMEBUYER EDUCATION POLICY***

The homebuyer is highly encouraged to take an in-person seminar as listed on our Website. If the homebuyer is unable to take an in-person class, they can also take the online self-study course offered on the Commission's website. The loan officer will direct their homebuyer to our website at [www.ehomeamerica.org/wshfc](http://www.ehomeamerica.org/wshfc). The homebuyer will log into the course by creating their own username and password. Upon successful completion of the course, the homebuyer can print out a Certificate of Completion. The cost is \$50.00 per person and the course will take approximately 6-8 hours to complete. The loan officer will enter the eHome America number into the Mitas reservation system. This course linked to our website is the only online course accepted by the Commission. There are no exceptions to this policy. The Commission does not accept any other certificates including those from mortgage insurance companies and Framework.

## ***DISCIPLINARY ACTION***

All Instructors have signed and agreed to the Commission's "Standards of Performance" at training. Instructors not following our "Standards of Performance," ethical standards, policies, and format will not be eligible to teach Commission sponsored homebuyer education seminars. At the Commission's sole discretion, we reserve the right at any time to permanently discontinue sponsorship of a particular instructor's seminar or to deny an instructor access to Commission training programs based on their lack of adherence to our guidelines.

## ***SEMINAR CHECKLIST***

### **6-8 WEEKS MIMINUM BEFORE SEMINAR**

- Determine Seminar Location
- Schedule Seminar Date & Time
- Initiate Marketing Plan to Advertise Seminars.
- Forward marketing materials to Commission prior to distribution for approval when using our name in advertising
- Select & Review Curriculum
- Determine Guest Speakers
- Register Seminar with the Commission on-line at <http://www.wshfc.org/sf/SemSetUp.html>**
- Check Commission Website within one week of registration for accuracy and notify Commission of any changes to seminar
- Arrange for Interpreters with Commission (if needed)**

### **4-5 WEEKS BEFORE SEMINAR**

- Order Your Workbooks from DFI (minimum 4 weeks in advance)
- Start Your Agenda
- Practice Your Presentation
- Set up Internal Procedure to Register Participants
- Send Guest Speaker Confirmation Letter

### **1-3 WEEKS BEFORE SEMINAR**

- Finish Seminar Agenda
- Follow up with Commission if you have not received your Commission provided materials or download materials
  - Prepare Additional Seminar Materials
- Arrange For Refreshments
  
- Confirm Guest Speaker
- Confirm Room Arrangements
- Follow Up With DFI if books have not been received

### **THE DAY OF THE SEMINAR**

- Set up the room
- Check Your Audio Visual Aids
- Set Up Refreshments
- Set Out Participant Registration Forms
- Set Out Seminar Materials
- Bring "Care Package"
- Set Out Business Cards

### **AT THE SEMINAR**

- Make Sure All Participants **complete** the Participant Registration Form
- Leave Time for Questions
- Make Participants Complete Evaluations
- Issue Completion Certificates when you receive a complete Participant Registration Form
- Have Fun!

### **AFTER THE SEMINAR**

- Follow Through with Any Questions or Requests for Information
- Send Thank You Notes to Guest Speakers
- Review Evaluation Forms and Make Modifications as Needed
- Return Evaluation Forms and Participant Registration Forms with Routing Slip in Envelope Provided by Commission**
- Discard Leftover Completion Certificates and Evaluations**
- Originate Home Advantage loans**
- Plan Next Seminar!