



United States Department of Agriculture
Rural Development
Pennsylvania State Office
www.rurdev.usda.gov/pa

PA AN # 1233 (HB-1-3550)
November 26, 2008

SUBJECT: Homeowner Education

TO: All Rural Development Employees
Rural Development, PA

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is issued to continue the requirement for homeowner education for Section 502 Direct loans. The intended effect of this action is to assure that first time homeowners financed under the Section 502 Direct program are well prepared for homeownership by assuring that they receive homeownership education.

COMPARISON WITH PREVIOUS AN(s):

This PA AN replaces PA AN #1216 dated May 31, 2008.

IMPLEMENTATION RESPONSIBILITIES:

Effective May 7, 2007, the effective date of the final rule, the Agency requires applicants who are first- time home-buyers to complete homeowner education training prior to loan closing. **The homeowner education requirements are outlined in Handbook-1-3550, Chapter 3, Section 2, Paragraph 3.4 [7 CFR 3550.11].**

Waivers of the homeowner education requirement may be considered by the State Director on a case-by-case basis. The availability of homeowner education in one of the following formats (listed in order of priority) will be considered prior to requesting a waiver: classroom, one-on-one counseling, interactive video conference, interactive home-study, interactive telephone counseling, and on-line counseling.

We have conducted an assessment of the availability of certified homeowner education providers that provide the service free of charge or for a nominal fee (less than (\$50) fifty dollars). Please refer to Attachments A and B. This list of providers and the cost to the trainee will be updated on an annual basis.

Expiration date: November 30, 2009

**Filing Instruction:
Preceding RD Instruction
Handbook-1-3550, Chapter 3,
Section 2**

One Credit Union Place, Suite 330, Harrisburg, PA 17110-2996
(717) 237-2299 TTY/TDD & Voice: 711; TTY/TDD only: 1-800-654-5984

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"USDA is an equal opportunity provider, employer and lender."
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Course Curriculum

The homeowner education provider will issue a letter or certificate of completion to document the applicant has satisfactory knowledge of the following:

1. preparing for homeownership (evaluate readiness to go from rental to homeownership);
2. budgeting (pre-post purchase);
3. credit counseling;
4. shopping for a home;
5. lender differences (predatory lending);
6. obtaining a mortgage (mortgage process, different types of mortgagees);
7. loan closing (closing process, documentation, closing costs);
8. post-occupancy counseling (delinquency and foreclosure prevention); and
9. life as a homeowner (homeowner warranties, maintenance and repairs).

The letter or certificate of completion will be filed in position 3 of the applicant's case folder as evidence the requirements of homeowner education have been met.

The regulations offer some flexibility to the homeowner education providers to tailor the curriculum to meet the needs of the applicant. For example, if the applicant has already located a dwelling to purchase, they are not required to take that portion of the training dealing with shopping for a home. The provider could determine that the applicant already has satisfactory knowledge in this area.

It is important this homeowner education policy is clearly communicated to Section 502 Direct applicants and program participants, including real estate agents, builders, partners and loan application packagers.

If you have any questions on this AN, please contact the Single Family Housing Division.

/s/ Trudy Moore, Acting for

GARY H. GROVES
State Director

Attachments: A and B

Pennsylvania Approved Homeowner Education Resources List

| Name of Counselor | Service Area | Cost | Contact |
|--|---|--|--|
| Housing and Urban Development (HUD) | statewide | \$0 could be minimal cost for training material / credit report | www.HUD.gov; under the heading "at your service"; Click on "talk to a housing counselor"; Click "Search on line"; Click on PA or select PA from dropdown box; OR Call-1-800-569-4287, enter your zip code, you will be provided 3 counselors, closest geographically |
| Pennsylvania Housing Finance Agency (PHFA) | statewide | \$0 could be minimal cost for training material | www.PHFA.org; under "housing resources"; Click on homebuyer education / counseling; Choose counseling agency (Homeownership) |
| Community Action Association of PA | Attachment B | \$0 could be minimal cost for training material | www.theCAAP.org OR refer to Attachment B for local CAAP Agency |
| Interfaith Housing Alliance, Inc. | Cumberland Co. (For Self-Help Loans) | \$0 | Barbara A. Hallowell Phone: 301-662-4225 ext. 216 Mobile: 240-446-4786 bhallowell@interfaithhousing.org |

| Agency | County Served | Address | City | State | Zip Code | Director | Phone Number | Fax Number |
|--|---|--|--------------|-------|----------|-------------------|----------------|----------------|
| Armstrong Co. Community Action Agency | Armstrong | 125 Armsdale Road - Suite 211 | Kittanning | PA | 16202 | Kenneth Heilman | (724) 548-3406 | (724) 548-3414 |
| Berks Community Action Program, Inc. | Berks | 623 Washington Street. PO Box 22 | Reading | PA | 19602 | Carol Koursaros | (610) 376-6571 | (610) 376-6575 |
| Blair Co. Community Action Agency | Blair | 2100 Sixth Ave, Suite 102. PO BOX 1833 | Altoona | PA | 16602 | Allan Robison | (814) 946-3651 | (824) 946-5451 |
| Central Pennsylvania Community Action, Inc | Centre/Clearfield | 207 East Cherry Street. PO Box 792 | Clearfield | PA | 16830 | Hugh Daly | (814) 765-1551 | (814) 765-4306 |
| Department of Community Development of Chester Co. | Chester | 601 Westtown Rd, Suit 365. PO Box 2747 | West Chester | PA | 19380 | Patrick Bokovitz | (619) 344-6772 | (610) 344-5748 |
| Community Action Commission | Cumberland/Dauphin/Perry | 1514 Derry Street | Harrisburg | PA | 17104 | Linda Figueroa | (717) 232-9757 | (717) 234-2227 |
| Community Action Committee of the Leigh Valley, Inc | Lehigh/Northampton | 1337 East Fifth Street | Bethlehem | PA | 18015 | Alan Jennings | (610) 691-5620 | (610) 691-6582 |
| Community Action Partnership for Somerset Co. | Somerset | 535 E. Main Street | Somerset | PA | 15501 | Jeffery Masterson | (814) 445-9628 | (814) 443-3690 |
| Community Action Southwest | Greene/Washington | 150 West Beau Street, Suite 304 | Washington | PA | 15301 | Irene Keirsbilck | (724) 225-9550 | (724) 228-9966 |
| Community Services Program of Beaver Co. | Beaver | 1013 Eighth Ave. | Beaver Falls | PA | 15010 | Lisa Signore | (724) 847-3889 | (724) 847-3861 |
| Fayette Co. Community Action Agency, Inc. | Fayette | 140 N. Beeson Ave | Uniontown | PA | 15401 | James M. Stark | (724) 437-6050 | (724) 437-4418 |
| Lawrence Co. Community Action Partnership | Lawrence | 241 West Grant Street. PO Box 189 | New Castle | PA | 16101 | Thomas Scott | (724) 658-7258 | (724) 657-3619 |
| Lycoming-Clinton C. Commission for Community Action Inc. | Lycoming/Clinton | 2138 Lincoln Street. PO Box 3568 | Williamsport | PA | 17701 | Janet Alling | (570) 326-0587 | (570) 322-2197 |
| Northern Tier Community Action Corporation | McKean/Potter/Elk/Cameron | 135 West Fourth Street. PO Box 389 | Emporium | PA | 15834 | Kenneth Straub | (814) 486-1161 | (814) 486-0825 |
| Rural Opportunities, Inc | Serves eight counties | 1625 North Front Street | Harrisburg | PA | 17102 | Michal Johnson | (717) 234-6616 | (717) 234-6692 |
| Schuylkill Community Action | Schuylkill | 206 N. 2nd St- Admin. Offices | Pottsville | PA | 17901 | Ted Dreisbach | (570) 622-1995 | (570) 622-4339 |
| TREHAB Center, Inc | Tioga/Bradford/Susquehanna/Wayne/Wyoming/Sullivan | 10 Public Ave. PO Box 366 | Montrose | PA | 18801 | Dennis Phelps | (570) 278-3338 | (570) 278-1889 |
| Warren-Forest Economic Opportunity Council | Warren/Forest | PO Box 547 | Warren | PA | 16365 | Robert Raible | (814) 726-2400 | (814) 723-0510 |
| Westmoreland Human Opportunities, Inc | Westmoreland | 226 South Maple Ave. | Greensburg | PA | 15601 | Tay Wattenbaugh | (724) 834-1260 | (724) 838-9563 |