



**Rural Development**

PA AN 1280 (HB-1-3550)  
July 30, 2013

Pennsylvania  
State Office

One Credit Union  
Place, Suite 330  
Harrisburg, PA 17110-  
2996

Voice 717.237.2186  
Fax 717.237.2195

TO: All Rural Development Employees  
Rural Development, Pennsylvania

SUBJECT: Homeowner Education

**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 #1273 (HB-1-3550) dated July 15, 2012.

**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.

**Expiration date: July 31, 2014**

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

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

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 Attachment A, "Pennsylvania Approved Homeowner Education Resources List" for resources in your area.

The Unnumbered Letter "On-Line Homeownership Education" dated June 28, 2012 states the following: "It has been determined that the online course offered by eHome America continues to meet the Agency's needs as a provider for on-line education. Since this course includes an online assistance feature and a personal counseling session, it also meets the intent of the Handbook preference for classroom or one-on-one training. As such, it may be included on the State's list of approved local homeowner education providers." The website for eHome is as follows: [www.eHomeAmerica.org](http://www.eHomeAmerica.org).

### **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.

THOMAS P. WILLIAMS  
State Director

Attachment A

## Pennsylvania Approved Homeowner Education Resources List

Name of Counselor	Service Area	Cost	Contact
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)
eHome America	statewide	nominal fee	<a href="http://www.eHomeAmerica.org">www.eHomeAmerica.org</a>
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

PA AN #1280 (HB-1-3550)  
July 30, 2013  
Attachment A