

.08 HOMEBUYER EDUCATION

A pre-purchase homebuyer education class is required of borrowers participating in certain loan options (AHELP, IRRLIB and RELP). If there are two borrowers on a loan, at least one must complete a class. In order to meet AHFC program requirements or obtain a commitment fee waiver as described below, the borrower must complete the homebuyer education class prior to loan closing.

Typically, a homebuyer education class covers such topics as shopping for a lender, real estate licensee and home inspector; qualifying for and applying for a mortgage; budgeting and other financial responsibilities related to homeownership; maintenance and repair concerns; and various financing options, including federal insurance/guarantees as well as AHFC loan options. Homebuyer education is particularly useful to first-time homebuyers, because successful home ownership is more likely when the homebuyer is knowledgeable about the process of obtaining and maintaining a home. Lenders are encouraged to discuss homebuyer education programs upon first contact with borrowers who will benefit most from taking a class before signing a Purchase and Sale Agreement.