

August 11, 2014

TO: State Directors
Rural Development

ATTN: Program Directors
Single Family Housing

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Housing and Community Facilities Programs

SUBJECT: Nationally Approved Online Homeownership Education Providers
Section 502 Direct Loan Program

PURPOSE:

The purpose of this memorandum is to introduce a new online homeownership education provider, Framework. Framework's course, Preparing for Homeownership, is approved for national use as a third preference format. This memorandum also reaffirms that eHome America and their course remain approved for national use as a first preference format.

BACKGROUND:

Effective on May 7, 2007, first-time homebuyers financed under the program must successfully complete an approved homeownership education course prior to loan closing. 7 CFR Part 3550.11 outlines the order of preference given to courses. First preference is given to classroom, one-on-one counseling, or interactive video conference. These formats are generally extensive and require a significant time and participation commitment from the Agency applicants. Second preference is given to interactive home-study or interactive telephone counseling of at least four hours duration. These formats may only be used if the formats under the first preference are not reasonably available. Third preference, which can only be used if all other formats are not reasonably available, is given to online counseling. It also outlines the requirements an education provider and their course must meet in order to be approved for use by Agency applicants.

EXPIRATION DATE:
July 31, 2015

FILING INSTRUCTIONS
Housing Programs

In 2010, eHome America was approved for national use as a first preference format after a panel of internal and external subject matter experts reviewed and approved the course; and it has remained approved for national use ever since.

On September 23, 2013, a notice was published in the Federal Register informing online homeownership education providers that the Agency intended to review other courses for nationwide use. While the original submission deadline was October 23, 2013, a notice extending the submission deadline to December 31, 2013, was published in the Federal Register on December 10, 2013.”

After convening a new panel and reviewing the four submissions received as a result of the Federal Register notice, the decision was made to approve Framework for national use as a third preference format.

IMPLEMENTATION RESPONSIBILITIES:

Within 60 days of the date of this memorandum, all State Offices must:

- Issue a state supplement providing their field offices with an updated list of approved homeownership education providers (refer to Handbook-1-3550, Paragraph 3.4 for guidance on the assessment process). For each approved provider, their preference format and their cost, if any, must be listed. The updated list must include:
 - eHome America as a first preference format for a cost of \$75 (which is the fee for participants identified as USDA applicants). In addition to taking the online course, which is available in both English and Spanish, eHome America requires one-on-one counseling via the telephone or in person in order for the Agency applicant to receive a certificate of completion. eHome America can be accessed at the following website: <http://www.eHomeAmerica.org>
 - Framework, which is available in both English and Spanish, as a third preference format for a cost of \$75. Framework can be accessed at the following website: <http://www.frameworkhomeownership.org>
- Email the state supplement, along with Form RD 2006-3 requesting **post approval**, to the direct loan program mailbox (SFHDIRECTPROGRAM@wdc.usda.gov). Please use a subject line of “Homeownership Education Providers” so that it can be easily identified. **A state should consider their issuance approved unless notified of disapproval or conditional approval** - as allowed in Instruction RD 2006-B, Paragraph 2006.55 (b).

Field staff members are reminded that:

- Applicants taking an approved online course who have course-related questions (technical or otherwise), should be referred to the provider (and not the National Office).
- A lower preference homeownership education format may be used when a higher preference format is not reasonably available in the local area, which is determined by factors such as distance, travel time, geographic obstacles, and cost.

Questions regarding this memorandum should be directed to Shantelle Gordon of the Single Family Housing Direct Loan Division at shantelle.gordon@wdc.usda.gov.

Sent by Electronic Mail on August 11, 2014, at 11:30 a.m. by the Single Family Housing Direct Loan Division. The State Director should advise other personnel as appropriate.