



Homebuyer Education and Counseling Program and Standards Guide

MAY 2021

THDA'S Mission:

Leading Tennessee Home by creating safe, sound, affordable housing opportunities.

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PART I: INTRODUCTION

SECTION 1: THDA

THE GUIDE

The Homebuyer Education Initiative Program (“HBEI Program”) is implemented and funded by the Tennessee Housing Development Agency (“THDA”). The THDA Division of Single Family Programs administers the HBEI Program. This Homebuyer Education and Counseling Program and Standards Guide (“HBE Program and Standards Guide”), HBEI Program Agreement, together with all subsequent revisions, modifications or updates provided by THDA, contain information about the HBEI Program and the homebuyer education and counseling standards, policies and program procedures followed by HBEI Provider Agencies in the Tennessee Housing Development Agency’s Homebuyer Education Initiative Network “the Network” upon becoming an approved Homebuyer Education Initiative Provider (“HBEI Provider” or “Provider”). The primary purpose of these standards and program procedures is to ensure that consumers and other stakeholders receive effective, high-quality, professional services from HBEI Providers. Adherence to these standards is part of periodic program reviews conducted by the Tennessee Housing Development Agency. These standards and program procedures do not prescribe every aspect of programming delivery. Providers may customize their services within the parameters of the standards and procedures to meet the needs of their community and consumers.

THDA may revise, modify or update this HBE Program and Standards Guide from time to time and will notify HBEI Providers of such changes. THDA may provide notice of changes by posting such changes to its web site at www.THDA.org. This HBE Program and Standards Guide was developed with recommendations and input from the Tennessee Housing Development Agency staff, THDA Housing Education Advisory Board, and HBEI Providers. Standards were informed by the following:

- The National Industry Standards for Homeownership Education and Counseling (see www.homeownershipstandards.com).
- The policies for administering HUD Housing Counseling programs
- And, the Minnesota Homeownership Center’s Homebuyer Education & Counseling Standards Guide

HOURS OF OPERATION AND HOLIDAY SCHEDULE

The Single Family Programs Division hours of operation are 7:00 a.m. until 4:30 p.m. Central Time, Monday through Friday. The Single Family Programs Division will be closed on official State holidays which are as follows:

New Year’s Day
Martin Luther King Day
Presidents’ Day
Good Friday
Memorial Day

Independence Day
Labor Day
Columbus Day*
Veteran's Day
Thanksgiving Day
Christmas Day**

* This holiday may be exchanged for a holiday on the Friday after Thanksgiving.

**Other holidays around Christmas may be announced later.

SINGLE FAMILY PROGRAMS DIVISION STAFF DIRECTORY

The Single Family Programs Division of THDA has day-to-day operational Administration of the HBEI Program. All correspondence should be directed to:

Single Family Programs Division/HBEI
Tennessee Housing Development Agency
Andrew Jackson Building, Third Floor
502 Deaderick Street
Nashville, Tennessee 37243

General Information 615-815-2100
Toll-Free Voice Mail..... 1-800-228-8432
Fax (24 hours a day, 7 days a week) 615-564-2799

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Tikisha Wilson, Program Development Coordinator	615-815-2092	twilson@thda.org
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<u>Volunteer Mortgage Loan Servicing</u>	<u>Telephone</u>	<u>Email Address</u>
Customer Service	844-865-7378	custserv@volservicing.com

HBEI BASIC PROGRAM DESCRIPTION

A. Role of HBEI Providers

HBEI Providers in THDA's HBEI Network are dedicated to providing affordable, high-quality, effective homebuyer education and counseling services to Tennessee consumers. HBEI Providers are committed to the following:

- Adhering to the HBEI Program Agreement (See [Section 13](#)), standards and policies that are based on national best practices but reflect Tennessee's homebuyer education and counseling environment
- Reporting programming outcomes to THDA
- Participating in periodic program reviews and regular check-ins
- Collaborating with Network partners to promote and advance the professionalism of the Network and the homebuyer education and counseling industry

HBEI Providers adhere to standards in this HBE Program and Standards Guide, which comply with, and in some instances exceed the National Industry Standards for Homeownership Education and Counseling www.homeownershipstandards.com. THDA recognizes the importance of promoting professionalism and quality assurance in homebuyer education and counseling at the national level while supporting the standards that reflect the local education and counseling industry. Where THDA standards exceed the National Industry Standards, as addressed in the HBE Program and Standards Guide, THDA standards take precedence.

B. Role of THDA

THDA supports HBEI Providers by offering technical assistance, capacity building support, training, consumer training materials, marketing and outreach support, and coordinated networking. THDA HBEI staff is available to provide guidance on program delivery, program management, and a range of best practices. THDA conducts public education and outreach and is responsible for research and analysis of program delivery, outcomes and trends. THDA also serves as a funder to Providers.

THDA provides approved Providers with consumer training materials and payment for their homebuyer education and counseling services for THDA's loan customers. THDA also provides NeighborWorks® America place-based certification training events and an annual meeting featuring continuing education and networking opportunities for Tennessee's Providers.

THDA participates in a variety of partnerships with industry stakeholders in an effort to further the mission of the Network. In addition, THDA raises funds through other private and public entities and uses these funds to support training for the Providers. Providers also secure their own funding through grants, government contracts and donations.

SECTION 2: HOMEBUYER EDUCATION INITIATIVE PROGRAM PROVIDERS

2.1 ELIGIBILITY AND APPLICATION REQUIREMENTS

A. Eligible Homebuyer Education Initiative Provider

To be eligible, Provider must meet the following requirements:

1. Must be one of the following:
 - a. Non-profit entity organized and existing under the laws of the State of Tennessee with federal 501(c)3 or 501(c)4 designation, not an arm of or connected to a for-profit business, including licensed lending and real estate professionals or credit repair agencies, and having at least one certified staff member, either as a HUD Certified Housing Counselor or through NCHEC (NeighborWorks® Center for Homeownership Education and Counseling); or
 - b. A UT Extension agency office, Tennessee Development District Office, Human Resource Agency, Public Housing Authority, or Tennessee state, county or local government office and having at least one certified staff member, either as a HUD Certified Housing Counselor or through NCHEC (NeighborWorks® Center for Homeownership Education and Counseling).
2. Have sufficient experience, as determined by THDA in its sole discretion, in homebuyer education and counseling; and have working knowledge about the current mortgage industry.
3. Be in good standing with all THDA, HUD, Federal, and local government programs.
4. Be in good standing under the laws of Tennessee and have a current Certificate of Existence from the Office of the Tennessee Secretary of State.
5. Have sufficient financial capacity and resources, as determined by THDA in its sole discretion. The application reviewer may request agency financial statements and/or audit reviews.
6. Have a clearly and properly identified office, not in a residence, with space available for the provision of housing education services. There must be permanent signage identifying the Provider's office. The office should provide privacy for in-person individual sessions and confidentiality of client records. Education space should be convenient, accessible to the community by public transportation whenever possible and offer private meeting space.
7. The office should operate during normal business hours and offer extended hours when necessary. However, an exception to this requirement is allowed for certain branch offices that only have the resources to operate on a part-time basis but can demonstrate that their services are critical to the community in which they are located.
8. Provide accessibility features or make alternate accommodations for persons with disabilities, in accordance with section 504 of the Rehabilitation Act of 1973 (29 U.S.C.94), 24 CFR parts 8 and 9, and the Americans with Disabilities Act (42 U.S.C. 12101 et seq.)

B. Applying to Become an Approved HBEI Provider

1. A local homebuyer education and counseling agency may be approved by THDA to participate in the HBEI program upon meeting the requirements enumerated in this HBE Program and Standards Guide and upon completing and submitting all of the required documentation for the THDA HBEI Program Application found in [Section 13](#), to include but not limited to an executed HBEI Program Agreement. This process will occur on an as needs basis and/or when THDA has open enrollment.
2. All materials submitted to THDA by an agency applicant must be satisfactory to THDA, in its sole discretion. THDA reserves the right to request additional information prior to determining whether any materials submitted are satisfactory and whether an organization qualifies to become or remain an HBEI Provider. Organizations that THDA determines, in its sole discretion, to be qualified and eligible, initially and on a continuing basis, are referred to as “HBEI Providers” or “Providers”.

2.2 HBEI STANDARDS, TRAINING, CERTIFICATION & CONTINUING EDUCATION

A. Adoption of National Industry Standards

HBEI Providers adopt the National Industry Standards for Homeownership Education and Counseling as soon as possible after becoming approved by THDA, and no later than six months from approval. (See <http://www.homeownershipstandards.com/Home/Home.aspx> .) NIS Adoption must remain current throughout the duration of partnership with THDA.

B. Importance of Training and Certification

THDA HBEI Providers must know the homeownership process and demonstrate an understanding of adult learning principles. Training and certification is designed to do the following:

1. Ensure Providers have attained a level of knowledge that qualifies them to perform the services required;
2. Encourage excellence in the homeownership profession and develop criteria for assessing the level of excellence; and
3. Promote the professional growth of certified individuals by encouraging a system of continued professional education.

THDA’s NeighborWorks® America place-based pre-purchase certification trainings are offered annually. Priority will be given to existing HBEI Providers and targeted counties. Alternatively, Providers may attend NeighborWorks® Institutes offered quarterly throughout the nation. (See <http://www.neighborworks.org/Training-Services>). THDA also accepts HUD certifications, upon the completion and passing score of HUD’s Housing Counseling Certification exam.

C. Training Requirements

HBEI Providers delivering homebuyer education are required to complete and pass either the HUD Housing Counseling Certification exam or the exam for the NeighborWorks® America's HO229 Homebuyer Education Methods: Training the Trainer course before the Provider applies to become a member of the HBEI Network. Passing score should be submitted to THDA staff upon completion and/or with application packet.

NOTE: In order to ensure all THDA customers receive uniform content, All HBEI Providers must complete the NeighborWorks America HO229 Training the Trainer course. The HUD Certification ensures Providers are proficient in six content areas. The NCHEC Pre-Purchase Certification ensure Providers are knowledgeable and have the resources needed to effectively offer the Pre-Purchase Education course, required for all THDA loan customers.

D. Continuing Education

THDA supports continued learning and professional growth of Providers to promote high quality services for clients. THDA offers continuing education opportunities through annual meetings, NeighborWorks® place-based trainings, and NeighborWorks® online courses. In addition, THDA encourages Providers to participate in seminars, courses, conferences, etc. through relevant and trusted entities. Providers must obtain 30 hours over a three-year period.

If HBEI Providers are certified by entities other than NeighborWorks® America, such as HUD, they must meet the continuing education requirements for those certifications. In such cases, THDA will accept continuing education hours from any training organization, seminar, or conference specific to the housing education and counseling industry. All Providers must submit an annual transcript to THDA, no later than January 15, to show record of continuing education hours received the previous year.

HBEI Providers with NCHEC certification must meet the following requirements in order to maintain their NeighborWorks® certification.

1. HBEI Providers meet certification and continuing education requirements established by NeighborWorks® Center for Homeownership Education and Counseling (NCHEC). Providers complete a minimum of 10 hours of continuing education annually, or 30 hours within a three-year period, in subjects relative to the core content and delivery of homebuyer education.
2. HBEI Providers have to submit proof of completion to THDA, and are responsible for maintaining a record of completed Continuing Education Hours (CEHs) for educators and counselors for three years. THDA will request documentation during the agency annual visit or as needed. Providers providing multiple services, including foreclosure counseling, homebuyer education, or homebuyer counseling do not have to complete more than 10 hours of CEHs annually, but must complete training relevant to all areas of expertise.
3. In order to maintain NCHEC certification, educators/counselors are required to complete 30 hours of continuing education over the period the certification is valid (three years from the date of issuance). At least 15 of these hours must be completed through NCHEC. In the event that this requirement is not met, the certification expires and becomes invalid. In this instance, the educator/counselor must re-take the certifying course and accompanying

exam should they wish to re-apply for certification. If the educator/counselor is the only staff member for the Provider, THDA will suspend Provider until requirement is fulfilled

4. Additional information about NCHEC Certifications can be found here: <http://www.neighborworks.org/Training-Services/Resources-for-Counselors-Educators/NCHEC-Certification> .

HBEI Providers with HUD Certification must meet the following THDA requirements:

1. No renewal is required for this certification
2. Educators/Counselors must obtain 10 hours of continuing education or 30 hours within 3 years from original certification date
3. Continuing education hours can be obtained through any training entity
4. Educators/Counselors must use the THDA HBEI Transcript form to record all completed courses and hours obtained

Educators/Counselors will be responsible for ensuring they meet the guidelines and must share progress during the annual agency visits conducted by THDA HBEI staff.

NOTE: Although THDA does not currently require Providers to be HUD approved, it is encouraged. All HUD approved agencies, including THDA HUD sub-grantees and affiliates are required to have each participating educator/counselor complete the HUD certification exam as stated above. Additional information about HUD guidelines can be found at: <https://www.hudexchange.info/>.

2.3 ADMINISTERING AN HBEI PROGRAM

A. Code of Ethics and Conduct

1. A Code of Ethics and Conduct for Homeownership Professionals has been developed by the Advisory Council for the National Industry Standards for Homeownership Education and Counseling. Adhering to this code of ethics is critical to demonstrating ethical conduct within the housing education and counseling profession. A copy of the Code of Ethics and Conduct for Homeownership Professionals is located in [Section 13](#).
2. HBEI Provider homeownership educator/counselors sign and adopt the written National Industry Code of Ethics and Conduct for Homeownership Professionals upon the Provider becoming a member of the HBEI Network.

B. Conflict of Interest

1. THDA requires HBEI Providers to serve clients without conflict of interest. A conflict of interest exists when the Provider has an interest that has the potential to compromise the Provider's ability to fully represent the best interests of the client. In order for the client to make a fully informed decision, they must be made aware of any real or potential conflict of interest that could be created on the part of the Provider or their staff. The following are examples of relevant conflicts of interest:

- Provider or their staff owns or purchases property that the client may choose to purchase
 - Provider or their staff accepts a fee for participating in any way in the sale of a property for the client.
 - Provider or their staff holds or services the first mortgage on a client's property.
 - Provider or their staff makes available an in-house mortgage product or real estate services.
 - Provider or their staff holding an active license in the real estate or lending profession.
 - Provider or their staff is also employed with a THDA approved lending partner.
2. When a conflict of interest exists or may exist, HBEI Providers give a written disclosure to clients revealing the conflict and stating that clients are under no obligation to receive additional services from the Provider. Both parties sign the disclosure. Providers offer information on alternative services and programs. The signed disclosure is maintained in the client file. A sample Conflict of Interest and Disclosure Agreement is included in [Section 13](#). THDA also requires any educator/counselor who may have an active mortgage lending license or real estate license to disclose this on their annual certification; and if also employed by a THDA approved lending partner, must not serve in both the educator/counselor and lending role.
 3. HBEI Providers may use an alternative disclosure, subject to THDA's approval. Such disclosure language should clarify that:
 - The client household is seeking homebuyer education and/or counseling services and is not applying for a loan or real estate representation.
 - The client household will be offered objective advice about loan products for which the household may be eligible.
 - The client household is free to select lenders, lending products and real estate services of their own choosing.
 4. No information will be shared with an in-house or outside loan officer without the written consent of the client household. HBEI Providers may not accept a fee from a lender, real estate agent, developer, home inspector, appraiser, or insurance company, or any other homeownership industry representative for referring clients. Providers also must not act as an agent/contractor for other existing agencies.
 5. HBEI Providers may not be associated with the decision to approve or deny in-house mortgage loans, grant programs or the sale of property to clients that receive their homebuyer education and counseling services. Provider must implement internal processes to include arm length duties for staff. THDA also requires any staff member who may have an active mortgage lending license or real estate license to complete and submit the HBEI Disclosure Form during their annual certification; and if also employed by a THDA approved lending partner, must not serve in both the educator/counselor and lending role.

C. Customer Feedback

Before receiving their certificates, clients completing homebuyer education classes, workshops, clubs, and counseling sessions complete a satisfaction survey (See [Section 13](#)).

1. Clients are to be given customer satisfaction surveys to complete at the conclusion of their training.
2. A copy of the Customer Survey should be placed in the client's file or class file.

D. Data Privacy

HBEI Providers adhere to federal regulations and statutory laws pertaining to the release of private data about individuals to outside parties. Before releasing private client data, Providers must secure written authorization from the client. The authorization must include the parameters of information to be shared and may not be a blanket waiver. Clients are not required to share private data with Provider or third parties. Provision of service must not be contingent on clients' providing their consent to share data. See Privacy Policy and Housing Counseling Agreement in [Section 13](#).

E. Fair Housing

HBEI Providers must affirmatively further fair housing by making special efforts to reach and accommodate populations that are typically underserved. Providers comply with the provisions of the Americans with Disabilities Act (ADA) and observe all laws pertaining to fair housing in the administration of homebuyer services. Providers ensure the accessibility of their services for people with disabilities and offer reasonable accommodation when necessary. In cases where reasonable accommodations are requested, all actions taken to facilitate service delivery should be documented.

F. Fees

HBEI Providers may charge up to \$99 to clients already in the process of obtaining a THDA loan and a reasonable fee to other clients for classroom style homebuyer education. Providers also may establish a sliding fee scale, based on income. Any client paying more than \$99 for a loan that is not initially THDA and then changes to a THDA loan must be refunded the amount over \$99 by the Provider.

HBEI Providers who elect to charge fees must have a written fee policy that is made available to clients. Third party fees that present a conflict of interest are prohibited. This includes direct payment from a lender or real estate agent on behalf of the client.

Fees are based on the actual cost of delivering services. Providers should consider what other providers in their area charge.

1. THDA homebuyer education class fees: A reasonable maximum fee for a THDA loan customer for a 6 hour homebuyer education class or a minimum four hour one-on-one service is \$99 per person, not to exceed \$99 per household.
2. Fees must be reasonable and customary.

NOTE: Course Reimbursement to Clients

Recipients of housing education services are eligible to be reimbursed for their out of pocket expense(s). Providers may make clients aware that their mortgage professional can record their out-of-pocket expenses on their closing documents.

*Payments in the form of credit cards are not eligible for reimbursement.

G. Marketing

Reaching clients early is key to providing effective services. Early participation increases the likelihood of success in homeownership. Raising awareness about the availability of homebuyer education and counseling is a critical component of programming. To assist with marketing efforts, THDA has outreach materials and support services available for HBEI Providers' use.

1. Providers are responsible for marketing their homebuyer services; and should develop, maintain, and utilize a marketing plan that employs a variety of outreach methods for reaching clients early.
2. Providers should have an affirmative marketing process to communicate that homebuyer services are administered in a non-discriminatory manner. This may include equal housing opportunity messages, logos or slogans on written materials, and tailoring marketing messages to populations less likely to participate in services.
3. Providers may contact THDA for suggestions and resources in their area.

H. Preferred Language

HBEI Providers should accommodate language needs of clients and refer them to advisors within their organization, or to another provider that offers language specific services whenever possible.

1. HBEI Providers should not turn away a client due to language barriers.
2. If language specific services are not available, translators should be made available to clients requesting the service. THDA will reimburse for translator services, up to \$400 in cost (\$100 per hour for a 4 hour one-on-one session).
3. For reimbursement, HBEI Providers should obtain at least two bids, selecting the most reasonable rate considering availability for the service. Providers must submit a paid invoice to THDA HBEI staff, reflecting the expense was paid by the provider. Eligible reimbursements will be issued upon approval.

I. Program Expansion

To ensure the best use of limited resources and to maximize coverage across the State while avoiding duplication of services, if expansion is considered, THDA requires prior approval/notification before HBEI Providers expand their THDA service area. The following are considered minimal approval criteria and requirements for expansion:

1. Successful administration of homebuyer services for a minimum of one year
2. Demonstrated need and the ability of the HBEI Provider to deliver expanded services to the geographic area and/or population

3. A plan for offering expanded services that demonstrates staff and financial capacity
4. A proposed timeline
5. Collaboration with current Providers serving the proposed geographic area and/or target population (if applicable)

Before program expansion, HBEI Providers must submit a written request to THDA HBEI staff. The request will be reviewed and noted in the HBEI Provider's file, unless the provider has had a less than satisfactory performance during their most recent THDA HBEI Program Review. In the case of an unsatisfactory performance review, THDA reserves the right to refuse to list or promote the Provider's activities in the proposed expansion area.

J. Program Compliance Review

The HBEI Program Review process is designed to examine the Provider's strengths and areas that may need improvement and ensure compliance with the HBE Program and Standards Guide. The program review includes observation of homebuyer education, interview with Provider agency staff, file and reports review and customer feedback. The following are considered during the Program Compliance Review:

1. THDA conducts the program review at least once every year for each HBEI Provider. New Providers are reviewed within the first 90 days of offering services. For Providers who have completed the program review, an abbreviated review is conducted within 12 months of hiring new staff or if deemed necessary by THDA to ensure compliance. During the site visit, THDA staff will follow up on agency issues, discuss status of the homebuyer education program, conduct a file review of at least two files (one in-person and one online if applicable), and answer any questions.
2. Organizations who are approved by THDA to act as HBEI Providers hereunder shall submit acceptable documentation annually or when necessary, as determined by THDA in its sole discretion, to remain an HBEI Provider.
3. Third party, unidentified monitor will observe classes and provide report findings to THDA.
4. HBEI Provider must ensure all program guidelines are being met and remain in compliance. THDA staff will assess Provider's progress quarterly. Providers who fail to meet program requirements will be notified and monitored monthly. Failure to comply will result in suspension or termination (see [Section O – Suspension/Termination](#)).

K. Record Keeping

Client files should be maintained by HBEI Providers. A household or group file should be maintained for homebuyer education and household files are maintained for homebuyer counseling. Files should be maintained in a secure location and kept for a minimum of 3 years following the end of the program year in which the file was closed.

At the time of disposal, paper files should be shredded and electronic files permanently deleted. A checklist should be used to ensure files are consistently maintained and meet reporting

standards and quality assurance. See Sample Counseling Documentation Checklist for group files and one-on-one files in [Section 13](#).

Homebuyer Education Clients: In-person/Virtual Classroom Style and Online Course

Homebuyer education should be provided to two or more participant households in a class or workshop format. At a minimum, client files for homebuyer education should include: 1) Class/Workshop Registration; 2) Intake Form; 3) Class/Workshop Satisfaction Survey; 4) Copy of Identification or Verification Form; 5) THDA HBEI Combined Privacy Act Notice; 6) Completion Certificate and; 7) if applicable, Conflict of Interest Disclosure

NOTE: Class registration is not applicable to eHome America online customers.

L. Reporting

HBEI Providers are required to collect and share client and program data with THDA on a monthly basis. Centralized reporting and evaluation is a professional hallmark of participating in the HBEI Network and meet Best Practice Standards included in the National Industry Standards. The ability to comprehensively report program outcomes is critical to demonstrating program effectiveness, securing resources, and ensuring ongoing program enhancements. HBEI Network Annual reports showing production totals and other program information will be available to Providers that are in good standing. It is important to note, although THDA cannot guarantee if/when national guidelines may change, based on best practices noted in the National Industry Standards, client reports can be as simple as a spreadsheet.

1. For detailed reporting instructions, see [Section 7](#) of the HBE Program and Standards Guide or contact HBEI staff.
2. Providers are responsible for timely and accurate reporting. Providers are required to use the THDA custom spreadsheet to report client and program data to THDA. All required client information must be entered and submitted to THDA no later than the fifth of each month, payment will not be made until the following month, or once all clients are verified. All HUD approved agencies and agencies who either provide counseling for or receive HUD funds, must also use an approved client management system. Provider should contact the system administrator to determine how to generate the reports to match required fields in an Excel format.
3. Providers must obtain a signature from at least one member of every household to share private information with THDA. See [Section 13](#) for THDA HBEI Combined Privacy Act Notice.
4. Provider must capture and submit all data using the list of required data fields provided by THDA on the custom spreadsheet. Please see [Section 13](#) HBEI Program Forms.

M. Staff Changes

To ensure continuity of services and to facilitate communication with other Network members, lender partners, and THDA, Providers are required to inform THDA HBEI staff of attrition or

new hires. Contact THDA HBEI staff about educator/counselors or staff leaving the organization or new hires within 5 business days.

THDA staff will talk with the Provider about continuation of services and any changes in programming required as a result of the staff change.

N. Steering

Providers or volunteers must not limit the choices of any client by directing them to products or any one person or entity to the exclusion of other products the client may be eligible for or interested in. THDA recommends Providers offer a list or resource table, to include contact information for three or more housing industry referral options. When partnering with housing professionals, it is imperative that the Provider use best judgement with donated company SWAG or promotional products (pens, calculators, note pads, etc.).

O. Suspension/Termination

To ensure quality services and the professionalism of the Network, failure to comply with HBEI Program requirements and standards may result in Provider suspension and/or termination.

1. HBEI Providers will be contacted by telephone or email regarding concerns that may lead to suspension and/or termination. If the matter is a clear violation of an HBEI Program requirement or standard, as determined by THDA, the Provider will receive written notification with an effective suspension date. Once suspended, the Provider may not offer homebuyer services under the auspices of the Network, utilize materials provided by THDA, or market themselves as a THDA HBEI Homebuyer Education or Counseling Provider. The suspension will remain in effect for a time determined by THDA. Failure to resolve the matter in a timely manner, as determined by THDA, will result in termination.
2. Termination of an HBEI Provider must be approved by THDA HBEI staff, and Director of Single Family. Notice of termination is sent via written notification with an effective date. Providers are entitled to appeal the termination to the Executive Director, in writing, within 30 days of the effective termination date. THDA HBEI staff reserves the right to recommend immediate termination to the Executive Director for egregious acts committed by Providers. All written notification will be sent by mail to the most current mailing address on record.
3. THDA will not fund any payments for services or provide any training materials for an organization whose status as an HBEI Provider is not current, to include payment of service at the date THDA was made aware of the compliance issue.
4. Cause of termination will determine if THDA will allow reinstatement if later requested. Provider will not be eligible for review of reinstatement until after 3 years of initial termination. During the reinstatement review process, the Provider must submit a full application and complete a thorough one-on-one meeting with THDA to ensure compliance is understood. If approved, the Provider will be placed on a six (6) month probation to determine success.

PART II: HBEI PROGRAM DELIVERY STANDARDS

SECTION 3: BASIC HBEI HOMEBUYER SERVICES

The HBEI Program model is designed to meet the needs of clients by understanding what steps, if any, have been taken towards homeownership, determining mortgage readiness and customizing services based on the needs of the client. HBEI educators and counselors should have a working knowledge of and be able to share information with their clients about THDA mortgage loans, HUD Programs, and Rural Development mortgage loans, as well as other special affordable loan products available in their area. Providers can access www.thda.org, www.HUD.gov, and www.rd.usda.gov/tn for more information.

3.1 FORMAT AND TIME REQUIREMENTS

Homebuyer education may be provided to households of one or more participants in a class or one-on-one session. Each person on the loan is required to attend a homebuyer education class. Approved THDA HBEI Providers serve THDA loan customers through a variety of formats, including the following:

- Minimum of six hours of classroom/workshop pre-purchase-only education
- Four hours of classroom/workshop education, paired with one hour of individual education, per household
- A minimum of four hours of face-to-face, one-on-one homebuyer education
- A minimum of one hour of individual education coupled with THDA's approved eHomeAmerica, an approved online homebuyer education course

3.2 SCREENING

The process of screening helps clients understand what services are available and best fits their needs. HBEI Providers should use client intake forms to collect required client information and to track the services provided for the client. THDA gathers this information to meet federal requirements. Information from the forms will help Providers prepare pay requests and activity reports, and also will be useful if the client needs additional services. The staff person performing screening and/or intake must be trained in requirement of the Privacy Act. This staff may obtain basic information to determine if the Provider can assist a potential client, schedule an appointment with an educator/counselor, or refer the potential client to other resources.

1. Screening should be completed for all clients interested in homebuyer education and can be done by the client or facilitated by the staff. Screening may take place in person, by telephone or email, or through website applications.
2. For Providers who offer online registration, the webpage must include information on homebuyer education and the benefit of those in the initial stage first meeting with an educator/counselor.
3. Providers must contact clients who register online by phone or email to complete screening.

4. For the purposes of screening, clients are identified as one of the following:
 - Initial Stage: The client has not been preapproved for a mortgage loan or submitted a purchase agreement.
 - In Process: The client has been preapproved for a mortgage loan, submitted a purchase agreement, or has a closing scheduled.

3.3 INTAKE

During intake, contact and demographic information should be collected for each household. Applicable forms and authorizations are reviewed with clients. Intake should be completed immediately following the screening or at the first session. Each person on the loan is required to attend a homebuyer education class. Client files must include the intake application, authorizations, copy of identification with name and photo, or ID verification form, and other applicable forms.

A. Client Numbers and Forms

Standardized intake forms should be used for each household. Intake can be facilitated by the staff and may be done in person, by telephone or email, or through a website application. See samples of Client Intake Forms in [Section 13](#).

All clients must be assigned a six digit client number. At a minimum, clients should be asked to sign an Agreement to participate, a Conflict of Disclosure form and a Combined Privacy Act Notice form. A copy of the form(s) should be given to the client and the original(s) should be placed in the client's file.

B. One-on-One and Online Client File

A client file must be maintained on each client household that is receiving housing services. The intake form should be kept in the client's file as well as copies of identification with name and photo, budget sheets, and any client communication, applicable authorizations and forms, and other pertinent information.

C. Group Education File

Providers must maintain a separate confidential file for each course provided. The file may be electronic or a combination of electronic and paper. The file must include the items identified below. An individual file does not need to be established for each education attendee. However, if a participant has an existing individual file and attends a group workshop, the client's participation in the workshop session must be documented in his/her individual file.

1. File Number - A file number for the education/ workshop session
2. Data - All required fields are listed in [Section 7](#).
3. Course Description - Course title, course outline or established curriculum; and instructional goals
4. Instructors - Name of each housing educator/counselor, instructor or presenter participating in the session.
5. Course Logistics - Date, place and duration of each session.

6. Participant Information - List of participating households and the race, ethnicity, and income data for each household
7. Disclosure - The disclosure statement provided to each household that is relevant to the subject of the session.
8. Fees - If applicable, the amount paid through client fees and a copy of the receipt provided to the client.

3.4 REFERRALS

HBEI Providers will provide services within their skill sets, and refer client for additional services when necessary.

- Providers should be aware of local resources and agencies to refer clients.
- Prior to referring clients, Providers should ensure competent and timely services are offered. Following a referral, educator/counselor should contact the client within 10 business days to determine the outcome.
- If asked by clients to provide referrals for for-profit housing professionals, such as lenders, real estate agents, home inspectors, builders, multilevel companies, etc., HBEI Providers should always provide a list or a resource table to include a minimum of three names. “Steering” clients is prohibited and, if documented, will be cause for permanent removal from THDA’s approved list.

SECTION 4: HOMEBUYER EDUCATION SERVICE DELIVERY

Homebuyer education is delivered in a group setting and is designed for anyone considering or in the process of buying a home as a primary residence. Education is not limited to first-time homebuyers. Ideally, clients attend homebuyer education before signing a purchase agreement. However, services are beneficial to clients regardless of their status in the home buying process.

4.1 CUSTOMER SERVICE STATUS

Clients shall not be refused service regardless of their status in the home buying process.

4.2 MARKETING FOR EARLY PARTICIPATION

Providers shall market their services within their communities to encourage clients to attend homebuyer education prior to signing a purchase agreement.

4.3 CLASS SIZE

No maximum limits have been set for number of attendees; however, Providers should consider the capacity of the space and the impact on learning when registering clients.

4.4 THDA WEBSITE CLASS CALENDAR

At least a month before the event, HBEI Providers should utilize THDA's website calendar to post their homebuyer education classes, in addition to notifying their community industry partners and publicizing the classes with local media (See [Section 9](#) for calendar instructions). Provider must notify THDA and any registered clients, as well as update the HBEI calendar, to reflect class changes.

4.5 APPROVED CURRICULUM

Pre-purchase workshops and classes held by HBEI Providers and marketed as homebuyer education will utilize the NeighborWorks® America "Realizing the American Dream" (RTAD) curriculum provided at no cost to the Provider or participant. The curriculum is available in English, Spanish, Mandarin Chinese and Vietnamese.

When Providers need consumer training materials and are current on their client reporting, they may order RTAD materials through THDA HBEI online system at <http://resources.thda.org/> (See [Section 8](#)).

HBEI Providers should thoroughly utilize the RTAD. Each client household is given a copy of the manual for class use and to take home to keep as a personal resource after the class.

HBEI Providers may incorporate supplemental materials and activities into homebuyer education and make materials available to clients as long as the topics covered are listed on the approved curriculum outline. THDA Home Maintenance Guides are available upon requests, via hard copy or electronic version.

HBEI Providers must submit auxiliary materials to THDA for approval before distributing said materials in classes attended by THDA loan customers, unless approved or required by HUD or the Provider's intermediary.

Under no circumstances should HBEI Providers allow sales or multi-level marketing presentations to be included within the class or workshop time-frame or in connection or conjunction with a THDA approved homebuyer education class or workshop, to include but not limited to share class clients' contact information for any sales solicitation. Providers or individual educators or counselors participating in such activities will be immediately and permanently terminated from THDA's homebuyer education and counseling programs.

4.6 APPROVED FORMATS

THDA approved homebuyer education is delivered in one of the following formats:

A. Classroom Style Homebuyer Education or Workshop

While the content and curriculum requirements are the same, "fast track" classes or workshops are offered in a shorter time frame, targeting clients who are closer to mortgage readiness. Classes may be offered in-person or virtually.

B. Homebuyer Club

Homebuyer clubs, which include several sessions allowing in-depth instruction, may be more beneficial for clients who have greater barriers to homeownership.

C. Online Homebuyer Education

Online homebuyer education through eHomeAmerica is available to all clients in conjunction with a minimum of one hour of telephone or face-to-face follow-up session by an approved HBEI online Provider.

A client may access the Homebuyer Education Course via THDA's website or by contacting the approved Provider agency directly.

4.7 APPROVED DELIVERY TIME

Pre-purchase classes and counseling provided by HBEI Providers must be led by educators and/or counselors that have received pre-purchase certification from NeighborWorks® America. Upon completion of homebuyer education, clients should be able to demonstrate an understanding of the following: preparing for homeownership, budgeting and credit management, financing a home, selecting a home, maintaining a home and finances, and avoiding delinquency and foreclosure.

The time allocated for comprehensive, effective delivery of pre-purchase curriculum to achieve a desired expected outcome and cover content adequately should be a minimum of six hours of education. In some circumstances (e.g., when a client is provided homebuyer education in a one-on-one setting) hours may vary, **but in no case would less than 4 hours be sufficient.**

A. Classroom Style Homebuyer Education or Workshop

The pre-purchase education class or workshop format is a minimum of six hours and is offered in one-day or multi- days. If at least one hour of one-on-one education is provided to each

client in conjunction with the workshop, the class session may be four hours. Education can be delivered in a group setting or individual household, to which the NeighborWorks® America RTAD curriculum must be covered. Classes may be offered in-person or virtually.

B. Homebuyer Club

The homebuyer club format is a minimum of 12 hours, offered over a minimum of six sessions, delivered over several months. Sessions may be offered in-person or virtually.

C. Online Education

Individual household follow up sessions, conducted after the completion of the eHome America pre-purchase course, must be a minimum of one hour. The following *minimum* required topics must be covered:

- Review of modular quizzes to ensure client's understanding of topic covered; including any trouble areas where the client receives a score of 80% or lower.
- Assist client with creating personal budget.
- Loan disclosure forms.
- Client questions.

NOTE: Refer to the eHome Follow up Checklist, [Section 13](#), for additional guidance.

D. Individual Housing Counseling

Housing Counseling is independent, expert advice customized to the need of the client to address the client's housing barriers and to help achieve their housing goals. THDA does not require individual counseling for THDA customers. However, if an agency is HUD approved and/or chooses to offer individual counseling, the following guidelines must be met:

- Intake
- Financial and Housing Affordability Analysis (Budget)
- A reasonable effort to have follow-up communication with the client when possible
- Proper file documentation per HUD guidelines

All THDA HUD sub-grantees and affiliates must meet these requirements. Refer to THDA HUD Program Guide and the HUD Handbook 7610.1.

4.8 VOLUNTEERS

HBEI Providers are allowed, but not required to utilize volunteers in the delivery of homebuyer education. All volunteers must be identified, screened, and trained by Providers. Providers must be present throughout the class to monitor volunteer presentations and ensure that the core curriculum is delivered thoroughly and objectively. Providers should give regular feedback to volunteers.

Periodically Providers use different volunteers to ensure variety in delivery style and perspective and to engage more industry professionals in homebuyer education.

Volunteers may not distribute marketing or educational materials with company logos or contact information, including business cards and brochures. Business cards may be made available at a general resource table. It is imperative the Provider use best judgement with donated company SWAG or promotional products (pens, calculators, note pads, etc.).

Volunteers are not required to complete certification; however they must adhere to and sign the Code of Ethics and Conduct found in [Section 13](#). Providers are encouraged to create a Volunteer Agreement to incorporate agency procedures, proprietary policies, and client confidentiality, and require all volunteers to adhere to and sign such agreements. See sample Volunteer Agreement in [Section 13](#).

4.9 REGISTRATION

HBEI Providers should have a formal registration process for all clients. To reduce barriers, clients can register by phone or if available, online.

Clients should receive a response by phone or email no more than two (2) business days after initial contact with the Provider. Providers should close registration when full or no sooner than five (5) business days before the start of homebuyer education.

Provider voicemail should inform clients they offer homebuyer education and may include registration instructions.

Clients should be scheduled for homebuyer education based on their need and the availability of services. If a Provider's schedule does not allow clients to complete education in time for a closing, the Provider should refer clients to another Provider.

4.10 ATTENDANCE

Each household member listed on the loan is required to complete a homebuyer education class, and are required to attend the entire workshop or homebuyer club. If completed online, all members must complete the course and the required one hour follow up education session. Participants who miss more than 10 percent are required to make up the missed portion to receive a certificate of completion. Attendance requirements cannot be shared between members of a household.

Providers may establish a policy to address how participants can make up missed portions of homebuyer education. Providers may implement a policy to address when participants arrive late or return late from breaks.

4.11 CERTIFICATES OF COMPLETION

Certificates are issued by the HBEI Provider to the client upon completion of the course. Certificates should only be issued to clients who adhere to the attendance policy, and after the client has completed the customer evaluation survey (See [Section 13](#)).

For THDA's financial accounting purposes, Provider must complete the THDA Certificate of Completion by selecting the specific education type that was delivered to the client.

HBEI Providers must use the certificate of completion template supplied by THDA and include THDA's logo, Client name, Provider Agency name, HBEI Trainer ID Number, completion date and educator/counselor signature. When applicable, Providers shall make certificates available in English and Spanish.

In order to reduce fraudulent activity, certificates must contain a signature. When emailing the certificate, the Provider must first save the template as a pdf formatted document.

- THDA HBEI Certificates of Completion are effective for 12 months.
- Clients are not required to pass an exam to receive the certificate of completion.
- Once issued, certificates may not be invalidated by Providers for nonpayment.

Out of Date Certificates:

If a client with an HBEI Certificate of Completion applies for a THDA mortgage loan more than 12 months following their education session, they must retake the course, either in person or online. A THDA sponsored coupon code may be issued to the client to complete the eHome America pre-purchase course.

Refresher codes are available to clients who would like to re-take the course using the online option. The client should receive a new certificate of completion to include the new course completion date.

- All clients needing to retake the course and wanting an online option will need to email their old certificate to the original Provider for a new code and request a refresher code to take the eHome America course for \$25.
- All clients can also select to retake the course in-person or virtually through the Provider instead of the online option. The Provider can charge standard or discounted rate.
- Step In clients are not eligible for this \$25 course discount and will need to retake the course online at the \$99 rate or at a classroom style course to receive a new certificate.
- See [Section 11](#) for agency payment process

4.12 CLASS SCHEDULING

HBEI Providers should establish an annual homebuyer education schedule that is responsive to the demand in/around their community and maximizes the number of clients. Homebuyer education workshops or classes should be offered to the public, either via eHome America's online platform or in-person/virtually a minimum of once a quarter.

Schedules must be submitted to THDA for approval and include dates, times, city location, registration contact name, email address, phone number and fee. Classes and workshops are published on THDA's HBEI website calendar. Additions or changes also are submitted to THDA

for approval for posting on the website calendar. Providers should also create and follow a Marketing and Outreach plan to connect with local partners and consumers.

4.13 CLASS CANCELTATION

A workshop or class may not be cancelled once participants have signed up. The following exceptions apply:

- a. Inclement weather or a natural disaster. For inclement weather, the workshop or class must be rescheduled within one week, if possible.
- b. HBEI Provider staff is ill. In case of staff illness on the scheduled class date, Provider should contact all registrants and refer to other area Providers or re-schedule class at earliest opportunity.
- c. Providers may contact THDA HBEI Team or their regional THDA HUD Counseling Coordinator as an alternative to canceling the class. This option allows the class to remain scheduled, facilitated by a certified educator/counselor, and all/any THDA fees still be paid to the agency.

PART III: HBEI PROGRAM PROCEDURES

SECTION 5: HBEI PROVIDER APPLICATION PROCESS

5.1 APPLICATION OVERVIEW

THDA utilizes a network of non-profit HBEI Providers to deliver homebuyer education and counseling services in Tennessee. These Providers include community-based 501C3 agencies, UT County Extension agents, Development District housing specialists, regional human resource agencies and public housing authority staff.

Approved HBEI Providers are required to have at least one staff member who has successfully completed the NeighborWorks® America HO229 “Homebuyer Education Methods: Training the Trainer” five-day course and/or the HUD Housing Counseling Certification. Prior to teaching classes independently, new educator/counselors must attend the NeighborWorks® America HO229 “Homebuyer Education Methods: Training the Trainer” course, even if they have obtained their HUD Certification. This ensures that educator/counselors are familiar with the Realizing the American Dream curriculum that is used for THDA loan customers and offers resources to ensure success within the THDA HBEI Network. Until course is complete, new educator/counselors may only facilitate classes under the supervision of a certified pre-purchase educator/counselor.

HBEI Providers are expected to adopt and follow National Industry Standards for Homeownership Education and Counseling no later than one year from the date of approval. Complete information about the Standards can be found at www.homeownershipstandards.com.

HBEI Providers must submit a completed HBEI application packet, a signed HBEI Program Agreement, and a signed Code of Ethics (See [Section 13](#)) before they can be approved and placed on THDA’s Homebuyer Education Trainer List at www.thda.org.

Prior to approval, THDA will conduct an onsite visit and the certified educator/counselor must observe at least one (1) approved THDA HBEI Provider’s pre-purchase class.

The homebuyer education and counseling model that THDA uses relies on a non-profit perspective for preparing educators/counselors to work 6 months or longer with individuals, preparing them for homeownership, and also being available after purchase in case of delinquency and/or default. Due to the potential for conflict-of-interest, THDA does not accept applications from non-profit agencies that are “spin-offs” or have been formed by individuals or businesses directly involved with for-profit lending, real estate sales, construction of new homes, renovation of existing homes, or for-profit consumer credit counseling agencies.

A. Applicant Steps

All agencies must have at least one staff member who has obtained the required certifications. Agencies wishing to participate as an approved THDA HBEI Provider must complete and submit the following items:

1. Completed HBEI Program Application Packet (See [Section 13](#))
2. Copy 501C3 certification including charter and by-laws
3. List of all board members with occupation, terms and contact information.
4. Copy of current Certificate of Existence from the Tennessee Secretary of State's Office
5. Copy of organization's most recent financial audit, should be completed within the past year, if applicable.
6. Copy of each educator/counselor's NeighborWorks® training certificate and/or HUD Certification Certificate and final test score.
7. Copy of homebuyer education proposal. The proposal should be a full overview of how the agency plans to administer the programs. Information to include, but not limited to:
 - Do they have a marketing plan?
 - How will they draw customers?
 - Will they provide group HBE and/or one-on-one?
 - What is their fee range?
 - Where will they hold classes?
 - Do they plan to use volunteers?
8. Signed HBEI Program Agreement (See [Section 13](#))
9. Signed Code of Ethics and Conduct (See [Section 13](#))
10. Completed ACH and W-9 Forms (See [Section 13](#))
11. Observe at least one pre-purchase class facilitated by an existing THDA HBEI Provider.
12. THDA visit, onsite or virtually

B. Applicant Reporting Requirement

Non-profit agencies requesting to participate in the HBEI Program must agree to report client data to THDA via THDA's custom spreadsheet. Usage of a client management system (approved by HUD's Office of Housing Counseling) is encouraged, and required for HUD approved agencies. (See [Section 7](#) for Reporting Instructions.)

C. THDA Approval Follow-up Steps

Upon approval of the Provider, THDA will take the following steps:

1. Assign Provider a new Trainer ID #
2. Add Provider's name to THDA web list
3. Create account in HBEI online calendar and send calendar instructions to newly approved Provider.
4. Send approval letter, the Certificate of Completion(s), (to be provided to client upon completion of service), and any other current resources.
5. Place start up orders for RTAD materials and THDA Home Maintenance Guides
6. Set up internal file for new Provider and add direct contacts to THDA HBEI Contact Database to receive network communication.

SECTION 6: HBEI PROVIDER SERVICE DELIVERY

6.1 EDUCATION DELIVERY

When pre-purchase education is completed, clients should be issued a Certificate of Completion for homebuyer education. HBEI Providers must cover the curriculum in the RTAD training manuals during their pre-purchase education sessions. This includes group sessions offered in six or more hours, with more than 2 households; as well as individual sessions offered in four hours or more, with one household. THDA provides the manuals and additional maintenance guides at no cost to HBEI Providers for distribution to each of their pre-purchase clients. eHome America pre-purchase follow up sessions are also considered education sessions. See [Section 6.2](#), below, and the eHome Follow up Checklist in [Section 13](#).

6.2 INDIVIDUAL ONE-ON-ONE COUNSELING

If the pre-purchase class customers receive less than six hours of group education, including online education customers, they must also have at least one hour of individual housing counseling before receiving their Certificate of Completion. Following are the minimum topics to be covered for THDA loan customers during the individual one-hour pre-purchase housing counseling session:

A. Analysis of the Customer's Unique Financial Situation

This includes but is not limited to the following:

1. A review of the customer's income, expenses, spending habits, home values and use of credit. For example: if the customer has car payments and credit card debt, encourage them to eliminate those payments and not take out any new credit for the first year of homeownership.
2. The establishment of a household budget that the customer can afford.
3. The importance of establishing savings for an emergency fund and for preventive maintenance.

B. Foreclosure Prevention (may be covered during group session)

C. Predatory Lending

Watching for warning signs such as "refinance offers, etc.", (may be covered during group session)

D. Unique Features of THDA Mortgages, including the following:

1. Residence Requirement: The Applicant(s) must occupy the Property as their permanent, principal residence within 60 days after the THDA loan is closed. The Applicant(s) must use the Property as their permanent, principal residence for the life of the THDA loan.
2. Three year prior ownership: Applicant(s) who have had an ownership interest in their principal residence within the three years (a full 36 calendar months) prior to the date of application are not eligible for a THDA loan. When an applicant is married, both spouses

must meet the three year, first-time homebuyer requirement. The three year requirement does not apply if the Property to be acquired with the THDA loan is located within a Targeted Area or under certain circumstances if the applicant is a veteran or under certain circumstances, if the Qualified Adjustable Rate Mortgage Loan is being refinanced by THDA into a fixed rate mortgage. Customers should contact a THDA lender to learn about exceptions to this rule.

- ***Veteran Exemption:*** Veterans and their spouses do not have to meet the three year requirement (i.e. be a first-time homebuyer) under certain circumstances to be eligible for THDA's mortgage programs. The definition of "veteran" is found at 38 U.S.C. and, generally, includes anyone (a) who has served in the military and has been released under conditions other than dishonorable or (b) who has re-enlisted, but could have been discharged or released under conditions other than dishonorable. A current, active member of the military in their first tour of duty is not eligible for this exemption.
3. **Security:** All THDA loans must be secured by a first lien on the Property. In addition, THDA may offer special programs from time to time that allow THDA second mortgages in conjunction with THDA first mortgages.
 4. **Loan Payment Terms:** THDA first mortgage loans must be fully amortized, with level payments, and must be for a term of 30 years in all cases. Under no circumstance may the loan term exceed the economic life of the Property provided in the appraisal report.
 5. **Prepayment Penalty:** Prepayment penalties are not permitted on THDA loans.
 6. **Recapture Provision:** Congress determined the benefit of the reduced interest rate should be repaid if people sell their home within nine years of the date they bought their home with a THDA mortgage loan. This repayment, if any, is in the form of a tax, called the recapture tax.

Whether a THDA borrower has to pay any recapture tax depends on facts and circumstances at the time the THDA borrower sells the house purchased with the THDA mortgage loan. The maximum recapture tax a THDA borrower may have to pay depends on:

- a. Length of time since the original THDA loan closing;
- b. The THDA borrower's current family size and income;
- c. Whether gain is realized on the sale of the house, and
- d. Whether the house is transferred to a spouse or former spouse as a result of a divorce or whether the house is transferred due to the THDA borrower's death

A THDA borrower will never have to pay any recapture tax if they sell their house more than nine years after they originally closed on their THDA mortgage loan. THDA sends borrowers a two-page recapture form with information specific to their mortgage loan within ninety days following closing.

THDA borrowers should be referred to a qualified tax preparer for more information about how recapture tax may specifically affect them. Additional information is available at www.thda.org.

6.3 ONLINE SERVICE DELIVERY

THDA allows the use of the eHomeAmerica online product for customers who prefer an online course.

A. Criteria for Online Education

THDA does not have any criteria that would limit a client from receiving education online.

B. Customer Process for Online Education

The online customer will complete the following process:

1. The customer must register for the eHomeAmerica course through THDA's website and pay the required fee for using the online product.
2. The customer is required to complete an intake application and provide requested documentation including copy of identification with name and photo.
3. The eHomeAmerica online course will take several hours to complete. The course has test questions at the end of each section. The customer will be able to go in and out of the course and, if needed, take the course over several days.
4. Upon completion of the course, the online customer will be required to participate in a one hour follow-up session with the HBEI Provider selected during the online registration process. The one-hour follow-up session provides guidance on the test questions and additional support regarding the customer's budget and their responsibilities as a THDA homeowner.

C. HBEI Provider Process for THDA Online Clients:

1. Initial Screening Interview should be conducted by Provider. During the initial contact with the online client, the Provider should perform the following:
 - a. Provide the client with a brief overview about their agency and explain that they will be available to assist the client in the future.
 - b. Collect any necessary information not gathered through the eHomeAmerica intake system in order to complete all required reporting data fields on THDA's custom spreadsheet (Refer to [Section 7.1](#)).

- c. Ask the client to sign an Agreement to participate, Disclosure and Permission to Release Information forms. A copy of the form(s) should be emailed to the client and the returned signed copies should be placed in the client's file.
 - d. Will explain to the client all the steps involved in using the online course, including the following:
 - How to access the eHomeAmerica course, if applicable
 - Intake steps
 - Required course fee
 - Inform the client that they can communicate with the educator/counselor if they have questions as they go through the course.
 - Within 48 business hours following completion of the course, client will be contacted by an educator/counselor to schedule the required follow-up session. This session is not required to be conducted in the same day as completion of the online course; however, must take place within 7 business days.
 - Make sure the client understands that they must complete the follow-up session with the educator/counselor *before* receiving the Certificate of Completion.
 - e. During their follow-up session, the educator/counselor should cover topics as detailed in [Section 4.7](#).
2. Follow-up session should include the session outline topics discussed in the eHome Follow-up Checklist in [Section 13](#).

SECTION 7: CLIENT REPORTING

7.1 REPORTING & SHARING CLIENT DATA WITH THDA

THDA requires all HBEI Providers to share homebuyer education and counseling client data for each borrower in the household with THDA by using THDA's custom spreadsheet. All required client information must be entered via THDA's custom spreadsheet and submitted to THDA no later than the fifth of each month or payment will not be made. Once received, payment will be processed in the following month cycle. Usage of a client management system (approved by HUD's Office of Housing Counseling) is encouraged for all agencies, and is required for all HUD approved agencies.

Please refer to [Section 13](#) for the THDA custom spreadsheet, which includes the required HBEI Customer Data Collection Fields for each borrower in the Household, which must be submitted.

Providers using a client management system should contact the administrator to determine how to generate your reports to match required fields in an Excel format.

SECTION 8: REQUESTING APPROVED CLIENT TRAINING MATERIALS

THDA provides HBEI Providers that are current on their client reporting with NeighborWorks® “Realizing the American Dream” pre-purchase student version manuals and THDA produced Home Maintenance Guides. Providers should submit Materials Order Form to HBEI staff electronically, through the HBEI online system at <http://resources.thda.org/>, before running out of materials. Approved Providers are limited to a set number of manuals per month unless they can demonstrate a need for an additional number of manuals. RTAD manuals are available in English, Spanish, Mandarin Chinese, and Vietnamese. The THDA Home Maintenance Guide can also be found on the THDA website. Providers may print or share electronic link with clients when needed.

SECTION 9: MARKETING AND OUTREACH

9.1 COUNTY WEBSITE LIST

THDA-approved HBEI Providers are listed by county at www.thda.org. Providers should also use THDA's website calendar to advertise their class schedules. The HBEI list and the calendar can be found on the THDA website under "Buy a Home" in the "Homebuyer Education" section. Clients needing to access the homebuyer education calendar may go to <http://thda.mhsoftware.com/>. They click on the name of the desired location/town on the date needed and a screen will appear with contact info.







9.2 THDA HBEI CALENDAR

When an HBEI Provider is first approved, THDA sets up their HBEI Calendar system account. The Provider login name and password are provided to the agency.

The system automatically sends HBEI staff a message each time the Provider enters a new class so the Provider doesn't have to send a message when it does its entries. The system notifies HBEI staff for the Provider, then HBEI staff will go in as soon as possible to review and approve the request. The system will send the Provider the message after the approval is completed. If there is a question, staff will note that and the system will send an "action deferred" message telling the Provider what it needs to do to correct the entry.

9.3 THDA HBEI CALENDAR INSTRUCTIONS

- 1) Go to <http://thda.mhsoftware.com/>
- 2) Displayed will be the general HBEI calendar, containing all HBE events. Click on the "More" option to bring up the login screen. Enter your assigned username and password.
- 3) Upon successful login, you will see the following:

To get started, what do you want to do?	
	Add an event.
	View my calendars.
	Approve events.
	Change my preferences.
	Watch tutorials.
	Logout

System Messages
Welcome User

- 4) **Add an Event** is the option to select for adding your classes to the calendar. After this selection you will see the following screen:

Edit Calendar Event

General	Description	Recurrence	Exceptions
Calendar	HBEI Training Schedule	Item Style	Default
Title			
Approved	<input type="checkbox"/> Event Type Homebuyer Education: Pre-purchase	None	
Contact Name			
Contact Info			
Addl. Info URL			
Starting Date	X Start Time <input type="text"/> <input type="text"/>	X <input type="text"/> <input type="text"/>	
End Date	X End Time <input type="text"/> <input type="text"/>	X <input type="text"/> <input type="text"/>	
<div>Save Return Home</div>			

- 5) **IMPORTANT:** The field marked **Title** should be the city in which the class is to be held, (i.e. Nashville). An agency's training location city may also include the agency's acronym/ abbreviation, (i.e. Nashville-THDA). The class type should also be included here, i.e. in-person or virtual. Example: Nashville-THDA; Virtual. The title is what appears on the calendar page. It is used by the client to be able to search and select a class in their area.
- 6) You will note the name of your organization and your email address are automatically filled in for you. If you need to change the email address, you may do that. Leave **Privacy** set to **None**. If you have a website where prospective clients can go to receive additional information, you may include it, or if not, you can simply leave that field blank.
- 7) Enter the date of the training either by typing it in or use the pop-up calendar. The ending date (which is usually the same), must also be entered. Use the drop down lists to select start times. No end time is required.
- 8) The type of training provided for this event is selected by the drop down list for **Event Type**. Although there are several available categories, the only category that should be used is: Homebuyer Education Pre-Purchase.
- 9) Next is the **Description** tab. What you put here will be displayed to prospective clients when they view the details of that specific class. You will include details about the class. See example below.

Wording for pre-purchase class-description:

Title should read: City name-Agency abbreviation; Class Type (Virtual or In-person)

This course is recommended for anyone interested in purchasing a home and is approved for all THDA Mortgage Loan programs. It is recommended that this course be taken at least 4 weeks prior to closing. The Realizing the American Dream curriculum is used and provided to each household, in addition to a Certificate of Completion. The following topics are covered during this class:

- Are you Ready to Buy a Home?
- Managing Your Money
- Understanding Credit
- Obtaining a Mortgage Loan
- Shopping for a Home
- Protecting Your Investment

Example: Class will be held at 456 Main Street.

Pre-registration is required. Please contact Bill at 615-999-0000 to register before March 13.

Fee for this class is \$99.

Lunch will not be provided.

For more information, please visit our website: www.zzzzzzzz.com

- 10) If one class is not the full required hours, provide details on the number of classes the client will need to attend. Also note whether any one-on-one time is included in the service.

9.4 OUTREACH

Providers are responsible for marketing their homebuyer services. Providers should develop, maintain, and utilize a marketing plan that employs a variety of outreach methods for reaching clients early. Connecting with other housing professionals (lenders, Realtors, appraiser, insurance agents, builders, etc.) and outlets can prove beneficial to the services and resources the agency offers, as well as production. These relationships could also be helpful when seeking professional volunteers for workshops.

SECTION 10: COMMUNICATION WITH THDA

HBEI Providers must keep THDA informed with regard to the name(s), telephone number(s), fax number(s), and email addresses of their designated education and counseling staff members. Provider must notify THDA HBEI staff about any staff leaving the organization or new hires within 5 business days. Providers must also ensure timely responses with any THDA communication, as it relates directly to their agency. See [Section 13](#) for THDA HBEI Approved Agency Contact Form.

SECTION 11: PAYMENT FOR HBEI SERVICES FOR THDA CUSTOMERS

A. Classroom Style (In Person or Virtual) Education

A payment of \$250 will be made to approved HBEI Providers from THDA after they have provided classroom style education for clients who obtain THDA loans.

The payment is made on a monthly basis **after** the loan has been closed by the lender *and been purchased* by THDA. Lenders should send purchase requests to THDA 3 to 5 days after closing. If an HBEI serviced loan is purchased (funded) during one month, then the HBEI payment will be made to the Provider during the following month. However, if a loan is closed at the end of one month and the lender sends the purchase request early the next month, the HBEI payment will not arrive until two months after the closing.

No later than the 15th of each month, HBEI staff will generate a report that shows the names of the funded loan clients for the previous month. That report also shows the name of the Provider that provided the service for the clients. THDA staff sends a notice to each Provider that had funded loan clients the month before. THDA requires each Provider to review their report, check their files, and confirm that each client on the report actually was served by their agency. Each Provider must mark a confirmation space on the report and return to THDA via fax or email. THDA will not issue payment unless the Provider has confirmed their HBE service, has reported the funded loan client, and is in good standing with the HBEI Program.

The payment will be processed via ACH to the Provider's account on the last business day of the month by THDA. See [Section 13](#) for copies of required payment forms.

NOTE: THDA recommends its approved HBEI Providers not charge more than \$99 to THDA loan clients (single or couple) for the required six hour pre-purchase class.

B. Online Education

HBEI approved Providers who provide online homebuyer education and counseling for clients that obtain THDA loans will receive a payment from THDA for \$150.

In addition, eHomeAmerica will pay the Provider \$74 for every online client. This payment is submitted monthly. (Note: \$74 payment is based on the client's fee of \$99. If a Provider chooses to offer a discounted coupon to the client, the Provider will receive the difference of the client's fee and eHomeAmerica's administrative fee.) *No refunds are issued for online education.

NOTE: Course Reimbursement to Clients

Recipients of housing education services are eligible to be reimbursed for their out of pocket expense(s). Educator/counselor may make client aware that their mortgage professional can record their out-of-pocket expenses on their closing documents.

*Payments in the form of credit cards are not eligible for reimbursement.

C. Step In

State of Tennessee Employee Partnership Initiative, “STEP IN”, allows State of Tennessee employees and eligible corporation employees to receive a discount for the online pre-purchase homebuyer course through eHome America. The program will allow eligible clients to take the online course at a discounted fee of \$25.

Eligible clients will complete the following steps:

- Contact stepin@thda.org to request a coupon code
- Answer screening questions to confirm eligibility
- THDA staff will send an invite via eHome America, which will include the code and course link.
- Client will complete the online course. THDA staff will follow up upon completion to complete their account transfer to an approved Provider.
- Once Provider has access to the account, Provider will contact client to conduct the required one hour session and provide their certificate of completion. Provider should select STEP IN program on the certificate.
- This program removes the payment directly issued by eHome America. If the client closes (and the loan funds) through THDA, the Provider will be compensated \$250 from THDA – to be reflected on the monthly payment report.

D. Refresher Course

HBEI Providers will only receive payment for clients once the loan closes and is funded. Payment will be based on the type of delivery (classroom style vs online) provided to the client for the Refresher course or applicable certificate.

E. Special Programs

THDA may offer a variety of agency programs that require housing education and counseling services (i.e. ROP). HBEI Providers have the opportunity to participate and offer these services. The HBEI team provides instructions and program details; however, payments are issued from the specific program division and are not included in the monthly HBEI payments.

SECTION 12: THDA HBEI COMPLIANCE REVIEW

HBEI staff members annually and periodically review program performance, continuing education, staff communication, client reports, website calendar usage, adoption of National Standards, Symposium attendance and other HBEI Program compliance indicators. Staff *may* produce a report indicating what compliance areas may be lacking and/or what corrections are necessary. Failure to meet all compliance requirements may result in removal from THDA's list of approved HBEI agencies.

PART IV: OTHER INFORMATION

SECTION 13: HBEI FORMS AND INSTRUCTIONS

THDA forms referenced in this HBE Program and Standards Guide are listed below. THDA forms may not be altered and may not be distributed to any entity who is not an HBEI Provider or to any other unauthorized individual or entity. These forms are to be considered part of this HBE Program and Standards Guide. Sample forms may be altered to include Provider Agency Name.

HBEI Annual Certification – *Must be signed by each educator/counselor, to be submitted with the agency's original application and when requested by THDA staff.*

HBEI Program Application – *Required for review.*

HBEI Program Agreement – *Must be completed and signed by the agency Executive Director or Main Contact, to be submitted with the agency's original application.*

Code of Ethics and Conduct – *Required by National Industry Standards. For more information please refer to www.homeownershipstandards.com.*

Conflict of Interest and Disclosure Agreement – *Required in client files for HUD approved agencies as well as agencies that offer additional housing resources.*

Privacy Policy – *Required in all client files (signed and dated), client should receive a copy.*

ACH Form – *Required with the W-9 and submitted with application.*

W-9 – *Required with the ACH form, and submitted with application.*

Homebuyer Education Materials Order Form – *Submit electronically through HBEI online system*

HBEI Agency Information Form - *Complete and submit to HBEI team when agency experiences a personnel change.*

Verification of Identification – *Required in client file to verify ID has been reviewed.*

Sample: Customer Survey [Sample 1](#) [Sample 2](#)

Sample: [Counseling Documentation Checklist](#)

Sample: Client Intake Forms [Sample 1](#) [Sample 2](#) [Sample 3](#)

Sample: [Volunteer Agreement](#)

[eHome Follow-up Tips Checklist](#)