

Homebuyer Education and Ineligible Loans

May 22, 2017

Housing Finance Agency Division

News Reminder

U.S. Bank Home Mortgage has had several files come in for purchase where lenders have not required borrowers to take the required **pre-closing homebuyer education course**.

Fannie Mae and Freddie Mac both have guidelines regarding **pre-close homebuyer education** on all of their community lending products, including the Fannie Mae HFA Preferred Product and the Freddie Mac Home Possible Advantage for HFA product. Bulletin 2017-01, addressing this requirement, was issued in January 2017.

When **pre-closing homebuyer education** is required, but not obtained by lenders, loans are not saleable to Fannie Mae or Freddie Mac. Therefore, **U.S. Bank Home Mortgage cannot purchase your loan**. U.S. Bank Home Mortgage will send it back to you and you may be liable for the DPA funds associated with the loan. After several reminders of this GSE requirement, and our obtaining multiple exceptions from the Fannie Mae and Freddie Mac, they are no longer granting exceptions.

Questions

Please refer to the [HFA Division Lending Guide](http://hfa.usbank.com) (hfa.usbank.com) for information regarding the delivery and funding of loans through the HFA Division. From the home page, select "U.S. Bank Lending Manuals", then "Continue". If you experience problems accessing the guide you may need to temporarily allow pop-ups or add AllRegs as a favorite.

If you have questions regarding this HFA Lender Bulletin Update, please contact the HFA Hotline at 800-562-5165, Option 2.

We appreciate your continued partnership.