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MINNESOTA HOMEOWNERSHIP ADVISORS NETWORK STANDARDS

MINNESOTA HOMEOWNERSHIP CENTER

HOMEOWNERSHIP ADVISORS NETWORK

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INTRODUCTION

The Minnesota Homeownership Advisors Network Standards ensure that Minnesotans receive high-quality, effective, and efficient homeownership services.

The members of the Homeownership Advisors Network of the Minnesota Homeownership Center (the Center) are independent nonprofits and government agencies committed to providing homeownership education and advising to Minnesotans, including financial wellness advising, homebuyer advising, homebuyer education, foreclosure advising, reverse mortgage advising, post-purchase advising, and refinance advising.

The standards provide a consistent framework for providing these services. Agencies may tailor their services to meet the needs of their communities—so long as they remain within these guidelines.

These standards were developed with input from the members of the Homeownership Advisors Network and the Center's Program Advisory Council (PAC). They were also informed by HUD's Housing Counseling Program Handbook, the Housing Partnership Network's Housing Counseling Program Guide, and the National Industry Standards for Homeownership Education and Counseling.

RELATIONSHIP TO THE NATIONAL INDUSTRY STANDARDS

These standards align with—and in some cases exceed—the National Industry Standards for Homeownership Education and Counseling. The Center supports national efforts to promote professionalism and quality in homeownership services. All Network members are expected to adopt the National Industry Standards upon joining the Network.

OVERSIGHT AND ENFORCEMENT OF THE NETWORK STANDARDS

Adherence to the standards is essential to maintaining the quality and professionalism of the services provided by the members of the Homeownership Advisors Network. Network members sign an agreement to follow the standards upon joining the Network and renew that commitment by re-signing the agreement every two years. The Center monitors member compliance with the standards through regular program reviews.

Failure to comply with the standards may result in suspension or termination from the Network. Other reasons for suspension or termination include an inability to deliver services, provide adequate program or financial oversight, and/or meet intended outcomes.

Agencies that are suspended or terminated may no longer provide services through the Network, use HomeKeeperMN, Home Stretch or Center branded materials, or present themselves as Network members. Termination must be approved by the Program Committee, a committee of the Center's Board of Directors. Agencies may appeal a termination decision in writing within 30 days of the decision date. In cases of serious misconduct, the Center may recommend immediate termination to the Program Committee.

THE CENTER'S ROLE

The Center plays a central role in supporting the Network by offering practical tools and resources that strengthen the delivery of homeownership education and advising services throughout Minnesota. This includes technical assistance, capacity-building initiatives, professional certificate courses, and ongoing training. The Center also manages HomeKeeperMN, the Network's client management and reporting system, which helps ensure consistent service delivery, data-informed decision-making, and accountability. Center staff provide guidance on program delivery, operational management, and the implementation of best practices, helping members improve outcomes for the communities they serve.

In addition, the Center:

- Connects individuals seeking homeownership education and advising services with Network members
- Conducts research and analyzes trends to inform policy, practice, and program design
- Secures funding to sustain and expand the Network's reach and impact
- Builds strategic partnerships with industry stakeholders to elevate and advocate for equitable homeownership opportunities

JOINING THE HOMEOWNERSHIP ADVISORS NETWORK

To join the Homeownership Advisors Network, an agency must either receive funding through the Center or apply to join and be approved by the Center. Network members agree to follow the Network standards, report program outcomes to the Center, participate in program reviews, and work with other network members to support professionalism in the field of homeownership advising and education. Center staff are available to meet with agencies interested in learning more about joining the Network.

AGENCY STANDARDS

ACCESSIBILITY

Agencies must make strong efforts to serve people with disabilities and others who may not have easy access to services. All services must follow the Americans with Disabilities Act (ADA) and fair housing laws.

To make sure services are accessible, agencies must:

- Ask clients during intake if they need accommodations.
- Hold meetings and workshops in places that are easy to get to, including by public transportation when possible.
- Provide materials in other formats (like large print, audio, or digital) if someone asks.

Reasonable accommodations are changes that help people with disabilities use services. Examples include providing sign language interpreters, large print materials, wheelchair-accessible meeting rooms, and extra time for appointments and allowing service animals.

When a client requests an accommodation, the agency must:

- **Assess the request** to determine if it is reasonable, considering both cost and feasibility.
- **Provide the requested accommodation** or collaborate with the client to identify an alternative solution promptly.
- **Document the actions taken** in the client's file.

CODE OF ETHICS & CONDUCT

The Code of Ethics and Conduct for Homeownership Professionals, as outlined in the National Industry Standards for Homeownership Education and Counseling, provides clear values and principles to guide professional behavior and decision-making by homeownership advisors and educators.

Agencies must ensure that each advisor and educator **reads, signs, and agrees to follow the Code of Ethics and Conduct.** The Code is meant to support, not replace, any existing ethics policies the agency already uses.

CONFLICTS OF INTEREST

Agencies must tell clients about conflicts of interest. A conflict of interest happens when the agency or advisor might not be able to fully act in the client's best interests. Agencies must have a **written conflict of interest policy** that explains:

- Which types of conflicts are allowed and which are not
- How staff will handle conflicts to protect clients
- What happens when someone has more than one role (like being both an advisor and a real estate agent, lender, or contractor)
- Advisors must not participate in agency decisions regarding loans, grants, or property transactions involving clients they have advised.

Clients must be told about any real or possible conflicts so they can make informed decisions. Examples of conflicts include when the agency or advisor:

- Owns or wants to own a home the client is interested in
- Gets paid to help buy or sell homes
- Owns or manages the client's mortgage
- Sells mortgage or financial products that make money for the agency
- Gets paid by outside companies like lenders, real estate agents, or investors
- Originates down payment assistance
- Has a personal or family financial interest in the client

Agencies are required during intake to provide all clients with a **written Program Disclosure** that lists all possible conflicts. Clients must sign it, and the agency must keep it in the client's file. The disclosure must say that clients don't have to use the agency's services and can choose other providers. If there is a conflict, the agency must give the client information about other service providers.

DATA PRIVACY

Agencies must follow all federal and state laws about sharing a client's private information with others.

This includes any details that can identify a person, either on their own or when combined with other information.

All clients must receive a **written privacy notice** (called a Tennessen statement in Minnesota) at intake that explains the agency's data practices, including:

- What personal information the agency collects
- How the agency uses it
- Who the agency might share it with
- The client's rights regarding their information

Agencies must review and make updates to their written privacy notice at least annually. To share a client's personal information with others (like lenders or other service providers), agencies must get a **signed release of information** from the client. This release of information is different from the privacy notice as it gives permission to share based on each client's specific situation. Clients do not have to agree to share private information with advisors or third parties. Agencies must provide services even if the client chooses not to share their private data.

The release must clearly state:

- What information will be shared
- Who it will be shared with
- Why it is being shared
- How long the release is valid

Agencies must protect client information by:

- Storing files in locked cabinets or password-protected computers
- Limiting access to staff who need the information to do their job
- Using secure methods to send information (encrypted email or secure file sharing)

If client information is lost, stolen, or seen by someone who shouldn't have it, the agency must:

- Tell affected clients right away
- Report the breach to proper authorities
- Take steps to prevent it from happening again

Note: Record retention requirements are covered below in Record Keeping.

MARKETING & OUTREACH

Agencies are required to promote their services to ensure early engagement with potential clients. Early participation in homeownership education and advising significantly improves the chances of long-term success in homeownership. Therefore, **outreach and awareness efforts are not optional;** they are essential components of program delivery. Agencies must take deliberate steps to affirmatively **further fair housing.** This includes making intentional efforts to reach underserved populations and ensuring that all marketing and outreach activities are inclusive and equitable.

To meet these standards, agencies must:

- Develop and maintain a written marketing plan that uses multiple outreach methods to reach clients early—ideally before they sign a purchase agreement
- Clearly communicate that services are provided in a fair and non-discriminatory manner
- Use outreach strategies that effectively connect with the different cultural communities in their service area
- Tailor marketing strategies to reach groups that are less likely to access homeownership services

Agencies are also expected to build and maintain strong, professional relationships with lenders, real estate agents, and other housing professionals. These partnerships are critical for recruiting volunteers for homebuyer education workshops and offering trusted referral options to clients.

CLIENT FEES

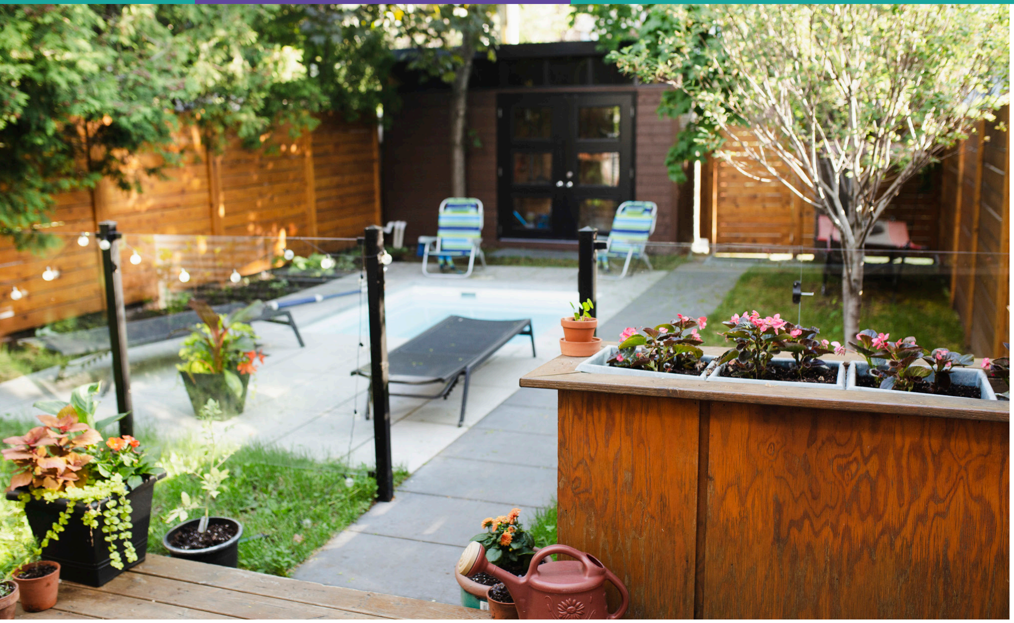
Agencies are allowed to charge reasonable fees for homeownership services—except for **foreclosure advising which must always be free.** Agencies may also seek reimbursement from clients for the cost of pulling their credit report.

Agencies must have a written fee policy that:

- Is reviewed and updated at least every two years
- Is shared with clients
- Clearly lists fees for services, including credit report pulls
- Explains how clients can request a reduced or waived fee if the cost creates financial hardship
- Ensures that fees do not exceed the actual cost of providing the service

To keep fees for homebuyer education consistent across the state:

- The standard fee for online instructor-led homebuyer education workshops is at least **$40 per household,** no matter where the agency is located.
- Agencies may charge more than the minimum.
- Fees lower than the minimum are allowed if the workshop is sponsored. Any other exceptions to the minimum fee must be approved in advance by the Center.
- For agencies in the Twin Cities Metro Area, the $40 minimum also applies to in-person workshops.
- Agencies in Greater Minnesota should consider what other local agencies charge when setting their in-person workshop fees.



EXPANSION OF SERVICES

Agencies must **receive prior approval from the Center** before expanding their geographic service area or adding a new counseling or education service area.

To qualify, agencies must:

- Have at least one year of successful service delivery
- Show a clear need for expansion
- Demonstrate staff and financial capacity
- Coordinate with agencies already serving the area or population

Agencies request approval by submitting an Expansion Application, which is reviewed by Center staff and the Program Committee (a subcommittee of the Center's Board of Directors).

Expansion may also be requested during the HECAT application process. When offering services in a new language, the agency must send written notification to the Center.

PREFERRED LANGUAGE

Agencies must take appropriate steps to meet the language needs of all clients by offering one or more of the following options, based on the client's preferred language:

- Connect the client with an advisor within the agency who speaks their preferred language
- Refer the client to another provider in the Network that offers services in the client's preferred language. The agency must facilitate the connection and ensure the referral is successfully completed.
- Refer the client to a trusted provider outside of the Network who offers services in the client's preferred language
- Provide a qualified professional interpreter at the agency's expense

PROGRAM REVIEW

The Center conducts regular reviews of Network agencies to assess strengths, identify areas for improvement, and ensure compliance with standards.

During a review, Center staff collects organizational policies, client files, and workshop materials from the agency; examines the submitted documentation; meets with agency representatives to gather additional information and share observations; and provides a written summary of findings.

Notice is given at least **two months before a scheduled review.** Reviews may be in-person or remote and may include file checks, staff interviews, and workshop observations.

Full program reviews occur at least once every 3 years. Agencies that are new to the Network are reviewed within 12 months of starting services. Abbreviated reviews may occur within 12 months of hiring new staff, launching a new program, or as needed to ensure compliance.

REFERRALS

Agencies must assist clients in accessing all forms of homeownership services, even when they are not offered directly by the agency. If a client expresses a need for a service that is outside the scope of the agency's current offerings, the agency must take proactive steps to **connect the client with a Network agency that does offer that service.**

REPORTING

Agencies are required to collect client and program data on an ongoing basis and use that data to report to the Center at least quarterly. Accurate and timely reporting is essential for demonstrating impact, improving services, and securing funding.

Agencies must use HomeKeeperMN, a web-based system hosted on Salesforce and maintained by the Center, to collect and report all required client and program data. The Center assesses an annual fee for the use of HomeKeeperMN and all agencies must sign a term of use agreement when first initiating use of the system.

In some cases, agencies may be asked to report using other formats. Agencies must also submit biannual narrative reports.

SCHEDULING

Agencies must provide clients with timely access to services while prioritizing urgent cases. Calls should be answered live during business hours when possible. Clients must receive a response from the agency **within two business days;** within five business days, clients must be informed of the date and time of their first advising appointment.

To reduce barriers and encourage participation, agencies must **not require completed intake forms** or other paperwork or documentation before scheduling or holding advising appointments. Advisors may work with the client to complete the intake form at the start of the first appointment if necessary.

If advisors are unavailable for more than one business day, trained back-up staff must be available to explain services, answer basic questions, and schedule appointments.

CLIENT FILES

Agencies must maintain secure and complete client files in either paper or electronic format.

For Homebuyer Education, group files can be used and must include:

- Workshop registration/intake form
- Signed or verbally acknowledged Privacy Act notices (or equivalent)
- Signed or verbally acknowledged conflict of interest disclosures
- Agenda including the date, time, location, learning objective, and topics to be covered
- Attendance record
- Fees collected and copies of receipts issued (if applicable)
- Pre- and post-workshop surveys
- Certificates of completion

For Advising (Financial Wellness, Homebuyer, and Foreclosure), individual files must be maintained and include:

- Intake form
- Signed or verbally acknowledged signed conflict of interest disclosure
- Signed or verbally acknowledged Privacy Act notice (or equivalent)
- Signed or verbally acknowledged credit authorization form (if applicable)
- Documents used to complete the financial analysis (for example, income sources, credit report, bank statements, pay stubs)
- Budget
- Mortgage readiness snapshot (only for financial wellness and homebuyer advising)
- Action plan
- Certificate of completion (if applicable)
- Post-appointment survey (for the first appointment only)
- Log notes which document referrals, distribution of home inspection and lead paint materials, follow-up actions, and case closing

Agencies must:

- Use the file checklists above to ensure consistency and compliance
- Have a written process for regular file audits and other quality assurance measures

Agencies also need to have a written file retention policy which addresses both paper and electronic files.

The policy should state that all files must be stored safely and retained for **at least 6 years** after the end of the program year in which the file was closed. When disposing of files:

- Paper files must be securely shredded.
- Electronic files must be permanently deleted.

Reverse mortgage advisors must follow HUD’s file requirements for Home Equity Conversion Mortgage (HECM).

SERVICE DELIVERY

All services must be delivered by staff employed by the organization. The use of contractors for service delivery is not permitted.

However, organizations may partner with other Network organizations to provide services. Any plans to deliver services through a partnership with another Network organization must be submitted to the Center for review and receive approval before implementation.

STAFF CHANGES

To ensure continuity of services, agencies must notify the Center of any staff changes within **10 calendar days of hire or departure.**

The Center will work with the agency to plan for continued service delivery and address needed program adjustments.

STEERING

Agencies must not steer clients toward a specific product, person, or company while excluding other available options. To support informed and unbiased decision-making by clients, advisors must present **at least three for-profit service provider options**—such as lenders or realtors—when available. Advisors must document the options discussed in their log notes, including the reason if fewer than three were presented.

THIRD PARTY FUNDING

Agencies may accept payments from third parties—such as lenders, real estate agents, or developers—for advising services, except in the case of reverse mortgage advising. These payments must be reasonable, reflect the actual cost of services, and align with what is customary in the area. Payments may be made either as a lump sum or on a case-by-case basis.

In all cases, agencies must enter into a written agreement that clearly outlines the expectations of both parties. Any payment received from a third party must be disclosed to the client in writing as a potential conflict of interest.

Note: While agencies can accept payment from third parties for advising services, they are strictly prohibited from accepting payment for referring clients to a third party.

ADVISOR STANDARDS

CERTIFICATE COURSES

Industry-specific certificate courses are designed to ensure homeownership advisors are qualified, support professional growth, and promote high standards in the field.

Advisors must have completed a certificate course in the areas in which they provide service, including:

- Foreclosure advising
- Homebuyer education
- Homebuyer services, including financial wellness advising and homebuyer advising
- Reverse mortgage advising

Note: Advisors who offer financial wellness services must complete a certificate course in homebuyer advising.

Advisors must complete their applicable certificate course(s) **within 12 months** of being hired or within 12 months of their agency joining the network.

The course must be provided by one of the following: **Minnesota Homeownership Center, NeighborWorks® America, or UnidosUS Learning Alliance.**

Advisors must keep their certificates current by following the renewal and continuing education policies of the organization that offered the certificate course. Advisors who receive their certificates from organizations other than the Center must receive program model training for homebuyer services and foreclosure advising within 12 months of hire.

To provide advising on Home Equity Conversion Mortgages (HECM), advisors must be currently listed on HUD's HECM Counselor Roster. Advisors working for HUD-approved agencies must also be HUD-certified before providing any services to clients.

AREAS OF KNOWLEDGE

Homeownership advisors must have strong knowledge of personal finance and homeownership topics. This includes:

- **All Advisors:** Budgeting, money management, income, credit, debt, savings, affordability, anti-predatory lending, fair housing, local/state/federal laws, and referral resources
- **Financial Wellness Advisors:** Banking, credit-building tools, and savings programs
- **Homebuyer Advisors and Educators:** Homebuying process, mortgage financing, down payment assistance, insurance, and home maintenance
- **Foreclosure Advisors:** Foreclosure process, loss mitigation options, and understanding of primary and secondary mortgage markets

SKILLS

Homeownership Advisors must have key skills to effectively support clients. These include the ability to:

- Provide excellent customer service
- Communicate professionally
- Listen actively
- Stay organized and manage time effectively
- Demonstrate cultural competency
- Review and interpret credit reports
- Perform financial calculations and affordability analyses
- Develop and implement action plans
- Engage clients and support behavior change
- Apply negotiation and critical thinking skills
- Deliver services using both advising and coaching methods

Homebuyer Educators must also be able to:

- Facilitate group learning
- Deliver effective presentations
- Apply adult education methods
- Use audio/visual tools in instruction
- Plan and design educational sessions

CONTINUING EDUCATION

Ongoing learning helps Homeownership Advisors deliver high-quality services. While the Center does not provide an approved list of continuing education (CE) opportunities, it encourages Advisors to participate in relevant seminars, courses, conferences, and training offered by trusted organizations.

Advisors must complete an average of **10 hours of continuing education annually** through participation in training relevant to the types of homeownership education and counseling they provide to clients. Advisors working in more than one program area are not obligated to exceed this requirement but must ensure that their continuing education covers each type of service they provide.

Advisors are required to maintain **proof of attendance for a minimum of three years,** as the Center may request documentation during a program review. Additionally, proof of attendance must be submitted when renewing any course certificate originally issued by the Center.

CODE OF ETHICS & CONDUCT

Homeownership Advisors must follow the National Industry Code of Ethics and Conduct for Homeownership Professionals, developed by the Advisory Council for the National Industry Standards for Homeownership Education and Counseling.

Following this code is essential to maintaining ethical and professional standards in the housing advising field.

HOMEBUYER EDUCATION STANDARDS

AUDIENCE

Homebuyer education is designed to help anyone thinking about buying a home as their primary residence to understand the process. **It is not just for first-time buyers.** It's best if people participate in a homebuyer education workshop before they sign a purchase agreement, but it can be helpful at any stage of the homebuying process. **Agencies must offer homebuyer education to all clients,** no matter what stage they are at in the homebuying process. Agencies should promote their services in a way that encourages people to take the workshop before signing a purchase agreement.

DELIVERY

Homebuyer education can be offered **in-person or live online** (using Zoom or similar) and must be facilitated by a homeownership advisor or educator.
In addition, agencies may also refer clients to Framework®, a self-guided online course, if the client prefers that format.

There is no set limit on how many people can attend, but agencies should make sure the space is comfortable and supports effective learning. Participants must receive **at least 8 hours of instruction,** offered over the course of one or more sessions.

CURRICULUM

Agencies must use an approved homebuyer education curriculum like Home Stretch (developed by the Minnesota Homeownership Center) or another approved curriculum that meets national standards, such as Realizing the American Dream or Pathways to Homeownership.

All workshop participants must receive a copy of the workshop agenda including date, time, location, learning objectives, topics, and speakers. Agencies should include extra materials and activities to support learning. Materials provided with the approved curriculum (like slides) can be adjusted to better fit the needs of participants.

VOLUNTEERS

Agencies are encouraged to include volunteers as guest speakers in their workshops. Volunteers must be screened and approved by the agency. Agencies should have volunteers sign a written volunteer presenter agreement with the agency and give volunteers regular feedback.

Volunteers are often industry professionals like lenders, realtors or home inspectors. They cannot hand out materials with company logos or contact information (like brochures or business cards). However, business cards can be placed on a general resources table.

Volunteers don’t need to take a homebuyer education certificate course, but they must follow the National Industry Code of Ethics and Conduct. A Homeownership Advisor must be present during all volunteer presentations to make sure the main curriculum is taught fairly and correctly.

Different volunteers should be used from time to time to bring fresh perspectives and involve more professionals.

SCHEDULES

Agencies must create a workshop schedule that meets the needs of their community and helps reach as many people as possible. Workshops must be offered at least once every three months.

Agencies located near each other should work together to offer more options and avoid overlapping schedules.

Agencies must submit their workshop schedules to the Center to be posted on the Center’s website. Schedules for January–June should be submitted by November 30 and for July–December by May 31.

CANCELLATION

Agencies may only cancel a workshop after people have signed up if:

- There is bad weather or a natural disaster.
- Fewer than four households are registered by the deadline, and canceling won't affect anyone's home closing.

If canceled due to weather, the session must be rescheduled within one week. Agencies must email the Center within 24 hours of canceling to make adjustments to the Center's online upcoming workshop list.

All registered households must be told immediately and offered other options, like the online Framework® course or workshops offered by other Network agencies.

REGISTRATION

Agencies must have a **formal registration process** where participants can register by phone or online (if available). If the agency's schedule doesn't work for a participant's home closing, the agency should refer them to the upcoming workshops calendar on the Center's website for other options.

Registration stays open until at least five days before the workshop begins. It may close earlier if the class is full. Each participant must have a completed intake form (for contact and demographic info) and signed program disclosure on file before the workshop starts.

ATTENDANCE

Participants must attend the entire workshop to receive a certificate of completion. Participants who miss more than one hour of the workshop are required to make up the missed portion. Agencies should develop a policy to address if and how participants can make up missed portions. Attendance must be completed by each participant individually; household members cannot combine hours to meet the requirement.

CERTIFICATES OF COMPLETION

All participants get a certificate when they complete the workshop. No test is required to get a certificate, except for the Framework® online course.

Agencies must use **certificate templates from the Center,** which include: the Center's logo, the agency's name and/or logo, name of the curriculum (e.g., Home Stretch), the date of completion, and the advisor/educator's signature.

Certificates should be available in English and the language used to deliver the workshop. Once given, certificates cannot be taken back. Agencies may hold the certificate until the participant's home closing for tracking purposes but must give it earlier if the participant asks. Certificates do not expire, but lenders may set their own rules. Agencies must have a policy for issuing an updated certificate if needed.

PARTICIPANT FEEDBACK

After finishing homebuyer education, participants are sent a short survey about their experience via HomeKeeperMN. Agencies should review survey results regularly to help improve their services.

HOMEOWNERSHIP ADVISING STANDARDS

The standards on these two pages apply to all six types of homeownership advising: financial wellness, homebuyer, foreclosure, post-purchase, HECM, and refinance.

Standards specific to these four types (financial wellness, homebuyer, foreclosure, and refinance advising) can be found starting on page 20.

DELIVERY

Advising services must be offered in person, by phone, or through online meeting software, based on the client's preference. All meetings must take place in a private, confidential setting.

Ongoing communication should also reflect the client's preferred way of receiving information.

INTAKE

An intake form is required for each household seeking homeownership advising services. This form, which is located in HomeKeeperMN, collects contact, demographic, and income information for all adults in the household who will receive services.

During the intake process, clients must also receive and sign a disclosure form. This form:

- Describes the organization's services and relationships with industry partners
- States that clients are not required to use other services offered by the agency or its partners
- Discloses the agency's fee schedule and policy for waiving fees
- Lists the entities with whom client data may be shared

Both the intake form and the signed disclosure form must be completed before or during the first advising session.

REFERRALS

When a client has a need that falls outside the scope of services provided by the agency—such as legal assistance, job training, or debt management—the client is referred to a qualified external organization. All referrals and follow-up actions must be **documented in the client's log notes or action plan**, including the reason(s) for the referral.

FOLLOW-UP

Advisors should work with each client to establish their preferred method and frequency of communication and strive to meet those preferences.

Advisors must try to stay in contact with clients until they reach their housing goal. The frequency of follow-up depends on the client's situation but must occur within 60 days after the last meeting or interaction with the client. All follow-up attempts must be noted in the client's log notes.

CLOSING CASES

If a client stops responding, the advisor must make **at least two attempts** to reconnect. These outreach efforts are meant to confirm whether the client is still working toward their housing goal, has achieved it, or needs to adjust or end services. Advisors should use two different contact methods, such as phone, email, or mail.

If there is no response after these attempts, the advisor must send a written notice (letter or email) explaining that contact efforts were made and asking the client to respond within 30 days. This follow-up helps the agency determine whether services should continue or be closed.

If the client does not respond within 30 days, the case must be closed and documented as **"services terminated due to lack of communication."**

FINANCIAL WELLNESS & HOMEBUYER ADVISING

PROGRAM MODEL

Network members follow **the Center's Homebuyer Services Program Model, as described below.** The Model is designed to help clients move toward homeownership by:

- Identifying steps they've already taken
- Assessing their mortgage readiness
- Tailoring services to meet their specific needs

Homebuyer services include:

- **Financial wellness advising** – For clients with significant barriers to mortgage readiness who need more time to prepare
- **Homebuyer advising** – For clients with few or no barriers who are closer to being mortgage-ready

The Model specifies that advisors complete the following five components for each client receiving homebuyer services:

- **Intake** – Collecting client information and required documentation
- **Screening** – Understanding the steps taken towards buying a home and the barriers to mortgage pre-approval
- **Financial analysis** – Evaluating the household debt and use of credit, developing a spending plan (or budget), and determining affordability
- **Customized advising activities** – Providing tailored guidance based on the client's needs and type of service provided
- **Action plan** – Creating a step-by-step plan to help the client reach their goal

Ideally, clients participate in homebuyer services before signing a purchase agreement. Services must be offered to all clients, no matter where they are in the homebuying process or whether they currently own—or have ever owned—a home.

SCREENING

Screening helps advisors understand how to best meet a client's needs. There are two types of screening: **Screening for Steps Taken** and **Service Type Screening**.

Screening for Steps Taken is completed during intake for clients interested in homebuyer advising. Based on their responses, clients are identified as:

- **Initial Stage** – Not yet preapproved for a mortgage and/or have not signed a purchase agreement
- **In Process** – Preapproved for a mortgage, have signed a purchase agreement, or have a closing scheduled

Service Type Screening assesses potential barriers to mortgage pre-approval. This may occur during intake or before or during the first advising appointment. The screening includes an assessment of income stability, credit score and credit barriers, and savings. Based on the results, clients are referred to one of the following services:

- **Homebuyer advising** – For clients with few or no barriers to mortgage pre-approval
- **Financial wellness** – For clients who need more time to prepare for pre-approval due to having significant barriers

FINANCIAL ANALYSIS

A financial analysis helps advisors understand each client's financial situation and how it supports their goal of buying a home. This step is required for all clients receiving homebuyer services, no matter where they are in the homebuying process.

Advisors must:

Review income and expenses: Identify all sources of income and determine both gross and net amounts, and review monthly expenses to understand spending habits

Develop a household budget: Work with the client to create a spending plan that reflects their current situation

Discuss credit use: Review payments and balances

Review credit reports: For interested clients, pull a soft-pull tri-merged credit report including credit score after they sign a Credit Release form. The signed form must be kept in the client's file. Clients may also provide a copy of their own credit report, if it is less than 60 days old.

Check for accuracy and issues: Review the credit report for errors and negative items. If needed, gather more details about bankruptcies, judgments, or liens.

Explain the impact of credit changes: Clients who are preapproved for a mortgage should be advised to avoid making changes to their credit until after closing.

Discuss affordability: Use the client's budget, current housing costs, and debt-to-income ratios to talk about what they can afford.

CUSTOMIZED ADVISING ACTIVITIES

Advising activities are tailored to each client's needs and housing goals. These activities may take place during the initial meeting or in follow-up sessions, depending on time and client interest. Advisors select activities based on the client's barriers to mortgage readiness. Advisors working with **Financial Wellness clients** might select one or more of these activities to help clients strengthen their overall financial health:

- Correcting errors on credit reports
- Reducing debt
- Establishing or improving credit
- Building or increasing savings
- Managing money effectively
- Understanding consumer protections related to financial products and services

Advisors working with **Homebuyer Advising clients** might select one or more of these activities to help clients prepare for and navigate the homebuying process:

- Improving credit, increasing savings, and reducing debt
- Identifying housing needs and wants
- Getting prequalified for a mortgage and/or applying for mortgage loans
- Understanding loan terms and disclosures
- Reviewing down payment and closing cost assistance programs
- Working with a real estate agent
- Understanding how the age of the home can impact lead exposure risk
- The importance of getting a home inspection
- Understanding the purchase agreement
- Reviewing closing documents and preparing for closing
- Learning about homeowners insurance and how to prepare for a move
- Understanding the importance of home maintenance and ongoing savings
- Reviewing consumer protection and fair housing rights

ACTION PLAN

Advisors work with clients to create a personalized action plan that reflects the client's current situation, recaps the client's housing goal, and outlines realistic and measurable steps the client and advisor will take towards that goal.

Clients receive a copy at the end of the initial meeting, and another is kept in their file. Ongoing advising is offered to help clients stay on track, and the action plan including client and advisor steps should be reviewed and updated at subsequent advising meetings.

CERTIFICATES OF COMPLETION

Clients who request a certificate of completion for advising services must receive one if they have participated in at least one advising session and screening, financial analysis, customized advising activities, and an action plan were completed. Agencies must use **certificate templates from the Center** which include: the Center's logo, the agency's name and/or logo, the date of completion, and the advisor/educator's signature.

Certificates should be available in English and the language used to deliver the advising. Once given, certificates cannot be taken back. Agencies may hold the certificate until the participant's home closing for tracking purposes but must give it earlier if the participant asks.

Certificates do not expire, but lenders may set their own rules. Agencies must have a policy for issuing an updated certificate if needed. Once given, certificates cannot be taken back. Agencies may hold the certificate until the participant's home closing for tracking purposes but must give it earlier if the participant asks.

Certificates cannot depend on completing both advising and education. Certificates do not expire, but lenders may set their own rules. Agencies must have a policy for issuing an updated certificate if needed.

DURATION & FREQUENCY

Initial advising sessions should be long enough to cover key topics, including the homebuying process, financial and affordability analysis (such as budgeting), customized advising activities based on client needs or advisor recommendations, and the development of an action plan. These sessions typically last at least 60 minutes. At the end of the first session, the Advisor and client agree on the duration and frequency of future sessions.

FORECLOSURE ADVISING

PROGRAM MODEL

Advisors deliver foreclosure services using the **Center's Foreclosure Advising Program Model.** Described below, the Model is based on best practices and promotes consistency, efficiency, and professionalism across Network agencies. It provides a standardized framework that can be tailored to meet the unique needs of homeowners and adapted to fit each agency's staffing and operations.

All interested homeowners must be served, regardless of where they are in the foreclosure process. However, **tenants affected by the foreclosure of their rental unit and landlords facing foreclosure should be referred to external resources,** such as legal aid, for appropriate support.

Under the Model, advising starts with these three steps: triage, intake, and assessment. Based on what is learned during these initial steps, clients will be categorized as: (1) current (no missed payments), (2) workout ready, or (3) in transition (moving out of the home). All clients are offered core foreclosing advising services and some may require or desire in-depth advising, including assistance in working with the foreclosing entity.

TRIAGE & INTAKE

The triage and intake process begins when the homeowner first contacts the agency. Agencies must design a process that prioritizes clients and schedules appointments based on urgency, ensuring that all clients are served efficiently—even during periods of high demand.

During triage and intake, the advisor:

- Determines why the homeowner is seeking assistance and assesses the urgency of their situation
- Explains the advising process, sets expectations, and schedules an initial meeting
- Collects information needed for assessment and reporting

Note: Agencies may assign triage and intake tasks to non-advisor staff to increase advisor availability and improve service during periods of high demand.

ASSESSMENT

The assessment process starts during the first advising appointment. Advisors evaluate the homeowner's situation using information gathered during triage and intake to determine if the homeowner is: (1) current (no missed payments), (2) workout ready, or (3) in transition (moving out of the home). This assessment guides the subsequent advising activities.

To complete the assessment, advisors:

- Review intake information: Confirm details provided during triage and intake, and collect any additional information needed to fully understand the homeowner's financial and housing situation
- Evaluate affordability: Assess income, expenses, debt, and housing costs to determine whether the homeowner can realistically afford to stay in the home
- Clarify housing intentions: Find out if the homeowner wants to remain in the home or is open to other options

During assessment, advisors consider these key factors:

- Payment status and degree of delinquency
- Time available to prevent foreclosure or loss of the home
- Long-term affordability
- Homeowner's desire to stay or relocate

Based on the information gathered during assessment, the advisor determines if the client is:

- **Current:** The client is current on their mortgage and not at immediate risk of foreclosure but is concerned about their ability to continue making payments.
- **Workout Ready:** The client is behind on payments or facing financial challenges, but there is a realistic path to staying in the home.
- **In Transition:** The client does not want to stay in the home, or cannot due to affordability or the stage of foreclosure.

In the initial advising appointment, advisors:

- Provide information to the homeowner appropriate to their situation (current, workout ready, or in transition)
- Complete a financial analysis, including a spending plan or budget and mortgage affordability assessment
- Create a customized action plan which identifies next steps for the client

At the end of the initial advising appointment, if the client has workout options available, faces a complex situation, or states a desire or need for support in pursuing next steps, advisors can help by taking one or more of these actions:

- **Develop a detailed budget:** Work with the homeowner to create a realistic household budget and explore options for adjusting income or expenses
- **Verify financial information:** Review documentation to confirm income and expenses. Offer to pull a current credit report to verify debts
- **Pursue workout options:** Assist the homeowner in exploring loss mitigation strategies. Obtain a signed third-party authorization form to communicate with servicers and other relevant parties.
- **Coordinate with mortgage servicers:** Contact the servicer to discuss available workout options. Lead the completion and submission of loss mitigation packages and follow up on outcomes.
- **Engage other interested parties:** When possible, contact property tax departments, homeowners associations, and other lien holders to support resolution efforts

DURATION & FREQUENCY

Initial advising sessions should be long enough to cover key topics, including understanding the foreclosure process, evaluating affordability, clarifying housing intentions, assessing the situation, completing financial analysis, and creating a customized action plan. These sessions typically last at least 45 minutes. At the end of the first session, the Advisor and client agree on the duration and frequency of future sessions.

ACTION PLAN

Advisors work with clients to create a personalized action plan that reflects the client's current situation, recaps the client's housing goal, and outlines realistic and measurable steps the client and advisor will take towards that goal.

Clients receive a copy at the end of the initial meeting, and another is kept in their file. During subsequent advising meetings, the action plan, including both client and advisor steps, should be reviewed and updated.

REFINANCE ADVISING

PURPOSE

Refinance advising is required under Minnesota law for borrowers with a special mortgage who are considering refinancing.

The purpose of this advising is to ensure that homeowners receive clear, unbiased information to help them make an informed decision about whether refinancing is in their best interest.

DEFINITION OF SPECIAL MORTGAGE

A special mortgage is a residential loan originated, subsidized, or guaranteed by a state, tribal, or local government, or nonprofit organization, and includes one or more of these nonstandard payment terms which substantially benefit the borrower:

- Payments vary with income,
- Payments of principal or interest are not required or can be deferred under specified conditions,
- Principal or interest is forgivable under specified conditions, or
- Where no interest or an annual interest rate of two percent (2%) or less is charged in connection with the loan.

COUNSELOR REQUIREMENTS

Only housing counseling agencies approved by the Minnesota Homeownership Center may provide refinance advising. Approved agencies must:

- Complete training specific to refinance advising
- Adhere to the standards outlined in this document
- Clearly communicate that refinance advising does not constitute legal advice

CLIENT ENGAGEMENT

Counselors must explain the purpose of refinance advising to clients at the start of the session. All borrowers listed on the existing mortgage(s) must participate in the advising session.

CERTIFICATE OF COMPLETION

All participants get a certificate when they complete the refinance advising session. The certificate confirms the completion of advising but does not indicate whether the counselor recommends proceeding with the refinance.

Agencies must use certificate templates from the Center which include: the Center's logo, the agency's name and/or logo, name of the curriculum (i.e. HomeStretch), the date of completion, and the advisor/educator's signature. Certificates should be available in English as the language used to deliver the advising.

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