



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
SINGLE FAMILY HOUSING



Philadelphia Homeownership Center
Santa Ana Homeownership Center

Overview of FHA Resources for First-Time Homebuyers

May 7, 2024

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Last Updated: May 1, 2024



OFFICE OF SINGLE FAMILY HOUSING



Welcome

On behalf of the Santa Ana Homeownership Center (SAHOC) and the Philadelphia Homeownership Center (PHOC) Training Team, we welcome you today.



Agenda

Where Do I Start?

Office of Housing Counseling

Home Economics

Myths

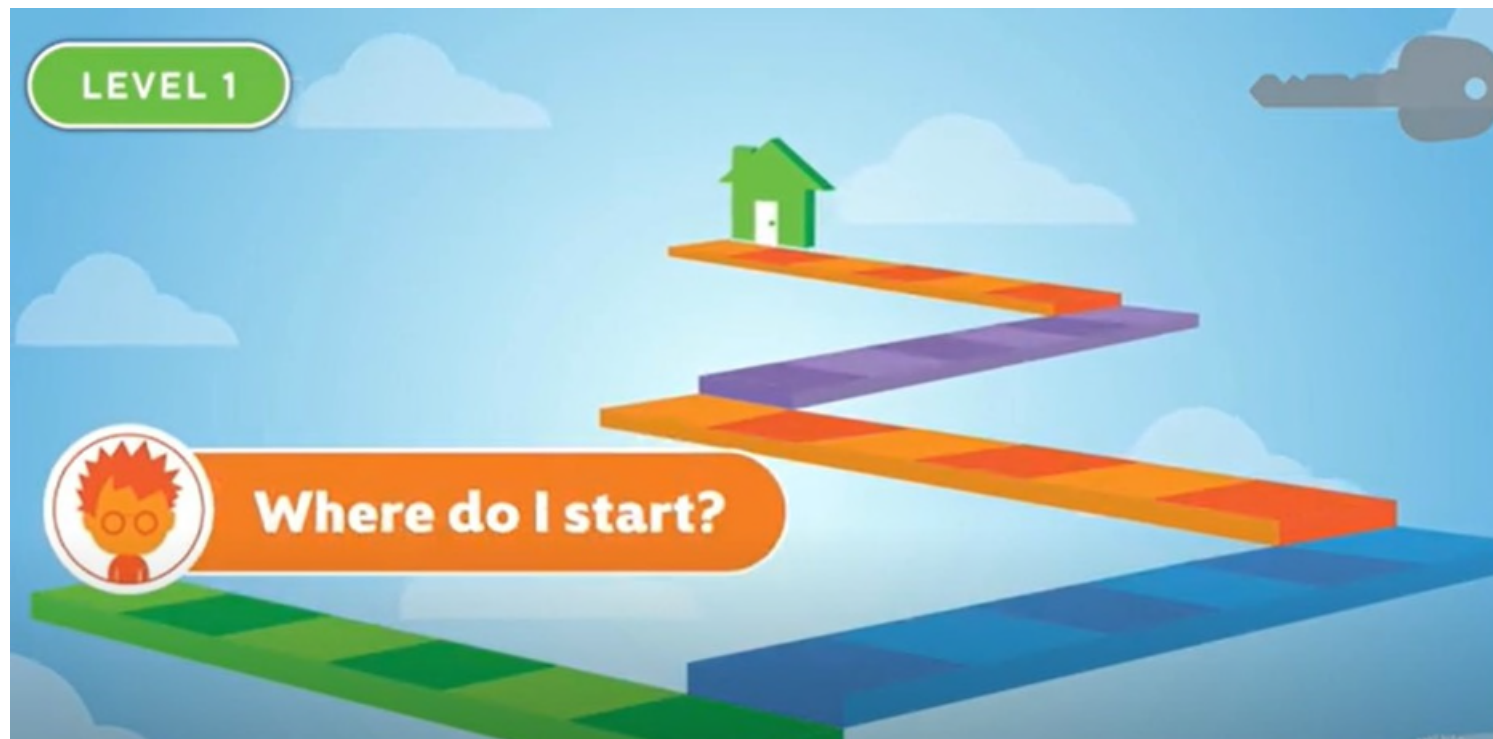
Resources



Where Do I Start?



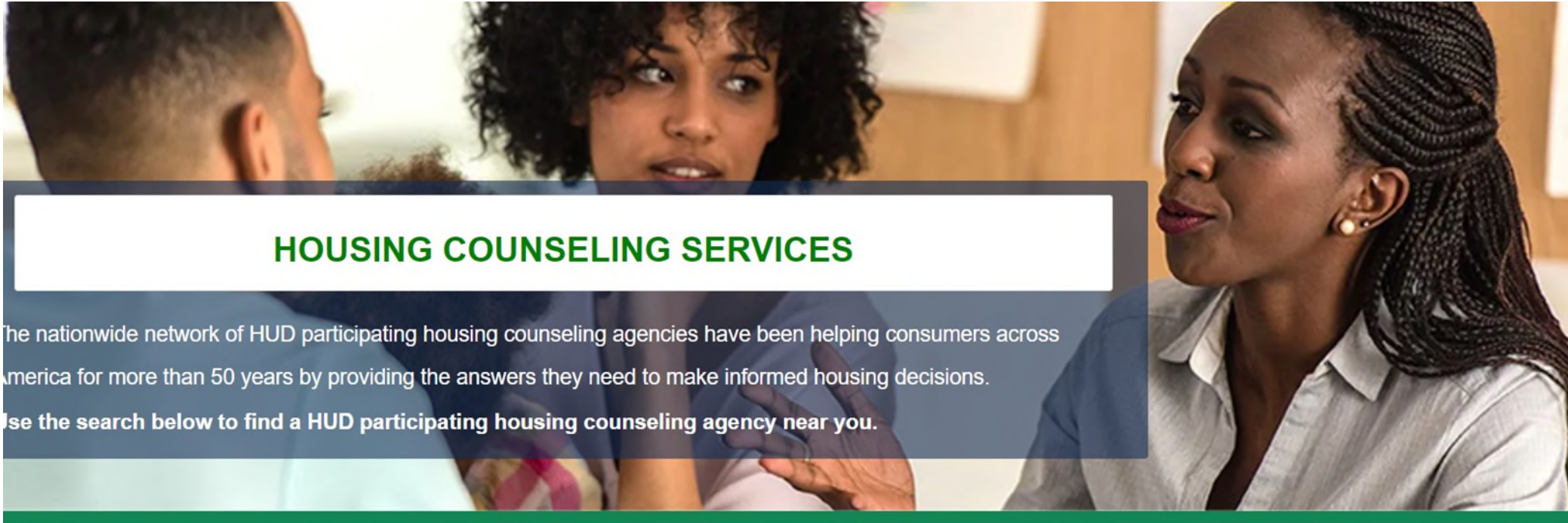
The Road to Homeownership – Where Do I Start?



Office of Housing Counseling



Contact Your Local HUD–approved Housing Counseling Agency



HOUSING COUNSELING SERVICES

The nationwide network of HUD participating housing counseling agencies have been helping consumers across America for more than 50 years by providing the answers they need to make informed housing decisions. Use the search below to find a HUD participating housing counseling agency near you.

Related Resources: To get help in another language or seek disaster relief assistance counseling, call HUD at 800-569-4287 or 202-708-1455 (TTY).

Search by zip code or state to find a HUD participating housing counseling agency near you:

Home Economics



How Much Can I Afford?

Find out if you're ready to buy a new home now, or what you need to do to get there.

- Get a close look at your financial picture;
- Understand your credit score and how to improve it; and
- Create a realistic budget that takes into account the costs of owning a home.



Home Economics – The Key Steps



Organize:

Set a goal to save a certain amount each month — then stick to it.



Watch Spending and Savings:

Prioritize your spending needs so saving becomes second-nature.



Negotiate:

Communicate early and often with companies or banks you owe money to so you can work out problems before they grow larger.



Elevate Your Credit Score:

Know your credit score and what it means to banks and credit card companies and your future.



Read the Fine Print:

Consider all the options, educate yourself, and be informed before you sign on the dotted line.

Annual Credit Report

Check the accuracy of your credit report annually for free at:

<http://www.annualcreditreport.com>.

To obtain your credit score for a fee, contact the three major credit reporting agencies:

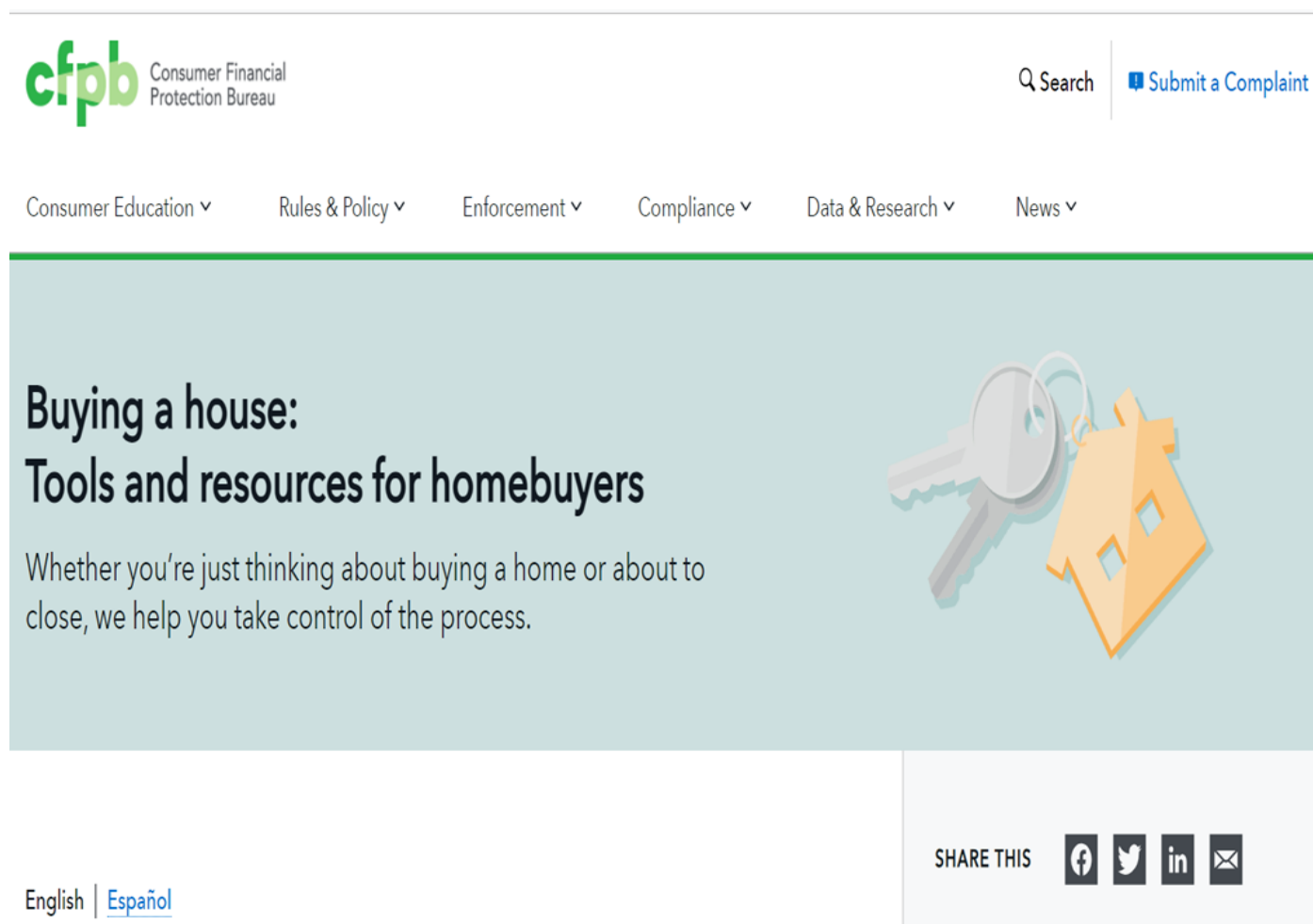
- Equifax (1-800-685-1111)
- Experian (1-888-397-3742)
- TransUnion (1-800-916-8800)

The logo for Equifax, featuring the word "EQUIFAX" in a bold, red, italicized sans-serif font.The logo for Experian, featuring a cluster of five colored squares (blue, purple, pink, red, blue) to the left of the word "experian" in a blue, lowercase sans-serif font, with a trademark symbol.The logo for TransUnion, featuring the word "TransUnion" in a blue, sans-serif font, with a circular emblem containing the lowercase letters "tu" to the right.

Consumer Financial Protection Bureau Tools

- Spending Tracker
- Mortgage Closing Checklist
- 2-week Get Homebuyer Ready Boot Camp
- Home Loan Toolkit
- Loan Estimate Explainer
- Explore Interest Rates

<https://www.consumerfinance.gov/owning-a-home/>



The screenshot shows the Consumer Financial Protection Bureau (CFPB) website. At the top left is the CFPB logo. To the right are search and "Submit a Complaint" buttons. Below the logo is a navigation menu with items: Consumer Education, Rules & Policy, Enforcement, Compliance, Data & Research, and News. The main content area features a banner with the heading "Buying a house: Tools and resources for homebuyers" and an illustration of a key and a house. Below the heading is a paragraph: "Whether you're just thinking about buying a home or about to close, we help you take control of the process." At the bottom of the banner are social media sharing icons and a language selector for English and Español.





cfpb Consumer Financial Protection Bureau

Search Submit a Complaint

Consumer Education Rules & Policy Enforcement Compliance Data & Research News

Buying a house:
Tools and resources for homebuyers

Whether you're just thinking about buying a home or about to close, we help you take control of the process.

SHARE THIS    

English | Español

Myths

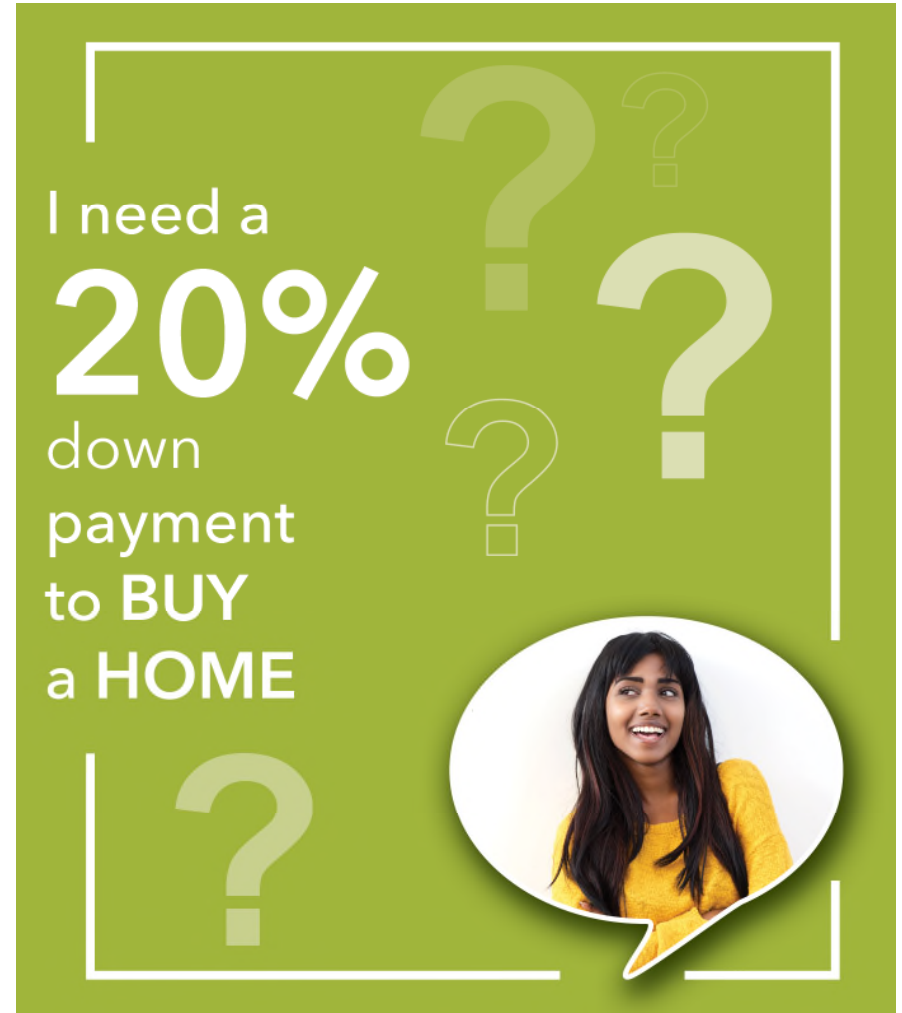
Myths

- You need to put 20 percent down to purchase a home.
- Down payments and closing costs must all be my own money.
- It's cheaper to rent than to buy.
- Lenders want all repairs fixed before closing.

Myth #1 – You Need To Put 20 Percent Down

Fact: No

With the Federal Housing Administration (FHA), the minimum down payment is **3.5 percent**.



I need a
20%
down
payment
to BUY
a HOME

Myth #2 – Down Payment/Closing Costs Must Be My Own Money

Fact: No

FHA allows you to use your own savings funds or receive gift funds from acceptable sources.

I can't use a **GIFT** towards the **DOWN** payment and closing costs



The graphic features a light blue background with a white border. It contains the text 'I can't use a GIFT towards the DOWN payment and closing costs' in white. There are several large, light blue question marks scattered around the text. In the bottom right corner, there is a circular inset image of a woman with long dark hair, wearing a grey shirt, looking thoughtful with her hand to her chin.

Myth #3 – It Is Cheaper To Rent Than To Buy



Property Taxes



Maintenance
Costs

Fact: Maybe

Rents tend to rise over time, while purchasing allows the payments and house price appreciation to be used to gain home equity, making the cost of renting not as cost effective.



Homeowner's
Insurance



Condo/HOA
Fees

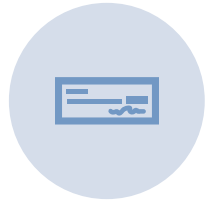
Myth #4 – Lenders Want All Repairs Completed Before I Can Close

Fact: No

FHA offers special loan programs that allow you to buy a fixer-upper and rehab it after closing.



Why FHA?



Minimal down payment required: 3.5%



Gifts/Grants allowed for 100 percent of down payment, closing costs and pre-paid costs



Lower minimum FICO score requirements



96.5% LTV: 580
90.0% LTV: 500



Secondary Financing



Down Payment

Resources



Homeownership Loan Resources



FHA 203(b)
– Forward
Purchase
Mortgage



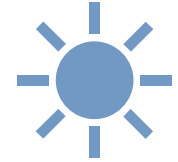
FHA
Standard
203(k) and
Limited
203(k)



203(h)
Mortgage
Insurance for
Disaster
Victims



Energy
Efficient
Mortgages
(EEM)



Solar and
Wind
Technologies

Forward Mortgages – Property Improvement



**203(k) Rehabilitation
Mortgage Insurance
Program**



**Energy Efficient
Mortgage (EEM)**



Weatherization

203(k) – Standard and Limited

Types of 203(k) Program Loans

Standard 203(k)

- Major rehabilitation or repairs
- No maximum amount of renovation costs
- Minimum repair cost of \$5,000
- FHA approved 203(k) Consultant is required

Can be used for a home that requires structural repairs or major remodeling, including improvements to increase energy efficiency or help protect your home from natural disasters.



Limited 203(k)

- Non-structural work up to \$35,000
- No minimum amount for repair costs
- FHA-approved 203(k) Consultant is optional

Can be used for less extensive repairs that are non-structural in nature like minor remodeling, home improvements, energy efficient improvements, new appliances, or replacing dated carpeting.



Eligible Property Types

- Single family homes
- Single family homes with eligible ADUs
- Two- to four-family units
- Townhomes
- Manufactured homes titled as real estate, where the rehabilitation does not affect the structural components
- Eligible condominium units and site condo units (improvements are limited to the unit's interior)
- HUD Homes/Real-Estate Owned properties
- Mixed use properties that are primarily residential (at least 51%)

203(k) – Case Study: Generational Wealth

Example shared by one of FHA's Homeownership Centers:

“I reviewed a loan early in my career with the Homeownership Center in which the borrower purchased a small, dingy single-family dwelling. This property needed a lot of love and elbow grease. The borrower had it razed to the foundation and put up 4 units in its place. It is likely they will never have to make their own mortgage payment with the rents they receive.”



Energy Efficient Mortgage and Weatherization



Energy Efficient Mortgage (EEM)

- Energy Rater is required
- Debt-to-Income (DTI) calculated on initial mortgage amount



Weatherization

- Minor repairs
- Completed within 30 days

Save Energy. Save Money. And Save the Planet Too.

Don't know where to start? Consider scheduling a professional home energy audit to get a room-by-room assessment of your energy use and loss.

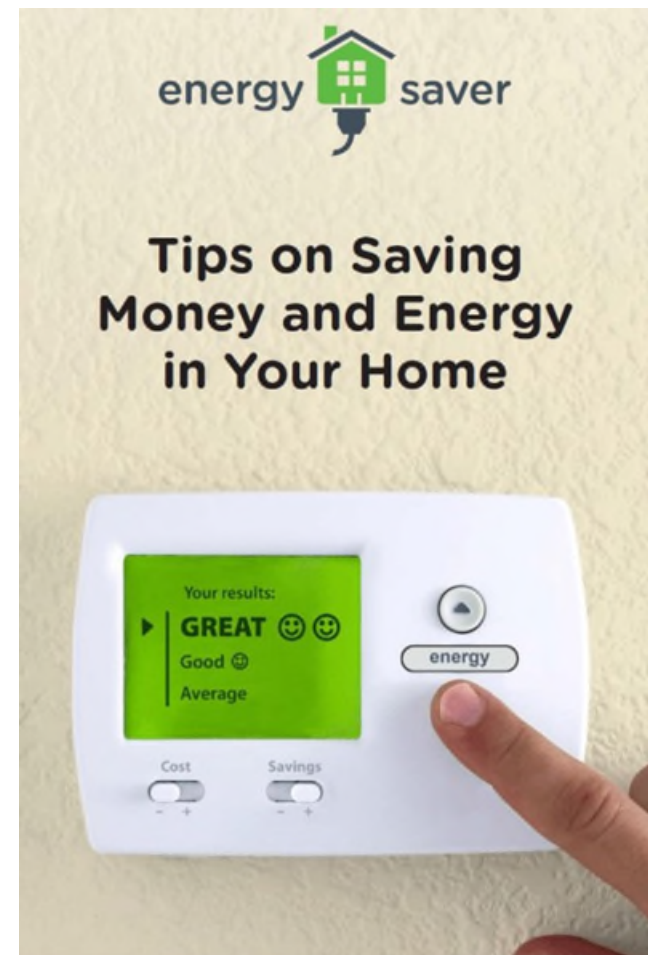
Learn more about tax credits and rebates available to Homeowners and FAQs at:
<https://www.energy.gov/save/faq>.



Energy Saver Guide: Tips on Saving Money and Energy at Home

Download the guide today for an overview of the tips improvements that will contribute to your energy bottom line and make our planet healthier and cleaner.

Visit the Energy Saver website for more details on how to improve the efficiency of your home:
<https://www.energy.gov/energysaver/energy-saver>



203(h) Mortgage Insurance for Disaster Victims

Section 203(h) of the National Housing Act authorizes the Federal Housing Administration (FHA) to insure Mortgages for the purchase or reconstruction of a Single Family Property for victims residing within a Presidentially-Declared Major Disaster Area (PDMDA).

<https://www.fema.gov/disaster/declarations>



203(h) Mortgage Insurance for Disaster Victims – Eligibility



Allows relocation to anywhere in the US. Borrowers do not have to remain in the disaster area to use this program



Eligible for 100% financing and there are qualifying flexibilities

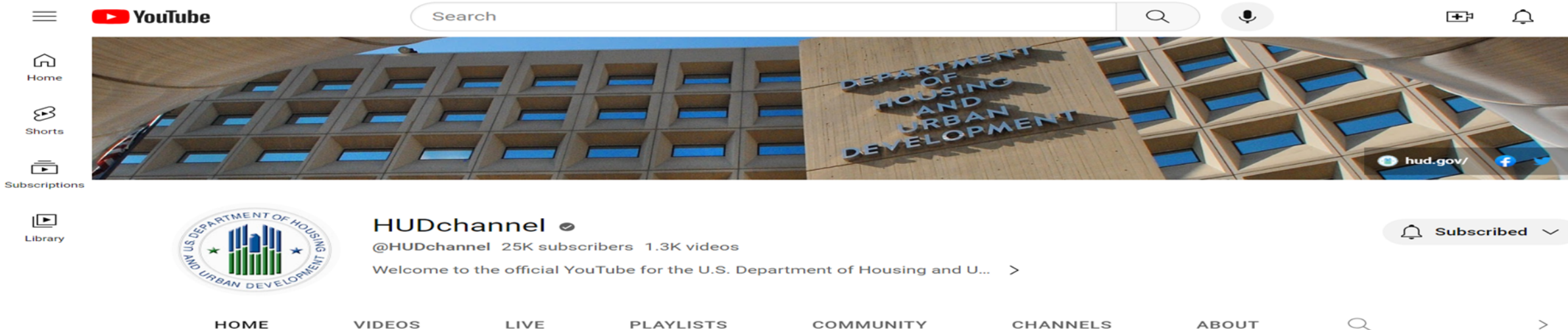


Not required to already have an FHA loan. This includes renters who lost their home due to the disaster



Must apply for a new mortgage within 1 year of the disaster declaration

Subscribe to the HUD Channel on YouTube



<https://www.youtube.com/watch?v=oZSQRmjh208> Dispelling Homebuying Myths - Tips for Buying Your First Home

<https://www.youtube.com/watch?v=sjMJDYVzJi4> - Dispelling Homebuying Myths - Qualifying for a Loan

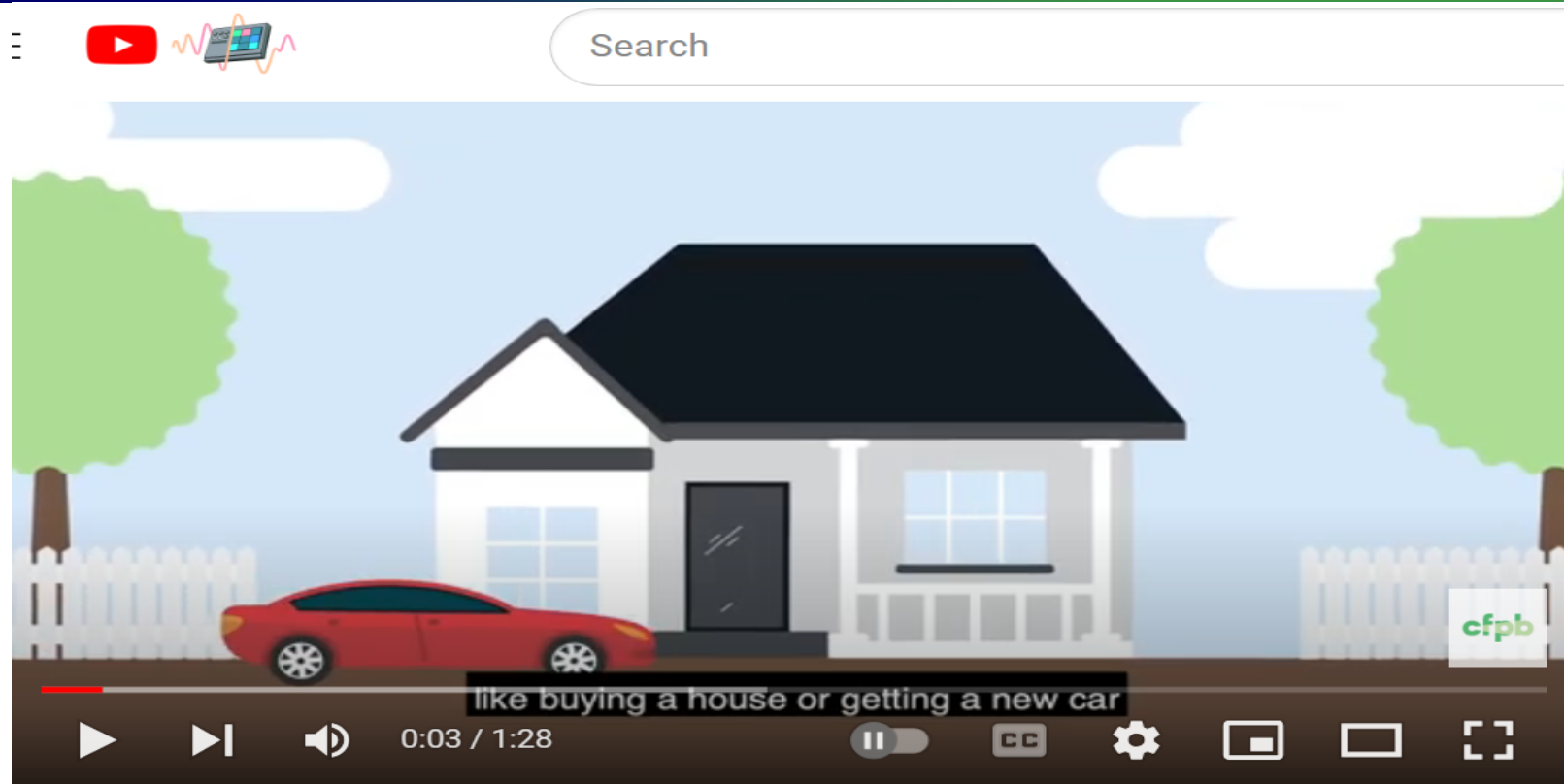
<https://www.youtube.com/watch?v=b5AzHjNwOjl&t=5s> - Dispelling Homebuying Myths Finding the Right Home

https://www.youtube.com/watch?v=RWK5dYB2t_4&t=7s - Dispelling Homebuying Myths - Affording a Home



View CFBP's "How can I improve my credit scores" YouTube video

<https://www.youtube.com/@cfpbvideo/videos>



How can I improve my credit scores? – consumerfinance.gov

cfpb cfpbvideo ✓
11.9K subscribers

Subscribe

Like

Dislike

Share

More options

Single Family Housing QR Code



FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	Website	www.hud.gov/answers	24/7/365	Website includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F (including all non-Federal holidays)	Voicemail is available after hours or during extended wait periods. FHA FAQs are available after hours.

FHA INFO emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://portal.hud.gov/program_offices/housing/sfh/FHA_INFO_subscribe





HUD Certified Housing Counselors: A Valuable Resource to First Time Homebuyers

Morgan Clark
Housing Program Specialist
Office of Outreach and Capacity Building,
HUD Office of Housing Counseling





Agenda

- HUD Office of Housing Counseling
- What is a HUD Certified Housing Counselor
- Why use a HUD Certified Housing Counselor
- Elements of a Housing Counseling Session





Agenda (cont.)

- Types of Housing Counseling Services
- How to find a HUD Certified Housing Counselor
- Let's Make Home the Goal





HUD Office of Housing Counseling (OHC)



HUD Office of Housing Counseling

Mission

Help families obtain, sustain and retain their homes.

HUD Office of Housing Counseling

- This mission is accomplished through a strong network of HUD participating housing counseling agencies (HCA) and HUD certified housing counselors.
- Network of approximately 1,485 HCAs and 4,309 HUD certified housing counselors
- Provide Grant funding for qualified HCA applicants

What is a HUD Certified Housing Counselor?



What is a HUD Certified Housing Counselor?

- HUD Certified Housing Counselors must pass a written exam and must work for a HUD Approved Housing Counseling Agency
- Provides services aimed at helping families and individuals obtain, sustain, or retain their homes.

What is a HUD Certified Housing Counselor?

- Trained professionals who are available to: listen, offer advice, and help make informed decisions based on your financial situation and needs - often at little or no cost.

Why use a HUD Certified Housing Counselor?



Why use a HUD Certified Housing Counselor?

HUD Certified Housing Counselors:

- Know the ins-and-outs of your local housing market
- Can help you develop a step-by-step plan
- Offer Services often at little to no-cost

Why use a HUD Certified Housing Counselor?

- Owning a home is the number one contributor to generational wealth for most individuals and families.
- You and your family will be in a better position to plan your financial goals and navigate the homebuying process.

HUD.gov “lets Make Home the Goal”

Why use a HUD Certified Housing Counselor?

- Pre-purchase counseling may help individuals determine if they are ready for homeownership and connect them with safer, more affordable mortgage products.
- Pre-purchase education appears to be associated with factors related to sustained homeownership.
- Homebuyer education and counseling are associated with reduced delinquencies that, in turn, reduce the likelihood of foreclosure

Elements of a Housing Counseling Session



Elements of a Housing Counseling Session

- HUD Certified Housing Counseling must include the following elements:



Intake



**Client
Budget**



**Financial &
Housing
Affordability
Analysis**



**Client
Action
Plan**



**Follow-
up with
Client**

Types of Housing Counseling Services

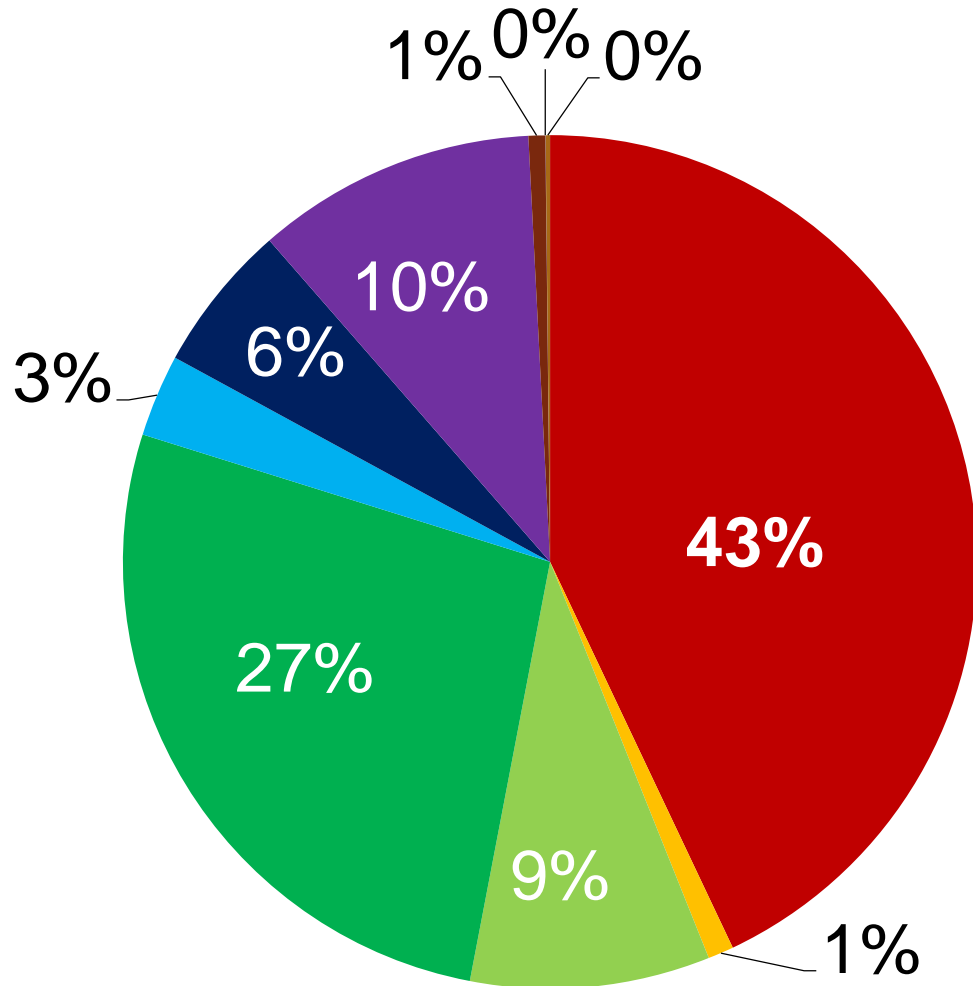


Types of Housing Counseling Services

- Financial management, budget and credit counseling and workshops
- Fair housing education workshops
- Home improvement and rehabilitation counseling
- Foreclosure counseling and workshops
- Non-delinquency post purchase workshops
- Pre-purchase counseling and homebuyer education workshops
- Predatory lending education workshops
- Rental counseling and workshops (eviction, landlord tenant disputes, Sec 8)
- Reverse mortgage counseling (HECM)
- Homeless counseling
- Disaster preparation and mitigation counseling and workshops

Housing Counseling FY 2023

Activity = 969,963 Clients



- Group Education
- Homeless
- Rental
- Pre-purchase
- Post-purchase
- Reverse Mortgage
- Mortgage Delinquency
- Reverse Mortgage Delinquency
- Disaster Preparedness Assistance
- Disaster Recovery Assistance

How to find a HUD Certified Housing Counselor



How to find a HUD Certified Housing Counselor

Refer Clients to a
HUD Participating
Housing Counseling
Agency (HCA)

Search for HCAs by
Calling: (800) 569-4287 or
[Search Online](#)



Hud.gov/housingcounseling

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Housing Counseling

Manufactured Housing

+

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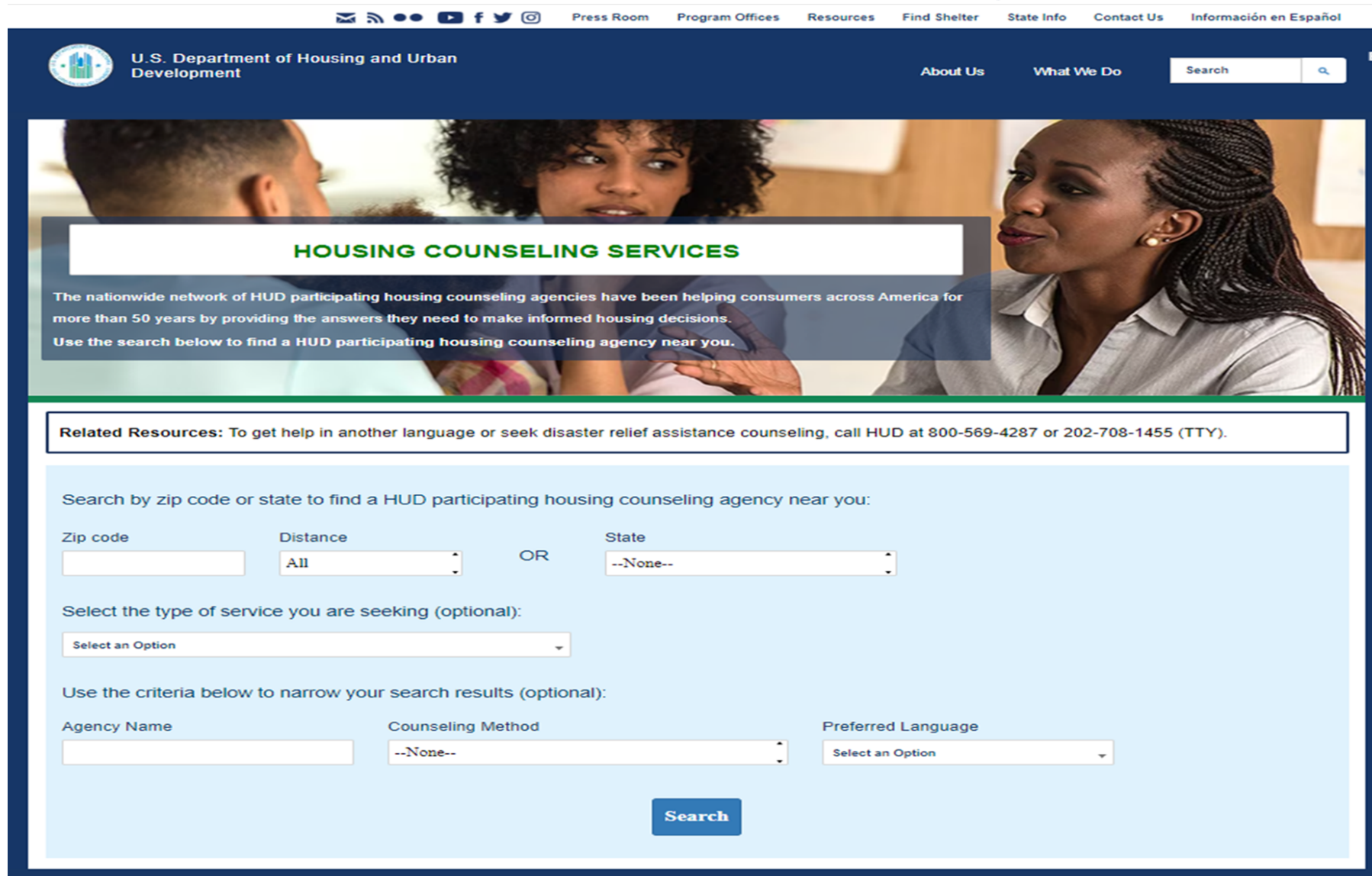
Housing Counseling

To find a housing counseling agency near you please call 800-569-4287 (202-708-1455 TTY) or

search online

HUD's housing counseling program helps families obtain, sustain and retain their homes. HUD accomplishes this mission through a strong network of HUD participating housing counseling agencies and HUD certified housing counselors. To find

How to find a HUD Certified Housing Counselor



The screenshot shows the HUD website's interface for finding housing counseling services. At the top, there is a navigation bar with links for Press Room, Program Offices, Resources, Find Shelter, State Info, Contact Us, and Información en Español. Below this is the U.S. Department of Housing and Urban Development logo and a search bar. The main content area features a large image of three people in conversation, with a white box overlaid containing the text: "HOUSING COUNSELING SERVICES. The nationwide network of HUD participating housing counseling agencies have been helping consumers across America for more than 50 years by providing the answers they need to make informed housing decisions. Use the search below to find a HUD participating housing counseling agency near you." Below the image is a "Related Resources" box with contact information for HUD. The search section includes a heading "Search by zip code or state to find a HUD participating housing counseling agency near you:" and three input fields: "Zip code", "Distance" (with a dropdown menu set to "All"), and "State" (with a dropdown menu set to "--None--"). There is an "OR" separator between the Distance and State fields. Below these is a section for "Select the type of service you are seeking (optional):" with a dropdown menu set to "Select an Option". The final section is "Use the criteria below to narrow your search results (optional):" with three input fields: "Agency Name", "Counseling Method" (with a dropdown menu set to "--None--"), and "Preferred Language" (with a dropdown menu set to "Select an Option"). A blue "Search" button is located at the bottom center of the search area.

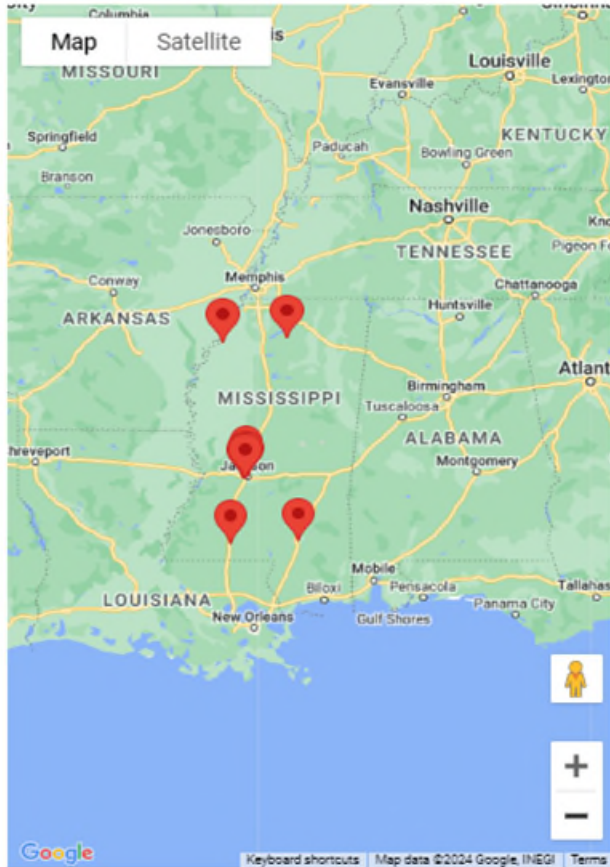
How to find a HUD Certified Housing Counselor

Home / HUD Office of Housing Counseling

Your Search Results

View agencies matching your search in the map below and see detailed agency information beneath the map.

[Print](#)

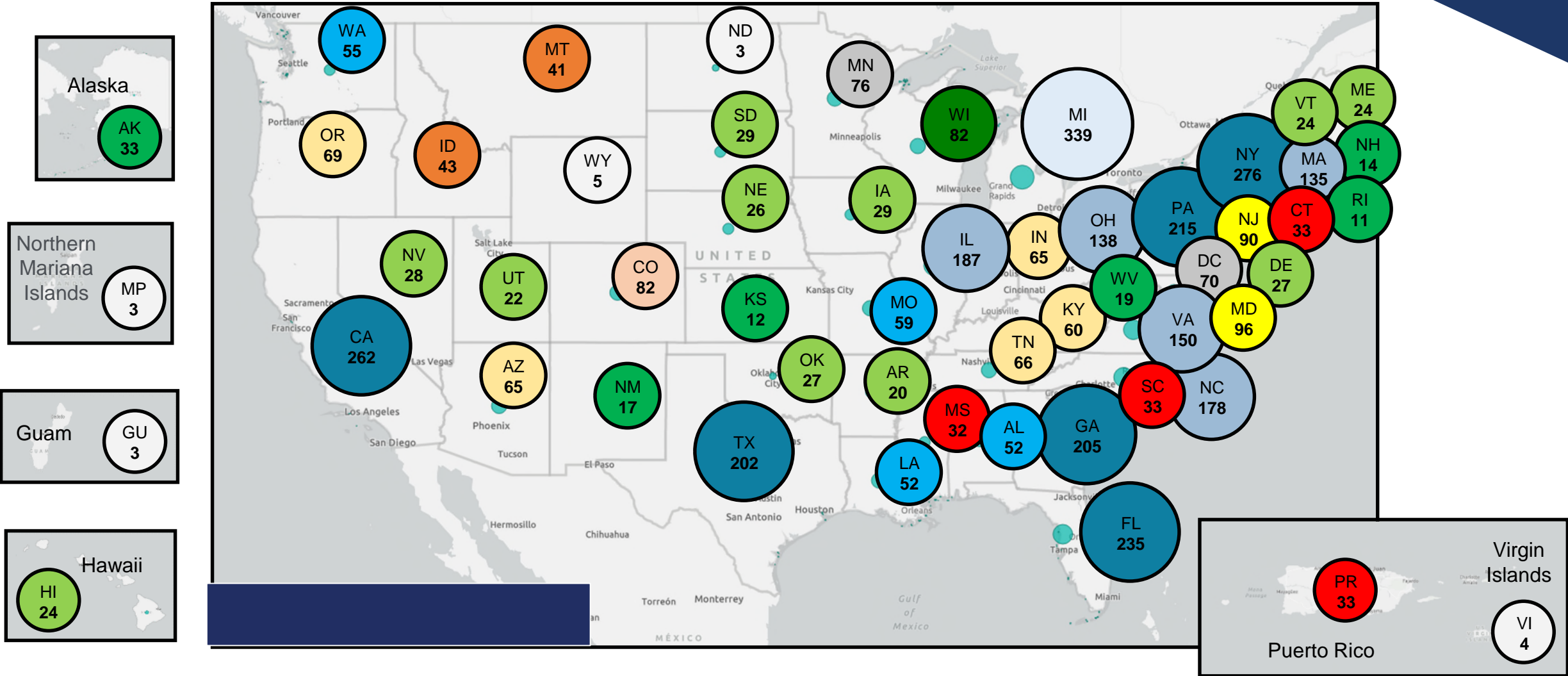


Housing Counseling Locations Search Results (10)

- [NACA \(NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA\) JACKSON, MS](#)
6424 Lakeover Rd Ste B, Jackson, Mississippi
- [HOUSING EDUCATION AND ECONOMIC DEVELOPMENT, INC.](#)
3405 Medgar Evers Blvd, Jackson, Mississippi
- [VOICE OF CALVARY MINISTRIES](#)
531 W. Capitol St., JACKSON, Mississippi
- [MISSISSIPPI HOUSING PARTNERSHIP, INC.](#)
1217 N West St, Jackson, Mississippi
- [WEST JACKSON CDC](#)
1635 Raymond Rd, Jackson, Mississippi
- [MISSISSIPPI FAITH BASED COALITION FOR COMMUNITY RENEWAL, INC.](#)
1770 Ellis Ave Ste 205, Jackson, Mississippi
- [D&E, A HOUSING AND ECONOMIC EMPOWERMENT CENTER, INC.](#)
416 Marion Ave., MCCOMB, Mississippi
- [BREAKTHROUGH COMMUNITY SERVICES, INC](#)
1313 Country Club Rd, Hattiesburg, Mississippi
- [SOUTHERN BANCORP COMMUNITY PARTNERS](#)
875 South State St, CLARKSDALE, Mississippi
- [NORTH MISSISSIPPI RURAL LEGAL SERVICES](#)
5 County Road 1014, Oxford, Mississippi

[Start New Search](#)

HUD Certified Housing Counselors by State



Let's Make Home the Goal

[Let's Make Home the Goal Campaign](#) and [Outreach Materials for HCAs](#)





Thank you!

For more information visit hud.gov