

Habitat for Humanity:
Community Impact Fund Program (ROUND 4)



STF#-51528

PRE-PURCHASE COUNSELING ACKNOWLEDGEMENT

In order to receive Trust Fund Program assistance from IHDA, all homebuyers accessing funding are required to complete both pre-purchase homebuyer education and individual pre-purchase counseling.

Organization Name: _____

Address: _____

HUD-Certified Housing Counselor: _____

Phone Number: _____

Workshop Topics for Pre-Purchase Include:

- Personal and financial advantages of home ownership; rent vs. buy
- Basic terms of the real estate transaction, explanation of disclosures, e.g., Good Faith Estimate of Closing Costs, Truth-in-Lending Disclosure and Closing Disclosure
- Purchasing a home and understanding credit
- Selecting a real estate broker, lender, attorney
- Shopping for your home and obtaining a mortgage loan
- Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction
- Purchase process (e.g., writing an offer, counteroffers, inspection requirements, contingencies, closing documents)
- Insurance needs (e.g., homeowner's insurance, flood insurance)
- Budget for future home maintenance
- Closing process

One-on-One Counseling:

- Household income and expenses are documented
- Analyzes the client's financial situation
- Client's credit report(s) is/are reviewed
- Discussion of what negative credit issues already exist and how to correct them (e.g., paying off excessive debts, late payments, judgments, liens, collections (if applicable))
- Household savings are determined and documented
- Developing and analyzing a household budget
- Calculating affordability based on income and debt. Reviewing payment affordability including PITI and how it may change annually (e.g., due to increased real estate taxes)
- A written action plan is developed with a practical timeline
- Review of loan and/or closing documents (if applicable)
- Client follow up every 30 days up to closing

I _____ certify that the above-mentioned items were completed
and a Homebuyer Counseling Certificate was issued to the following borrower(s).

Borrower Name: _____ Date: _____ Credit Score: _____

Co-Borrower Name: _____ Date: _____ Credit Score: _____

Counselor Signature: _____ Date: _____

*The Illinois Housing Development Authority will not accept an online counseling program, a homebuyer workbook, or workshop as the sole source of counseling. Though we consider online programs and workbooks to be valuable tools, we require one-on-one counseling with a HUD-certified housing counseling agency to ensure that the homebuyers fully understand the home buying process.