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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of intent to review online homeownership education courses for nationwide use in the Single Family Housing Section 502 Direct Loan Program

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: On September 23, 2013, the Rural Housing Service (RHS) Single Family Housing Direct Program published a Notice in the Federal Register, "Notice of Intent To Review Online Homeownership Education Courses for Nationwide Use in the Single Family Housing Section 502 Direct Loan Program" (78 FR 58272). Through this action, RHS is extending the submission deadline of online homeownership education course packages for National Office approval to **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

DATES: Online homeownership education providers interested in having their courses reviewed should submit a complete package to the Single Family Housing, Direct Loan Division on or before **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

Submissions may be sent electronically to SFHDIRECTPROGRAM@wdc.usda.gov or by mail to 1400 Independence Avenue, Stop 0783, Washington, DC 20250-0783.

FOR FURTHER INFORMATION CONTACT: Shantelle Gordon, shantelle.gordon@wdc.usda.gov or (202) 205-9567.

SUPPLEMENTARY INFORMATION: Effective on May 7, 2007, first-time homebuyers financed under the direct loan program must successfully complete an approved homeownership education course prior to loan closing. 7 CFR Part 3550.11 outlines the order of preference given to courses. First preference is given to classroom, one-on-one counseling, or interactive video conference. These formats are generally extensive and require a significant time and participation commitment from the Agency applicants. Second preference is given to interactive home-study or interactive telephone counseling of at least four hours duration. These formats may only be used if the formats under the first preference are not reasonably available. Third preference, which can only be used if all other formats are not reasonably available, is given to online counseling. The regulation also outlines the requirements an education provider and their course must meet in order to be approved for use by Agency applicants.

While approval is generally made by the Agency at the state level, there is currently one nationally approved online education provider. To expand the Agency applicants' access to and options of approved education providers, the Agency will consider approving other online education providers on a national level. Approval will be subject to

meeting course criteria, a recommendation by the Agency-selected panel of housing partners, and signoff by the Administrator. Approval will be given as a third preference format unless the education provider is able to demonstrate and document how their online course along with a required supplemented service provides the same level of training and individualized attention as a first or second preference.

A notice of education providers approved through this process will be issued via a memorandum to the Rural Development (RD) state offices. The memorandum will list the format preference assigned to each provider. A copy of the memorandum will be simultaneously emailed to all education providers who applied through this notice.

Approvals are not subject to expiration. However, an approval may be revoked for justifiable cause.

At a minimum, courses submitted for consideration must contain the following content:

- Preparing for homeownership (evaluate readiness to go from rental to homeownership)
- Budgeting (pre and post purchase)
- Credit counseling
- Shopping for a home
- Lender differences (predatory lending)
- Obtaining a mortgage (mortgage process, different types of mortgages)
- Loan closing (closing process, documentation, closing costs)

- Post-occupancy counseling (delinquency and foreclosure prevention)
- Life as a homeowner (homeowner warranties, maintenance, and repairs)

The Agency-selected panel will base their recommendation on the following considerations:

- Certificate of completion
- Fee (must be nominal)
- Duration
- Topics covered
- System features (chat function, bookmarks, start-stop, audio, etc.)
- Readability (level of complexity in language used)
- User Friendliness
- Bi-lingual Spanish
- Multi-lingual
- Pre/Post assessment of knowledge
- Attractiveness of site/course

Submission packages should include course background, copy of certificate of completion, price sheet, and contact information (name, phone number, and email address).

If an education provider wishes to be considered as a first or second format preference, they must express which one in their submission package, provide strong written justification, and supporting materials.

Due to the lapse in federal funding that caused a partial closing of federal government operations from October 1 through October 16, 2013, RHS is extending this notice and submission deadline for review of online homeownership education courses to [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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U.S. Department of Agriculture,
Office of the Assistant Secretary for Civil Rights,
1400 Independence Avenue, S.W., STOP 9410,
Washington, D.C. 20250-9410.

Or call toll-free (866) 632-9992 (voice) to obtain additional information, the appropriate office or to request documents.

Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339 or

(877) 845-6136 (in Spanish). "USDA is an equal opportunity provider, employer and lender."

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Dated: November 20, 2013.

Richard A. Davis,
Acting Administrator,
Rural Housing Service.

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