



BILLING CODE (3410-XV-P)

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: First-time homebuyers seeking financing under the Rural Housing Service (RHS or Agency) Single Family Housing Section 502 Direct loan program are required to successfully complete an approved homeownership education course prior to loan closing. While homeownership education providers are generally approved by the Agency at the state level, there are currently two nationally approved online education providers. Through this notice the Agency will consider approving other online education providers on a national level in order to expand the Agency applicants' options and access to approved education providers.

DATES: Online homeownership education providers interested in having their courses reviewed should submit a complete package to the Single Family Housing Direct Loan Division by [INSERT DATE 30 DAYS FROM THE DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

ADDRESSES: Submissions must be sent electronically to SFHDIRECTPROGRAM@wdc.usda.gov.

FOR FURTHER INFORMATION CONTACT: Brooke Baumann, Branch Chief, at brooke.baumann@wdc.usda.gov or (202) 690-4250.

SUPPLEMENTARY INFORMATION: 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. 7 CFR 3550.11 outlines the order of preference given to homeownership education 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. 7 CFR 3550.11 also outlines the requirements an education provider and its course must meet in order to be approved for use by Agency applicants.

At a minimum, courses submitted for consideration must contain the following topics/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)

Online homeownership education providers interested in having their courses reviewed must provide a complete package consisting of the course background, online login access to the course for the Agency-selected panel, a copy of the completion certification, price sheet, and contact information (name, phone number, and email address).

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

- The format of the course (i.e. classroom, one-on-one counseling, or interactive video conference features that supplement and complement the online course; or, strictly online counseling)
- Certificate of completion
- Fee (should be nominal – approximately \$100 or less)
- Duration
- Topics covered

- System features (chat functionality, bookmarks, start/pause/play options, audio playback option, etc.)
- Readability/Comprehension (level of complexity in language used)
- User-friendliness
- Browser-friendliness
- Ability to use mobile devices (phone, tablet, etc.)
- Alternative languages offered (Spanish, etc.)
- Pre/Post assessment of knowledge
- Website aesthetics
- Section 508 compliancy and reasonable accommodations procedures

A notice of education providers approved through this process will be issued via a memorandum to the Rural Development 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.

Non-Discrimination Statement

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) By mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW.
Washington, DC 20250-9410;
- (2) Fax: (202) 690-7442; or

(3) Email: program.intake@usda.gov.

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Dated: July 18, 2017.

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

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