

**ILLINOIS LEAGUE
OF FINANCIAL
INSTITUTIONS**

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Springfield, IL 62701
800-237-1936 – 217-522-5575
FAX: 217-789-9115
Contact: Jackie Billings, ext. 210**

**DOWNPAYMENT PLUS®
Home Buyer Counseling Checklist & Certification Form**

CERTIFICATION FORM (PART I)

I certify that borrower(s), _____, has/have successfully
(Name(s) of borrower(s))
completed the appropriate minimum requirements for Homebuyer Counseling for a purchase transaction that will use the funds from the Downpayment Plus® program. I have included the appropriate Home Buyer Counseling Checklist (Part II) with this certification as verification of the completion of the required counseling.

Name of Counseling Agency or Lender (that provided counseling)

Name of Counselor or Loan Officer (who provided counseling)

Signature of Counselor or Loan Officer (who provided counseling)

Date

BUYER ACKNOWLEDGEMENT

I hereby acknowledge that the Lender informed me at the time of my application for the Downpayment Plus® program that homebuyer counseling is required as a condition of the Downpayment Plus® program, that counseling may be provided by a counseling agency that requires payment of a fee for its services, whether such fee will be paid from Downpayment Plus® program funds or by the Lender, and whether I must pay any such fee from my own funds.

If I obtain a mortgage loan using the Downpayment Plus® program which provides me with funds for down payment and/or closing costs and I experience difficulty in making my monthly mortgage payments, I understand that the servicer of my loan may refer me to a counseling service that will advise me in finding ways to meet my mortgage obligation. For this purpose, I hereby authorize the servicer to release certain financial information related to my mortgage loan to such agency. All information released to the counseling agency will remain strictly confidential.

I further hereby authorize such agency to furnish any information regarding my financial status to the servicer, which may assist the servicer or its affiliates in determining whether restructuring my loan, or other extraordinary services may result in preserving my long-term home ownership. Information will include but not be limited to:

- | | |
|--------------------------|-------------------|
| - Original Loan Amount | - Current Balance |
| - Payment Due Date | - Payment History |
| - Monthly Payment Amount | - Amount Past Due |
| - Credit Report | |

Borrower Signature

Date

Borrower Signature

Date

* The Federal Home Loan Bank of Chicago will not accept an online counseling program or a homebuyer workbook as the sole source of counseling. Though we consider online programs and workbooks to be valuable tools, to ensure that the homebuyers themselves have completed and understand the online program/workbook we require one-on-one or group counseling with a counseling agency or a representative of the lender.

"Downpayment Plus" and "DPP" are registered trademarks of the Federal Home Loan Bank of Chicago.

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THE DOWNPAYMENT PLUS[®] PROGRAM HOME BUYER EDUCATION AND COUNSELING CHECKLIST (Checklist #1)

The suggested minimum requirements are based on credit score; however this should not be the sole determinant. Other determinants would include the borrower's election to receive additional counseling or the counselor/lender's determination that the borrower should review additional topics.

Credit Score

680 or higher

Suggested Minimum Requirements

The suggested curriculum for the home buyer counseling would include but not be limited to the following. Please check when all topics have been completed.*

Home buyer education

- ___ Personal and financial advantages of home ownership; rent vs. buy
- ___ Credit analysis, including review of borrower's credit report and assessment of current financial situation and housing purchase capability as it relates to the individual household budget needs
- ___ Basic terms of the real estate transaction, explanation of disclosures, e.g. Good Faith Estimate of Closing Costs, Truth-in-Lending Disclosure, HUD 1 Settlement Statement
- ___ Selecting a real estate broker, lender, attorney
- ___ Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction
- ___ The purchase process, i.e., writing an offer, counter offers, inspection requirements, contingencies, closing documents
- ___ Insurance needs, e.g. homeowner's insurance, flood insurance, life insurance
- ___ Budget for future home maintenance

Budgeting

- ___ Review of buyer's spending habits, monthly payment cycles
- ___ Long-range planning for future major purchases or major repairs, e.g. roof replacement, window replacement, etc.
- ___ Tax-planning using real estate tax deduction, interest deduction, W-2 exemptions

Predatory Lending

- ___ Information regarding predatory lending characteristics was included in the counseling.

Borrower's Name _____

Credit Score (please write in): _____

Signature of Counselor or Loan Officer

Date

Organization/Institution

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THE DOWNPAYMENT PLUS® PROGRAM
HOME BUYER EDUCATION AND COUNSELING CHECKLIST (Checklist #2)

Credit Score

585-679

Suggested Minimum Requirements

The suggested curriculum for the home buyer counseling would include but not be limited to the following. Please check when all topics have been completed.*

Home buyer education

- ___ Personal and financial advantages of home ownership; rent vs. buy
- ___ Credit analysis, including review of borrower's credit report and assessment of current financial situation and housing purchase capability as it relates to the individual household budget needs
- ___ Basic terms of the real estate transaction, explanation of disclosures, e.g. Good Faith Estimate of Closing Costs, Truth-in-Lending Disclosure, HUD 1 Settlement Statement
- ___ Selecting a real estate broker, lender, attorney
- ___ Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction
- ___ The purchase process, i.e., writing an offer, counter offers, inspection requirements, contingencies, closing documents
- ___ Insurance needs, e.g. homeowner's insurance, flood insurance, life insurance
- ___ Budget for future home maintenance

Credit counseling and repair

- ___ Discussion of what negative credit issues already exist and how to correct them, e.g. paying off excessive debts, late payments, judgments, liens, collections
- ___ Consolidation of debt
- ___ Discussion of good vs. bad credit vehicles
- ___ Provide the buyer with information on how to seek help before another major negative credit situation occurs

Budgeting

- ___ Review of buyer's spending habits, monthly payment cycles
- ___ Long-range planning for future major purchases or major repairs, e.g. roof replacement, window replacement, etc.
- ___ Tax-planning using real estate tax deduction, interest deduction, W-2 exemptions

Basics of the home purchase process

- ___ Review of payment affordability including PITI and how it may change annually, e.g. due to increased real estate taxes
- ___ Calculation of cash needed to purchase: application fees, inspection fees, insurance, cash to close costs, reserves
- ___ Explanation of private mortgage insurance

Predatory Lending

- ___ Information regarding predatory lending characteristics was included in the counseling.

Borrower's Name _____

Credit Score (please write in): _____

Signature of Counselor or Loan Officer

Date

Organization/Institution

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THE DOWNPAYMENT PLUS® PROGRAM
HOME BUYER EDUCATION AND COUNSELING CHECKLIST (Checklist #3)

Credit Score
584 or lower
or no score

Suggested minimum Requirements

The suggested curriculum for the home buyer counseling would include but not be limited to the following. Please check when all topics have been completed.*

Home buyer education

- ___ Personal and financial advantages of home ownership; rent vs. buy
- ___ Credit analysis, including review of borrower's credit report and assessment of current financial situation and housing purchase capability as it relates to the individual household budget needs
- ___ Basic terms of the real estate transaction, explanation of disclosures, e.g. Good Faith Estimate of Closing Costs, Truth-in- Lending Disclosure, HUD 1 Settlement Statement
- ___ Selecting a real estate broker, lender, attorney
- ___ Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction
- ___ The purchase process, i.e., writing an offer, counter offers, inspection requirements, contingencies, closing documents
- ___ Insurance needs, e.g. homeowner's insurance, flood insurance, life insurance
- ___ Budget for future home maintenance

Credit counseling and repair

- ___ Discussion of what negative credit issues already exist and how to correct them, e.g. paying off excessive debts, late payments, judgments, liens, collections
- ___ Consolidation of debt
- ___ Discussion of good vs. bad credit vehicles
- ___ Provide the buyer with information on how to seek help before another major negative credit situation occurs

Budgeting

- ___ Review of buyer's spending habits, monthly payment cycles
- ___ Long-range planning for future major purchases or major repairs, e.g. roof replacement, window replacement, etc.
- ___ Tax-planning using real estate tax deduction, interest deduction, W-2 exemptions

Basics of the home purchase process

- ___ Review of payment affordability including PITI and how it may change annually, e.g. due to increased real estate taxes
- ___ Calculation of cash needed to purchase: application fees, inspection fees, insurance, cash to close costs, reserves
- ___ Explanation of private mortgage insurance

Basic value decision making

- ___ Discussion of goal setting
- ___ Discussion of needs vs. wants

Establishing credit and savings plans

- ___ General explanation of use of banking products including checking, savings and credit cards

Predatory Lending

- ___ Information regarding predatory lending characteristics was included in the counseling.

Borrower's Name _____

Credit Score (please write in): _____

Signature of Counselor or Loan Officer

Date

Organization/Institution

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