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## FOR WHAT IT'S WORTH

For What It's Worth (FWIW) is a service for members of the Oklahoma Homebuyer Education Association. We welcome your responses or other information you would like to share with us. Send items to Tricia Auberle at [HomebuyerEd@okacaa.org](mailto:HomebuyerEd@okacaa.org)

**The 13<sup>th</sup> Annual Homebuyer Education Conference** was a great success. Attendance was up 16% over last year. We had the same number of sponsors, although total dollars declined by 29%. We are extremely appreciative of their loyalty to our efforts, regardless of amount.

One of the **impacts of student loan debt** on future homeownership discussed at the conference is the requirement that lenders calculate debt-to-income ratios by amortizing the total debt over 10 years, *even if* the borrower has a lower payment due to the many different payback options in the student loan program. You need to include this information in your homebuyer education classes so people are not caught unaware. Many students who borrowed also do not understand that if they are forgiven some of the debt because they do public service, they will have a tax liability because cancelled debt is considered taxable income.

Early research results from NeighborWorks **studies on pre-purchase counseling effects** show that clients receiving counseling are one-third less likely to become 90 or more days delinquent during the first two years of their mortgage than those not receiving counseling. The study was based on 75,000 loans originated between 2007 and 2009. To find more on the study go to HUD.gov and type in Cityscape.

The U.S. Departments of Treasury, HUD, and Federal Housing Finance Agency released a white paper discussing the Future of Loss Mitigation. Based on lessons learned from the Make Home Affordable program (which expires December 31<sup>st</sup>), future loss mitigation programs should build upon five principles:

1. A simple process must be in place for homeowners to find mortgage assistance
2. Meaningful payment relief that addresses needs of the homeowner, servicer and investor
3. Offering long-term solutions designed to resolve the delinquency
4. A process to obtain assistance, and terms of assistance, that are clear and understandable
5. An appropriate level of oversight of the process to obtain mortgage assistance.

**The Millennials are coming!** How do you keep millennials engaged in your homebuyer education workshops? Don't beat up on them – join them. Look for internet-based information sources and YouTube videos that address the basic elements of homebuyer education. Embed them in your presentations. They will interest everyone, not just the millennials, they will improve your credibility, and they will ensure the information you provide is current. And don't forget. . **We still need URLs.** We are updating the OHEA curriculum for the train-the-trainer. We will have things to share with you, but we need your favorite links for anything that supports attaining and maintaining homeownership. We will reward the person who provides the largest number of useable links.

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