

**THE DOWNPAYMENT PLUS® PROGRAM  
HOME BUYER EDUCATION AND COUNSELING CHECKLIST**

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's/lender's determination that the borrower should review additional topics.

**Credit Score**

**680 or higher**

**Suggested Minimum Financial Literacy 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, e.g., 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 borrower'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** \_\_\_\_\_

\_\_\_\_\_  
Signature of Counselor or Loan Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Organization/Institution

\* The Federal Home Loan Bank of Chicago will not accept an online counseling program or a home buyer workbook as the sole source of counseling. Though we consider online programs and workbooks to be valuable tools, to ensure that the home buyers 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.

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**Credit Score**

**585-679**

**Suggested Minimum Financial Literacy Requirements**

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- \_\_\_ Fair Housing Laws as they relate to borrower's rights to disclosure in a lending transaction
- \_\_\_ The purchase process, e.g., 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 borrower with information on how to seek help before another major negative credit situation occurs

**Budgeting**

- \_\_\_ Review of borrower'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** \_\_\_\_\_

\_\_\_\_\_  
Signature of Counselor or Loan Officer

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**Credit Score**

**584 or lower  
or no score**

**Suggested Minimum Financial Literacy Requirements**

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**Home buyer education**

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**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

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**Borrower's Name** \_\_\_\_\_

**Credit Score** \_\_\_\_\_

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Signature of Counselor or Loan Officer

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