



# NORTH DAKOTA HOUSING FINANCE AGENCY

## HOMEOWNERSHIP PROGRAMS

Name of entry: FirstHome Certified Agent  
Category name and number: Communications – Innovative Media (15)  
Person preparing entry: Michael Anderson, Homeownership Division Director  
HFA: North Dakota Housing Finance Agency

### Executive Summary

The North Dakota Housing Finance Agency (NDHFA) has heavily relied on critical partners, participating lenders and real estate agents, to help promote and deliver its homeownership programs. Lenders are essential to the origination and sale of first time homebuyer loans to NDHFA. So, over the years NDHFA focused much of its energy and resources on training these lenders on the process and mechanics of origination and delivery of eligible first time homebuyer loans.

However, real estate agents typically are the first professionals a first time homebuyer come into contact with when pursuing purchasing a home. They easily gain the confidence of these first time buyers and their advice and counsel regarding the financing of the purchase is often sought. Thus, they are very influential in the first time buyer's decision on what direction the financing will go.

In addition, a significant benefit a real estate agent provides is being a liaison between the lender and the home buyer during the loan process and origination. They can assist in interpreting financing terms, documentation requirements, and underwriting objectives, as well as, collecting information, documents, and signatures from third parties. In other words, their expertise brings efficiency and expediency to the financing and purchasing of a home. This can be invaluable especially to inexperienced first time buyers.

First time homebuyer loan programs are funded with tax-exempt mortgage revenue bonds, and thus, are subject to federal regulations. These regulations bring complexity and additional documentation to the financing transaction not typical to standard mortgage loans. In the past, NDHFA's concentration has been on mitigating this complexity with lenders. Although NDHFA has kept real estate agents abreast of the general rules of eligibility and additional documentation requirements, we have not instructed them in detail about these additional requirements. Thus, we have discovered a lot of misconceptions regarding the first time home buyer requirements, such that, many real estate agents are hesitant to discuss our financing programs with their first time buyers.

The FirstHome Certified Agent initiative strives to correct this knowledge gap. We provide real estate agents in depth training on NDHFA's first time homebuyer programs. Agents now become familiar with, not only the eligibility requirements, but, the underlying objectives of the eligibility requirements, as well as, the process and documentation requirements for

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determining eligibility. They also learn how to complete buyer and seller forms unique to first time homebuyer loans. Thus, agents are able to counsel first time buyers on what documents and information to bring with them for the initial lender interview; anticipate and assist in obtaining unique forms from the seller or other third parties; and help the homebuyer interrupt the unique requirements of the program.

During this training the agents also learn about the various downpayment and closing cost assistance programs and special targeting programs that may be used in conjunction with the first time homebuyer loan and for which their client may be eligible. These programs include those offered by the NDHFA or other housing advocacy groups and approved by the NDHFA.

FirstHome Certified Agents are given exclusive rights to a secured page on NDHFA's web site. This web site page includes all the NDHFA communications detailing program updates, instruction, and clarifications sent to participating lenders. Thus, certified agents are kept abreast of program requirements and changes at the same level as participating lenders. In addition, a packet of essential forms unique to first time homebuyer loans are available to certified agents from this secured site. These forms can be downloaded and completed in anticipation of meeting with the participating lender.

Finally, all FirstHome Certified Agents are listed on NDHFA's web site for public consumption. Thus, a potential first time homebuyer has access to a list of agents that have had significant training in working with inexperienced homebuyers and are dedicated to helping first time buyers. NDHFA is publicly promoting this list of certified agents and we are encouraging these agents to self promote themselves as experts in helping first time homebuyers.

All this added knowledge and access to forms and updated information gives certified agents significant confidence in discussing and suggesting the use of first time homebuyer financing with his/her first time homebuyer client. Also, this will allow certified agents to be much more proactive during the financing process allowing the transaction to proceed and be completed efficiently and with fewer obstacles. This confidence and efficiency has a built in added promotion and utilization of the NDHFA's homeownership programs.