



Family Partnering Committee

Financial/Budget Counseling Information

FINANCIAL/BUDGET COUNSELING:

The financial/budget counseling should be a program designed by the Family Partnering Committee. This should be a mandatory requirement by FCH. The financial/budget counseling should be two parts: 1. The one-on-one financial/budget counseling with someone designated by FCH is designed to review their credit report, establish a budget, establish a log for any debt repayment(s), help establish a savings (keep in mind that this could be a way for the homeowner candidate to start saving for their down payment and closing costs). 2. The second part is a First Time Homebuyer's Class. These classes should be completed prior to the mortgage closing. These types of credit/budget counseling mandates can be outsourced to local community agencies that specialize in these services. This is an excellent way to partner with other non-profit agencies that offer services with trained and licensed counselors.

It is important that ANY credit counseling be done by trained and licensed credit counselors. -In most states it is required that credit counseling be with a trained and licensed credit counselor. Many homeowner candidates come to us with credit problems. The Fuller Center for Housing is not a credit counseling or credit repair organization, and should not engage in these services. Families should be encouraged to adopt and abide by a household budget. Those with serious credit issues should be referred to a reliable credit counseling and/or repair agency. Abuses of the nonprofit code by unscrupulous credit counseling and repair organizations have caused the Internal Revenue Service to closely examine nonprofits that are engaged in providing such services. Please check your state statutes.)

NOTE: Homeowners must maintain a good credit status. Presence of liens or judgments could delay or prevent the actual purchase of a FCH home because of homeowner's ability to give FCH, a first mortgage to secure payment of balance of purchase price. **(In some cases a great deal of time may have lapsed from time of application until homeowner is ready to go into their new home. Therefore, it may be necessary to evaluate if the Covenant Partner should do another credit check prior to closing on mortgage. If their credit has deteriorated from time of original credit check then the Covenant Partner will need an aggressive plan for credit repair.**

NOTE: There are three ways a homeowner candidate can be disqualified; 1.) Fraud (lied on application) 2.) Finances change (ability to repay) 3.) Failure to live up to Fuller Center Homeowner Partnership Agreement (example- homeowner candidate not completing sweat equity or not completing mandated homeowner education classes).