To obtain the required Homebuyer Education Certificate through the Ohio Housing Finance Agency (OHFA), you will need to complete this test and related budget form. Once your loan is reserved, you may upload the test and budget to a HUD-approved housing counselor. Please check with your lender to confirm your loan has been reserved with OHFA before submitting the test and budget electronically. A housing counselor in your area will then contact you to set up a phone appointment.

Name______________________________Phone number_________________Email address ____________________

Proposed property address______________________________________________________________

County______________________Estimated closing date____________________Preferred time to call ____________
(Between 8AM-5PM Monday-Friday)

Please answer the following questions. This is an interactive form and can be completed on your computer, or you may print the test and complete it by hand. Choose only one answer for each question. The homebuyer counselor will review the answers with you.

1. Which question should you ask yourself to determine if you believe you are ready to buy a home?
   — A. Do I have a steady income and stable employment?
   — B. Do I plan to stay in the same geographic location for the next few years?
   — C. Do I have an established credit record to qualify for a loan?
   — D. All of the above.

2. Which of the following steps can you take to improve your credit?
   — A. Pay only the minimum on your credit cards so you can save for down payment.
   — B. Apply for additional credit cards.
   — C. Find a credit repair company to fix your credit.
   — D. Pay your bills on time.

3. You have unexpectedly lost your job and will not have enough money to pay next month’s mortgage payment. What should you do?
   — A. Move out of the property as soon as possible.
   — B. Apply for additional credit cards.
   — C. Send the lender a partial payment.
   — D. Contact the lender to work out a foreclosure prevention plan.

4. What would be the best step to take if you contact your mortgage company for help to prevent foreclosure and they are uncooperative or unresponsive?
   — A. Refinance your current loan to consolidate your debts.
   — B. Put your house up for sale immediately.
   — C. Contact a HUD-approved counseling agency in your area.
   — D. Take out a large cash advance on your credit card to pay your mortgage.
5. Which of the following is not a factor in determining your FICO credit score?
   - A. Payment history on credit cards, loans and possibly rent.
   - B. The amount of money in your savings account.
   - C. Types of credit used.
   - D. Amounts owed for credit card purchases.

6. How do you effectively clear your name and identity when becoming a victim of identity theft?
   - A. File a report with the police and with the Fair Trade Commission.
   - B. Call all your friends and family members to tell them.
   - C. Find a credit repair company to fix the problem.
   - D. Contact the source where your identity was stolen and go after the perpetrator.

7. A Good Faith Estimate should:
   - A. Provide an honest estimate of your closing costs.
   - B. Provide an honest estimate of your payment.
   - C. Be given to you by your lender.
   - D. All of the above.

8. Under what circumstance would you be required to pay mortgage insurance?
   - A. If your property is located in a flood zone.
   - B. If you are unable to make a down payment equal to 20% of the home’s value.
   - C. If you lose your job.
   - D. If you have a low FICO score.

9. An escrow account kept by your lender contains the following:
   - A. Principal, Interest and Taxes.
   - B. Taxes, Insurance and Mortgage Insurance.
   - C. Principal and Interest.
   - D. Interest, Taxes and Insurance.

10. Why should you consider having a home inspection?
    - A. The bank will require it.
    - B. You want to make sure there are not any major problems with the property.
    - C. You want an idea of repairs that may be needed so that you may budget for them.
    - D. B & C.

11. What is the role of a home inspector?
    - A. To verify current market value of the structure and land.
    - B. To check the structural and mechanical condition of the property.
    - C. To survey the property for easements and rights of way.
    - D. To verify the property is not located in a flood plain.

12. In a real estate contract, which contingency could allow a buyer to void the contract?
    - A. House appraises at market value by the contract deadline.
    - B. Borrower becomes unemployed after loan commitment deadline.
    - C. House does not pass one or more of the inspections by inspection deadline.
    - D. Real estate agent does not collect earnest money from buyer as stated in the contract.

13. Homeowners insurance protects the homeowner:
    - A. If they are unable to make a mortgage payment.
    - B. Only against structural damage from fire or weather.
    - C. From structural damage, theft and liability.
    - D. From having to pay their car insurance.
14. Which of the following is a violation of Fair Housing Law?
   — A. A lender refuses to give a borrower a loan just because he or she is not married.
   — B. A lender will not give a borrower a loan just because he or she is active duty military.
   — C. A real estate agent refuses to show a property to a potential buyer because the seller does not want to sell to anyone of ethnic descent.
   — D. All of the above.

15. What is the difference between a dual agent and a buyer’s agent?
   — A. A dual agent represents both the buyer and the seller but cannot divulge confidential information while the buyer’s agent represents just the buyer.
   — B. A buyer’s agent represents the buyer and the dual agent represents the seller.
   — C. A dual agent represents the seller on the property being sold and the one the seller is buying.
   — D. There is no real difference but the commission is less for a dual agent.

16. What is a real estate closing?
   — A. A meeting between the buyer and the real estate agent to sign all documents related to the sale of the home before making the final offer.
   — B. A final meeting to negotiate any last minute changes to the real estate contract.
   — C. A meeting where the appraiser presents the final report of the home’s estimated value before the lender approves the loan.
   — D. A formal meeting, usually with a title agent, to sign the final real estate documents, transfer payment and title, and complete the sale of the property.

17. A housing counselor can help a borrower through the home buying process by:
   — A. Educating the borrower about the home buying process and by reviewing and explaining preliminary loan documents.
   — B. Helping the borrower find a trustworthy real estate agent and appraiser.
   — C. Assisting the borrower negotiate the sales contract.
   — D. Negotiating with the lender for a lower interest rate on the loan.

18. Which group below best describes a list of needs of a homeowner rather than wants?
   — A. A new car and a fitness center membership.
   — B. Cable TV and spending money for dinner at a restaurant.
   — C. Groceries, clothing and money for prescription medication.
   — D. Cell phone, magazine subscription and gourmet coffee.

19. Which one is typically not an expense of the buyer regarding purchasing a house?
   — A. Paying the real estate commission for the agent who represents you.
   — B. Buying tools for maintenance of the home such as ladders, lawn mowers, etc.
   — C. Paying the monthly mortgage payment including property taxes and insurance.
   — D. Moving expenses such as renting a truck and buying pizza for your friends who help you move.
20. When deciding how much to spend on a home, it is best to:
   — A. Buy the first house you really like regardless of where it fits in your price range.
   — B. Shop around and then buy the home priced at the top of what the lender says you can afford.
   — C. Find the house that best meets your needs in a price range that is near the mid-range of what the lender says you can afford.
   — D. Buy a new home to reduce potential repair costs thus reducing your monthly expense on the home.

21. The following are reasons your loan could be rejected, except:
   — A. Not having sufficient funds for down payment or closing costs for the loan.
   — B. Not having sufficient income to make the monthly mortgage payment and cover your other monthly expenses.
   — C. Your credit rating is too low to support the risk on the part of the lender.
   — D. You qualify for the payment on your own and do not want to include your spouse on the loan application.

22. Which of the following shows the correct order in the home buying process?
   — A. Homebuyer education, buy a new car, shop for a home, make an offer.
   — B. Loan pre-approval, shop for a home, make an offer, buy furniture.
   — C. Homebuyer education, loan pre-approval, shop for a home, make an offer.
   — D. Hire a real estate agent, pay off credit cards, loan pre-approval, shop for a home.

23. When searching for homes to purchase, what should you consider?
   — A. Proximity to workplace, shopping, church or schools.
   — B. Availability of police, fire protection and other city services.
   — C. Size, number of rooms and amenities of the home.
   — D. All of the Above.

24. What is PITI?
   — A. Principal, Interest, Taxes and Insurance.
   — B. Private Insurance and Taxable Interest.
   — C. Penalty Interest and Total Interest.
   — D. Permanent Interest and Temporary Insurance.

25. Why is a budget important?
   — A. It helps the homeowner plan for future unexpected circumstances.
   — B. It helps the buyer know how much they can qualify for when applying for a loan.
   — C. It helps renters/buyers plan how to spend their income wisely.
   — D. All of the above.