

251. 20 Hour SAFE Act Comprehensive Loan Originator Boot Camp

We have designed this text to encompass all of the information that could be on a National Test, as well as that which is required to actually perform the originator's function. For those who require SAFE Act (Secure and Fair Enforcement for Mortgage Licensing Act) initial and continuing education credit, we are providing this Syllabus to guide you to the required topics.

Pre-Licensing/Continuing Education Required Courses/Topics			
SAFE Topic	Course Title	Chapter	Hours
Federal Laws (3 Hours Total)	Understanding Federal Laws	11	1
	RESPA – Understanding the Real Estate Settlement Procedures Act	12	1
	Truth-in-Lending Regulation Z	13	1
Ethics (3 Hours Total)	Fraud - Understanding Mortgage Fraud	15	1
	Understanding Federal Credit Laws	14	1
	Ethics in the Mortgage Business	17	1
Lending Standards and Non-Traditional Loans	Predatory Lending	16	1
	Understanding Loan Types	2	2

Test Preparation – Electives Section

Questions from the national tests have been drawn from topics listed on the National Test Outline. Within this outline there are wide arrays of requirements, from the specific to the general. This course is designed to assist the student in preparing for the National Test.

Applying a Portion of Elective Study to State Laws

To allow students to take one ubiquitous National Pre-Licensing Course, instead of an amalgam of different courses, we have designed the course to be a 20 hour Federal Requirement. After completion of a National course, students may take any additional “State Law Supplements” to complete the requirements of a specific state. In this way, students, company administrators and regulators alike can have no confusion as to whether a specific course meets either the state or federal requirements.

This may mean that some candidates seeking certification in states that have a state specific component will have more education than is required under the national act, but we will not charge additional fees for credit hour banking.

National Test Preparation Source Reference

Topic(s)	Chapter(s)
I. Federal mortgage-related laws (35%)	

Topic(s)	Chapter(s)
RESPA, Equal Credit Opportunity Act (Reg. B), Truth-in-Lending Act (Reg. Z and HOEPA), SAFE Act, Home Mortgage Disclosure Act (HMDA), Fair Credit Reporting Act, Privacy protection / Do Not Call, FTC Red Flag Rules (Fair and Accurate Credit Transactions Act of 2003)	11 Understanding Federal Laws (Overview) 12-14 Specifics
II. General mortgage knowledge (25%)	
A. Mortgage programs; 1. Conventional/conforming; 2. Government (FHA, VA, USDA); 3. Conventional/nonconforming (Jumbo, Alt-A, etc.); a. Statement on Subprime Lending; b. Guidance on Nontraditional Mortgage Product Risk	3. Understanding Loan Plan Specifications
B. Mortgage loan products; 1. Fixed; 2. Adjustable; 3. Balloon; 4. Other (home equity [fixed and line of credit], construction, reverse mortgage, interest-only)	2. Understanding Major Loan Types
C. Terms used in the operation of the mortgage market; 1. Loan terms, 2. Disclosure terms, 3. Financial terms, 4. General terms	Mortgage Terminology
III. Mortgage loan origination activities (25%)	
1. Application accuracy (truthfulness) and required information (e.g., 1003); a. Customer, b. Loan originator, c. Verification and documentation, A. Application information and requirements	7 – Understanding the Application Process
2. Suitability of products and programs	2 - Understanding Major Loan Types
3. Disclosures, a. Accuracy, b. Timing	7 – Understanding the Loan Process; 11- Understanding Federal Laws
B. Qualification: processing and underwriting; 1. Borrower analysis; a. Assets, b. Liabilities c. Income, d. Credit report, e. Qualifying ratios (e.g. housing, debt-to-income, loan-to-value), 2. Appraisals, 3. Title report; 4. Insurance: hazard, flood, and mortgage	6 – Asset Qualifying 4 – Ratios, Debts and Credit History 5 – Income 1 – Mortgage Math 7 – Application Process
C. Specific program guidelines; 1. VA, FHA, USDA, 2. Fannie Mae, Freddie Mac, 3. Other (e.g., Mortgage insurance, HUD)	3 – Loan Plan Specifications
D. Closing, 1. Title and title insurance, 2. Closing agent, 3. Explanation of Fees, 4. Explanation of Documents, 5. Funding	7 – Application Process 6 – Assets and Closing Costs 7 – Application Process
E. Financial calculations used in mortgage lending 1. Interest per diem, 2. Payments (principal, interest, taxes, and insurance; mortgage insurance, if applicable), 3. Down payment, 4. Loan-to-value (loan-to-value, combined loan-to-value, total loan-to-value), 5. Debt-to-income Ratios, 6. Temporary and Fixed interest rate buy-down (discount points) 7. Closing costs and prepaid items 8. ARMs (eg., fully indexed rate)	1 – Mortgage Math 2 - Major Loan Types 6 – Assets/Closing 2 – Major Loan Types
IV. Ethics (15%)	

Topic(s)	Chapter(s)
A. RESPA, B. Gramm-Leach-Bliley Act, C. Truth-in-Lending Act, D. Equal Credit Opportunity Act, E. Appraisal, F. Fraud detection, reporting, and prevention, G. Ethical behavior, 1. Consumers, 2. Appraisers 3. Underwriters, 4. Investors, 5. Warehouse lenders, 6. Real estate licensees, 7. Closing agents, 8. Employers	11 – Federal Laws 15 – Fraud 17 - Ethics