



# **8 Hour SC-BFI SAFE Comprehensive: Compliance for 2024**

## **Course Syllabus (Online Self-Study)**

### **ProEducate**

**4200 S. I-10 Service Rd., W., Suite 134**

**Metairie, LA 70001**

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**Office Hours:**

**Monday-Friday, 8am – 5pm CT**

**[www.ProEducate.com](http://www.ProEducate.com)**

***Roy L. Ponthier, Ph.D., Ed.D., CDEI, DREI  
Executive Director***

## **Instructor Backgrounds/Resumes:**

### **Roy L. Ponthier, Ph.D., Ed.D., CDEI, DREI**

- Dr. Ponthier is a licensed Louisiana real estate broker, certified real estate and appraisal instructor, and Director of Executive Training Centers, LLC, an educational services company which offers in-class training in real estate, mortgage finance and appraisal, as well as online training through ProEducate, the company's web-based education division which offers real estate and mortgage finance related courses throughout the United States.
- Dr. Ponthier holds a B.S. degree from Southeastern Louisiana College. His graduate training was taken at Tulane University (M.S. and Ph.D.) and the University of New Orleans (M.Ed. and Ed.D.). He holds the Certified Distance Education Instructor (CDEI) certification awarded by the International Distance Education Certification Center (IDECC), as well as the Distinguished Real Estate Instructor (DREI) designation awarded by the Real Estate Educators Association in recognition of exceptional effectiveness in the classroom. Dr. Ponthier has served on the faculty of three Universities, currently teaches classes for The Real Estate Law Society of Loyola University Law School and has chaired college divisions of Computer Science, as well as Education. Since 1988 he has taught real estate related subjects to more than 63,000 students. He is a member of five academic honor societies, as well as MENSA, and author of more than two dozen internationally published scientific papers. He was Director of The Center for Computer Education, Inc., which trained teachers in computer science, and was president of Worldwide Information Network, Inc., a provider of Internet and television marketing in real estate. He has owned two mortgage companies, as well as a business brokerage company and a residential and commercial real estate company.
- Since early 2009, Dr. Ponthier has served on a work group for the Nationwide Mortgage Licensing System & Registry (NMLS&R) to help develop the functional specifications for mortgage pre-licensing and continuing education programs taught in the U.S. He is a member of the Real Estate Educator's Association, The South Central Educators Group, and the Louisiana Mortgage Bankers Association, for which he is Chair of the education committee. Dr. Ponthier's achievements have been documented in Who's Who (Oxford Edition), American Men and Women of Science, and the International Who's Who in Education.
- Dr. Ponthier has contracted with Loyola University of New Orleans, College of Law, to be the exclusive provider of online Continuing Legal Education (CLE) for the University.

## **Erika del Pilar Burton-Minard, Ph.D.**

### **• EDUCATION**

- Ph.D. Political Science/Comparative Politics and International Relations 2014 (University of New Orleans, New Orleans, Louisiana)
- M.A. Political Science 2011 (University of New Orleans, New Orleans, Louisiana)
- B.A. Political Science 2009 (Loyola University, New Orleans, Louisiana)

### **• WORK EXPERIENCE**

- Licensed Mortgage Loan Officer (NMLS 1379216), Southwest Funding, LP September 2015-Currently
  - Licensed to originate mortgage loans; responsible for conducting financial analyses and analyzing clients' financial risk to determine their financial standing with regards to a mortgage loan
- Adjunct Professor, Department of Political Science, Tulane University January 2015-Currently
  - Comparative Politics Professor
    - Responsible for the creation of the course, teaching and giving 40 undergraduate students per class overall comprehension of comparative politics in the political science field, prepared and conducted daily lectures and created and graded assignments, quizzes, and exams
- Dissertation Research, Department of Political Science, University of New Orleans 2013-2014
  - Performed research and data collection in various comparative subjects within Latin American countries (economy, social welfare, female political representation), created different quantitative models and conducted quantitative analyses using statistical software
- Teaching Assistant, Department of Political Science, University of New Orleans 2012
  - Course Instructor- Introduction to Comparative Politics
    - Responsible for the creation of the course, responsible for teaching and giving 30 undergrad students overall comprehension of comparative politics in the political science field, prepared and conducted daily lectures, created and graded assignments, quizzes and exams
    - Responsible for transforming non-digitalized data into digitalized data for new database, updated database files, organized Fulbright Scholar files dating back for a period of decades, ran extensive search for current whereabouts of scholars, assisted incoming scholars with application process, managed office and reception.

### **• PROFESSIONAL DEVELOPMENT**

- Passed the National and Louisiana State examination created by the Nationwide Mortgage Licensing System and Registry (NMLS) and received a Mortgage Loan Originator License to operate as a Loan Officer in the State of Louisiana.
- Certificate of Achievement for IS-00200.b from FEMA's Emergency Management Institute, October 10, 2014

## **Course Description:**

- This course satisfies the required 8 hours of mortgage continuing education, as specified in the SAFE Act, which includes 3 hours of federal laws, 2 hours of ethics, and 2 hours of non-traditional mortgage products. The course also includes 1 hour of South Carolina state-specific laws as required by the state of South Carolina. It is also a composite of updates and reviews of regulations and legislative actions important to mortgage loan originators who are active in the business.

## **Required Course Material:**

This course is entirely self-contained and does not require additional study materials.

## **REQUIRED HARDWARE and SOFTWARE:**

- All course content is available online. To access the course, the student will need a PC or laptop to access the Internet. The only software needed is an Internet browser such as Google Chrome, Firefox, Safari, etc.
- Any additional software, such as Adobe Reader, needed to access PDF files, is available in the course for immediate and free download.

## **Completion Expectations:**

### **Prerequisites:**

- There are no educational prerequisites for this course; however, students are expected to have high school level reading and mathematics ability.

### **Upon registering:**

- Students must complete the course lessons/modules and the final exam before the course expiration date.
  - Course completion will include completion of all case studies.
  - Each lesson/module will have a quiz at the end that must be passed in order to continue to the next lesson/module.
    - The quiz will consist of multiple-choice format questions requiring a minimum passing score of 70%
    - Quiz questions will be displayed one at a time.
  - The final exam questions are also presented in multiple-choice format requiring a passing score of 70% or higher
  - The username and password will be deactivated after the course expiration date has passed.
- Students will be issued a completion certificate upon successful completion of the course. Course completion will be banked on the NMLS website within 7 days of the end of the course.

## **School Policies:**

### **Registration:**

- The student is responsible for verification of qualifications for licensing, before registering for a course of study.
- Registrants with any form of criminal history, including misdemeanor or felony convictions, or who are currently on parole, must contact the relevant licensing agency before registering for any pre-licensing or pre-certification course.
- An e-mail account is essential to participate in the online program.
- Any attempt to take the course under an assumed identity, or to accept assistance from others in completing any portion of the course, may result in rejection of a license application, revocation of an existing license, fines, or other penalty provided by law governing the relevant state regulatory agency to whom the student submitted documentation.

### **Course Participation:**

- Students are asked to please be certain that their address book is updated to include acceptance of e-mails from StudentServices@ProEducate.com.

### **School Contact Information:**

- **By Phone:** For questions regarding **administrative** issues, the administrative offices may be contacted by phone at (504) 454-9866 or (800) 966-9866, weekdays between 8 a.m. and 5 p.m. central time.
- **By E-mail:** Ask technical or course content questions 24 hours a day by e-mailing the school office at the addresses listed below. A response will typically be received by close of business on the next business day.
  - **StudentServices@ProEducate.com** for questions or comments about registration, technical assistance, administrative issues, or purchases from the
- **In Person:** We are in the office to assist you with administrative questions Monday - Friday 8:00 a.m. to 5:00 p.m. central time. We are located at 4200 S. I-10 Service Rd. W., Suite 134, Metairie, Louisiana 70001 (Boy Scouts of America Building).

### **Additional Information Regarding the Online Course:**

- During the allotted class time, students will have access to the course 24 hours a day and may login and work on the assignments at their convenience.
- Students will be issued a completion certificate upon successful completion of the course. Course completion will be banked on the NMLS website within 7 days of the end of the course.
- The NMLS unique identifier will be requested when each student first begins the course, or they may e-mail it to StudentServices@ProEducate.com at any time while enrolled in the course.
- The course also makes a detailed glossary available to the students. Students may click on the glossary to study the definition of terms with which they are not familiar.
- The “Links” section of the course makes forms and documents available to assist students in their studies.
- Upon completion of the course material, each student will be required to respond to a course evaluation in addition to a multiple choice final examination.

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## **Learning Objectives, Modules (Lessons), Assignments, and Outline:**

### **Course Objectives:**

This course reviews with the student the most commonly found issues in Multi-State Mortgage Committee (MMC) examinations. The Examination findings showed regulators that there was room for improvement for what is considered compliance as common threads of deficiencies were identified. CFPB requires NMLS licensees review these common violations to educate licensees on expected compliance with federal mortgage regulations.

### **Federal Laws – Module 1**

This lesson will provide the student with an understanding of the most common issues found with MMC examinations. The course discusses the purpose of the MMC examination, and the required topics for the most repeated or outrageous non-compliance violations discovered during examinations. Students will review the examination deficiencies and the regulations to understand how to properly comply with the regulations. The federal law sections covered include ECOA appraisal timing, FCRA & ECOA adverse action letters, TILA Right to Rescission, TILA loan fee tolerance, and TILA timing requirements.

### **Ethics – Module 2**

The student will learn some of the regulations that govern ethical behavior in the mortgage industry. Some of these laws include the Telephone Consumer Protection Act, Whistleblower Regulations, ECOA, Unfair Deceptive Acts and Practices, the Fair Housing Act, and Housing Financial Discrimination Act. The student will have a strong understanding of what actions are prohibited after a review of these federal regulations. The course also reviews with the student's current fraud schemes to prepare students to mitigate fraud in the mortgage industry.

### **Nontraditional Mortgage Products – Module 3**

In this lesson, the student will understand and learn about TILA Qualified Mortgage requirements as nontraditional loan programs may be termed non-qualified mortgages. Nontraditional loan programs reviewed in this course include a detailed review of adjustable-rate mortgages and how they function, and a review of commonly available renovation home loans. Students will understand the rehabilitation loan process and how to manage the different rehab loan requirements to help their consumers choose the program that meets their needs.

### **South Carolina Mortgage Law – Module 4**

In this module the students will be able to discuss the authority, structure, and responsibilities of the South Carolina Department of Consumer Affairs and the South Carolina State Board of Financial Institutions, know what activities require a mortgage loan originator license, and recognize prohibited conduct and practices for licensees

**8 Hour SC-BFI SAFE Comprehensive: Compliance for 2024**

<b>Module/Lesson</b>	<b>Learning Objectives</b> <i>Upon Completion of each lesson, each student will be able to:</i>	<b>Assignments and Materials Utilized</b>	<b>Segment Time in Minutes</b>
<b>MODULE 1: FEDERAL LAWS (3 hours)</b>			
Federal Laws I	This lesson will provide the student with an understanding of the most common issues found with MMC examinations. The course discusses the purpose of the MMC examination, and the required topics for the most repeated or outrageous non-compliance violations discovered during examinations. Students will review the examination deficiencies and the regulations to understand how to properly comply with the regulations. The federal law sections covered include ECOA appraisal timing, FCRA & ECOA adverse action letters, TILA Right to Rescission, TILA loan fee tolerance, and TILA timing requirements.	PowerPoint/Audio Presentation	129
Lesson Quiz			3
<b>MODULE 2: ETHICS (2 hours)</b>			
Ethics	The student will learn some of the regulations that govern ethical behavior in the mortgage industry. Some of these laws include the Telephone Consumer Protection Act, Whistleblower Regulations, ECOA, Unfair Deceptive Acts and Practices, the Fair Housing Act, and Housing Financial Discrimination Act. The student will have a strong understanding of what actions are prohibited after a review of these federal regulations. The course also reviews with the student's current fraud schemes to prepare students to mitigate fraud in the mortgage industry.	PowerPoint/Audio Presentation	99
Lesson Quiz			3
<b>MODULE 3: NON-TRADITIONAL MORTGAGE PRODUCTS (2 hours)</b>			
Non-Traditional Mortgage Lending	In this lesson, the student will understand and learn about TILA Qualified Mortgage requirements as nontraditional loan programs may be termed non-qualified mortgages. Nontraditional loan programs reviewed in this course include a detailed review of adjustable-rate mortgages and how they function, and a review of commonly available renovation home loans. Students will understand the rehabilitation loan process and how to manage the different rehab loan requirements to help their consumers choose the program that meets their needs.	PowerPoint/Audio Presentation	104
Lesson Quiz			3
<b>MODULE 4: SOUTH CAROLINA MORTGAGE LAW (1 hour State Specific)</b>			
South Carolina Mortgage Law (State-Specific)	In this module the students will be able to discuss the authority, structure, and responsibilities of the South Carolina Department of Consumer Affairs and the South Carolina State Board of Financial Institutions, know what activities require a mortgage loan	PowerPoint text-based presentation; downloadable handouts pertaining to lesson content; extensive	81



	originator license, and recognize prohibited conduct and practices for licensees	glossary to view online or print; and lesson quiz	
		Lesson Quiz	3
<b>Case Studies</b>			
	Case Studies 1-5: Federal Law		
	Case Study, Response, Review of Feedback		25
	Case Study 6: Ethics		
	Case Study, Response, Review of Feedback		5
	Case Study 7: Non Traditional		
	Case Study, Response, Review of Feedback		5
	Case Study #8: SC Mortgage Law		
	Case Study, Response, Review of Feedback		5
<b>Final Exam</b>	Measures student's competency.	Exam in multiple-choice format.	10
<b>End-of-Course Survey</b>	Measures course presentation, materials, content and instructor competency.	Survey questions provided to students to rate course/instructor/materials.	2
<b>Total Minutes</b>			<b>477</b>

## **8 Hour SC-BFI SAFE Comprehensive: Compliance for 2024**

### **Module 1 – Federal Law**

Objective

#### **Multi-state Mortgage Committee**

State Regulator Mortgage Loan Originators

#### **Federal Law Compliance Matters**

##### **ECOA Adverse Action Compliance**

“Unknown Reason” for Loan Denial

Combined Credit Scoring and Judgmental System

Automatic denial

Combined ECOA-FCRA disclosures

Additional Statement of Specific Reasons Requirements

##### **Fair Credit Reporting Act Fee Compliance**

Free Credit Report Under Some Circumstances

##### **Equal Credit Opportunity Act (ECOA) Appraisal Requirement**

ECOA Appraisal Disclosure Notice

Multiple Versions of Appraisal Compliance

Proof of Appraisal Receipt

CFPB Appraisal Requirement Official Interpretation

Appraisal Timing Requirement

Waiver Requirements

No Transaction Closed Requirement

##### **Truth-in-Lending (TILA) Right of Rescission Compliance**

Consumer's Right to Rescind Notice

CFPB Regulation Z Right of Rescission Interpretation

Unexpired Right of Rescission

Failure to Properly Provide Rescission Notice

##### **TILA Disclosure Zero Tolerance Compliance**

##### **CFPB Mortgage Broker Compliance**

##### **TILA Good Faith Determination**

CFPB Lender Credit Compliance

CFPB TILA 10% Tolerance Charges

TILA No Tolerance Restrictions

Bona fide Charges

##### **CFPB Recording Fees Compliance**

##### **CFPB Allowable Changes in Fees**

Revised Estimate Change of Circumstances

CFPB Examples of Allowable Change of Circumstances

TILA Loan Estimate Not Delivered in Timely Manner by Broker

Waiver of Seven Day Timing Requirement

Delayed Construction Loan Settlement

Relationship between Loan Estimates and Closing Disclosures

##### **CFPB Delivery Timing for Closing Disclosure**

Mail delivery

Other forms of delivery

##### **Post Closing Disclosure (CD) Compliance**

**MODULE 2 - Ethics**

**Objective:**

**Introduction**

CFPB Update

**Telephone Consumer Protection Act**

Telemarketing Sales Rule

TCPA Violations and Fines

CFPB Law Enforcement

Unlawful Junk Fees for Credit Repair Settlements

**Whistleblower Regulations**

**Equal Credit Opportunity Act (ECOA), Regulation B**

ECOA and FHAct Prohibitions

Discrimination

Disparate Impact

Disparate Treatment

The Fair Housing Act

**Predatory Lending**

Unfair Deceptive Acts and Practices

The Housing Financial Discrimination Act

Unlawfully Discriminatory Lending Practices

**Current Fraud Scams Affecting Mortgage Lending**

Fraud Trend Evolution

**CFPB Fraud Findings**

CFPB Possible Future Fraud Risks

Fraud Motivations

Fraud for Housing

FHA Requirements

FNMA Requirements

Fraud for Profit

Collusion Issues

**Impactful Fraud Trends of 2023**

Deposit and Checking Account Fraud

Synthetic Identity Fraud

Fake Job Postings and Mule Schemes

Peer-to-peer Payment Fraud

Social Media Shopping Fraud

Employer Text Fraud

**Fraud Prevention and Detection Matter**

**Fraud Strategy**

Omnichannel Fraud Report

**Equifax Consumer Debt Observations**

First Mortgage Trends

First Mortgage Observation

Home Equity Installment Loan Observations

Home Equity Lines of Credit Observations

- Senior Consumer Fraud
- Family Fraud Scams
- Air Loan Fraud Scheme
- Real Estate Cash Purchases Fraud
- Shell Companies Fraud
- Real Estate Broker Fraud
- Other Fraud Schemes

### **Identity Theft Fraud**

- ID Theft Prevention Program Compliance: A Four Step Process

### **Customer Identification Program (CIP)**

- Address Discrepancies Duties

  - Change of Address

- Lesson Quiz

## **MODULE 3 - NonTraditional**

### **Objective**

#### **Traditional Mortgage Loan Defined**

#### **TILA Qualified Mortgage**

- QM Thresholds

- Ability to Repay

  - Exempt from Ability-to-repay Rule

#### **Alternative Mortgage Transactions According to Regulation D**

- Mortgages With Adjustable or Renegotiable Rates or Finance Charges

- State Law Restrictions

### **Preempted State Laws**

#### **Adjustable-Rate Mortgage**

- Components of an ARM Loan

  - Index

  - Margin

  - Rate Adjustment Period

  - Discounted Rates

  - Interest Rate Cap

- ARM Functions

- Hybrid ARM

- Negative Amortization Loans

- Conversion Option

- Consumer Handbook on Adjustable-Rate Mortgages

#### **Loan Estimate for ARM Loan**

#### **Collateral/Portfolio Loans**

#### **Seller Financing**

#### **Rehabilitation Loans**

- Eligible Property Types

## **FHA 203(k) REHABILITATION MORTGAGE INSURANCE PROGRAM**

### **Why Use 203(k) Program**

- Types of FHA Programs

  - Limited 203(k) Mortgage

  - Standard 203(k) Mortgage

## Stages in the Process

Origination Stage

Repair/Improvements Stage

Project Completion Stage

## Role of an FHA-Approved 203(k) Consultant

203(k) Consultant's Responsibilities Before Loan Closing

203(k) Consultant's Responsibilities After the Mortgage Closes

## **Benefits of Combining the 203K with FHA Energy and Disaster Programs**

### **PACE Loan**

Unaffordable Payments

Limited Means to Dispute the Work or Costs

Trouble Selling or Refinancing the Home

Loss of Home Equity

### **Conventional Rehab Loan**

#### **Types of Conventional Rehab Loans**

Fannie Mae Home Style Renovation Loan

Freddie Mac CHOICE Renovation

Difference Between a Conventional Loan and a Rehab Loan

#### **Advantages of Conventional Rehab Loans**

Flexibility of Financing

Potential for Property Appreciation

Lower Home Ownership Costs

Disadvantages of Conventional Rehab Loans

#### **Understanding the Loan Process**

Qualifying for Conventional Rehab Loans

The Expenses Involved in Rehab Loans

Alternative to Conventional Rehab Loans

#### Lesson Quiz

### **Module 4: Review of South Carolina Mortgage Laws *{State-Specific}***

- South Carolina Department of Consumer Affairs and South Carolina Board of Financial Institutions
  - OVERVIEW
  - Learning Objectives
  - South Carolina Department of Consumer Affairs
  - South Carolina State Board of Financial Institutions
  - South Carolina Law and Regulation Definitions - The South Carolina Mortgage Lending Act
  - South Carolina Law and Regulation Definitions - The High Cost and Consumer Home Loan Act
  - South Carolina Law and Regulation Definitions - Consumer Protection Code, Chapter 3 and Chapter 10
    - Chapter 3
    - Chapter 10
- South Carolina License Law and Regulation
  - OVERVIEW
  - Learning Objectives
  - South Carolina License Law and Regulation
    - Persons Required to be Licensed
    - Licensee Qualifications and Application Process
    - License Maintenance
    - Grounds for Denying a License
- Compliance and Disciplinary Action

- Overview
- Learning Objectives
- Compliance
  - Prohibited Conduct and Practices; Required Conduct
  - Fees and Charges
  - Disclosures and Agreements
  - Advertising
- Disciplinary Action
  - Notifications, Hearings, and Appeals
  - Suspension, Revocation, and Rescission of Licenses
  - Penalties/Fines
- Civil and Criminal Liability
  - Civil Penalties
  - Criminal Penalties

Lesson Quiz

### **Case Study**

Case Study #1 Federal Law

Case Study #2 Federal Law

Case Study #3 Federal Law

Case Study #4 Federal Law

Case Study #5 Federal Law

Case Study #6 Ethics

Case Study #7 NonTraditional

Case Study #8 South Carolina Mortgage Law

### **End of Course Survey**

### **Final Exam**

**Assignments and Materials Utilized in Each Module (Lesson) Include:** PowerPoint / Audio based presentation and end of lesson quiz.