

## **8 Hour SC SAFE Comprehensive: Compliance for 2018 Course Outline**

### **Lesson 1: Truth-in-Lending (TILA) *{Federal Laws}***

- Overview
- Lesson Objectives
- The Truth in Lending Act (TILA)
  - Amendments
  - Open-End and Closed-End Credit Transactions
- Mortgage Disclosure Improvement Act
  - Amendments
  - 3-7-3 Rule
  - Advertising Rules
- Finance Charges
  - Types of Charges
  - Excluded Charges
  - Security Interest Charges
  - Using the term “Finance Charge”
- Summary
- Lesson Quiz

### **Lesson 2: RESPA *{Federal Laws}***

- Overview
- Lesson Objectives
- Real Estate Settlement Procedures Act (RESPA)
  - RESPA Covered Transactions
  - RESPA Exemptions
  - RESPA – Definitions
- Disclosures Required at Loan Application
- Disclosures After Settlement
- Consumer Protections and Prohibited Practices
- RESPA Enforcements
- Escrow Accounts and RESPA
- Home Mortgage Disclosure Act - Regulation C 12 CFR, Part 1003
- TRID
- Introduction
  - Consumer Financial Protection Bureau (CFPB) New Integrated Disclosures
  - The Loan Estimate
  - Delivery of the Loan Estimate
  - The Loan Estimate Document Regulation Z
- The Closing Disclosure
- Summary
- Lesson Quiz

### **Lesson 3: ECOA** *{Federal Laws}*

- Overview
- Lesson Objectives
- Purpose of the Act
- ECOA Guidelines
- Spouse or Former Spouse Info
- Age Discrimination
- Childbearing, Childrearing
- Required Disclosures
- Additional Regulations
- Notice of Adverse Action
- Appraisal Notification
- Summary
- Lesson Quiz

### **Lesson 4: FHA Mortgage Program** *{Non-Traditional Mortgage Products}*

- Overview
- Lesson Objectives
- Characteristics of FHA Loans
- FHA Loan Programs
- Minimum Cash Investment & LTV
- Sales Concessions
- Seller Contributions
- Inducements to Purchase
- Secondary Financing
- Cash Investment
- Base Loan
- Assumption of FHA Loans
- Assumption Charges
- FHA Underwriting
- Income Analysis
- Calculating Debt to Income Ratio Example
- Assets for Closing
- Other Closing Requirements
- FHA Insurance Premiums
  - Upfront MIP
  - Annual Premiums
  - Annual Premium Cancellation
- Summary
- Lesson Quiz

### **Lesson 5: Adjustable Rate Mortgages** *{Non-Traditional Mortgage Products}*

- Overview
- Lesson Objectives

- Qualified Mortgages vs. Non-Qualified Mortgages
- Non-Traditional Mortgage Products
- Adjustable Rate Mortgages
  - The London Interbank Offered Rate, or LIBOR
  - The 11<sup>th</sup> District Cost Of Funds Index
  - Constant Maturity Treasury
  - The 12 Month Treasury Average Index
  - Certificate of Deposit Index
- How Adjustable Rate Mortgages Work
- Caps and ARMs
  - The lifetime cap
  - The periodic cap
  - The payment cap
- Why choose an Adjustable Rate Mortgage?
- Types of Adjustable Rate Mortgages- Option ARMs
  - Hybrid Adjustable Rate Mortgages
  - Interest-Only Adjustable Rate Mortgages
  - Payment-Option Adjustable Rate Mortgages
  - Cash Flow Adjustable Rate Mortgage
  - Convertible Adjustable Rate Mortgages
- Terms Related to Adjustable Rate Mortgages
  - Amortization Cap
  - Prepayment penalties
- Conclusion
- Summary
- Lesson Quiz

## **Lesson 6: Ethics in Real Estate Financing – Part I** *{Ethics}*

- Overview
- Lesson Objectives
- Ethics
  - What is ethics?
  - How to recognize ethical behavior vs. unethical behavior...
  - Ethics and Business
- Fraud
  - Fraud in the Mortgage Lending Industry
  - Different Types of Fraud in the Mortgage Lending Industry
    - Straw Borrower
    - Flips Fraud
    - Air Loan Fraud
    - Identity Theft
    - Credit Fraud
    - Affinity Fraud
    - Sales Contract Fraud
    - Application Fraud

- More Types of Fraud
  - Fraud for Profit
  - Fraud for Housing
  - Occupancy Fraud
  - Asset or Down Payment Fraud
  - Income Fraud
  - Appraisal Fraud
- Fair Credit Reporting Act (FCRA)
  - Identity Theft Prevention Program
  - Red Flags
  - Preventing and Mitigating Identity Theft
  - Updating the Identity Theft Prevention Program
  - Administering the Identity Theft Prevention Program
  - Oversight of Service Provider Arrangements
- Conclusion
- Summary
- Lesson Quiz

### **Lesson 7: Ethics in Real Estate Financing – Part II** *{Ethics}*

- Overview
- Lesson Objectives
- The Fair Housing Act
  - The Fair Housing Act and Ethical Behavior
- The Equal Credit Opportunity Act
  - The Equal Credit Opportunity Act and Ethical Behavior
- The Gramm-Leach-Bliley Act
  - The Privacy Rule
  - The Gramm-Leach-Bliley Act and Ethical Behavior
- The Bank Secrecy Act
  - The Bank Secrecy Act and Ethical Behavior
- The Mortgage Assistance Relief Service Rule
- Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act)
  - The SAFE Act
  - Ethical Behavior
- Conclusion
- Summary
- Lesson Quiz

### **Lesson 8: Review of South Carolina Mortgage Laws** *{State-Specific}*

- South Carolina State Content - Part 1
  - 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
- Conclusion
- Lesson Quiz
- South Carolina State Content - Part 2
  - 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
  - Conclusion
  - Lesson Quiz
- South Carolina State Content - Part 3
  - 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
  - Conclusion
  - Lesson Quiz

**Case Studies**  
**End of Course Survey**  
**Final Exam**