

20 Hour CA-DBO SAFE Comprehensive: Financing Residential Real Estate

Course Outline

General Mortgage Knowledge

- Conforming and Non-Conforming Loans
- Government Loan Programs
- Information on Sub-Prime Lending
- Guidance on Non-Traditional Product Risk
- Mortgage Products

Mortgage Loans: Structures and Types

- Introduction
- Term Loans
- Fixed Rate Level Annuity Loans
- Alternative Mortgage Instruments (AMI)
- Adjustable Rate Mortgages (ARM)
- Bi-Weekly Loans
- Growing Equity Mortgage (GEM)
- Shared Appreciation Mortgage (SAM)
- Shared Equity Mortgage (SEM)
- Graduated Payment Mortgages (GPM)
- Buydown or Temporary Buydown Mortgages
- Construction Loan
- Piggyback Loan
- Home Equity Lines of Credit (HELOC's)
- Wraparound Loans
- Reverse Annuity Mortgage (RAM's)

Loan Origination and Processing – Part 1

- Introduction to Loan Origination and Processing
- Qualifying the Property
 - Fair Market Value
 - Appraisal and Appraisal Process
 - Demand
 - Utility
 - Scarcity
 - Transferability
 - Physical Suitability
 - Legal Permissibility
 - Restraint of Appropriate Support
 - Economic and Financial Feasibility
 - Externalities
 - Direct Sales Comparison Approach
 - Cost Approach
 - Income Approach
 - GIM Approach
 - Reconciliation

Loan Origination and Processing – Part 2

- Qualifying the Title
- Closing
- Servicing the Loan
- Qualifying the Buyer

- Conforming Conventional Loan Qualification Guidelines
- Conforming Government Insured Non-Conventional Loans
- Conforming Government Guaranteed Non-Conventional Loans

Mortgage Qualifying and Pre-Prep

- Qualifying the Buyer
- Borrowers Comfort Zone
- Qualifying to Program
- Shopping for Interest Rate
- Qualifying the property
- Title Search
- Loan Application

Originator Activities

- Application Accuracy and Required Information
- Loan Application Checklist
- The Loan Interview
- Pre-Qualifying vs. Pre-Approval
- Uniform Residential Loan Application (URLA – Form 1003)
- Locking In the Interest Rate
- Verification and Documentation
- Loan Costs
- Disclosures
- Mortgage Disclosure Improvement Act – MDIA
- Borrower Analysis
- Evaluating Creditworthiness
- Assets
- Liabilities
- Income
- Credit Report
- Qualifying Ratios

Governing Regulations and Entities

- Real Estate Settlement Procedures Act (RESPA)
- Fair Lending Laws - Equal Credit Opportunity Act (EOCA)
- Truth in Lending Act (TILA)
- Home Ownership and Equity Protection Act (HOEPA)
- State Predatory Lending Laws

TILA-RESPA Integrated Disclosures (TRID)

- Consumer Financial Protection Bureau (CFPB) proposes new integrated disclosures
- The Loan Estimate
- The Closing Disclosure

Dodd-Frank

- Government Offices
- The Dodd-Frank Act
- Title XIV – Mortgage Reform and Anti-Predatory Lending Act
- New Changes on Regulation X and Z
- Escrow Requirements
- Secure and Fair Enforcement for Mortgage Licensing Act - S.A.F.E. Act
- Home Mortgage Disclosure Act (HMDA)

- Fair Credit Reporting Act (FCRA)
- Fair Isaac Company Score (FICO)
- Fair and Accurate Credit Transactions Act (FACTA)
- Privacy Protection/Do Not Call
- Mortgage Assistance Relief Services Rule (MARS)
- Gramm-Leach-Bliley Act (GLBA) - Privacy and Safeguard

More Governing Regulations and Entities Ethics; Fannie Mae and Freddie Mac

- Ethics and Federal Lending Laws
- Ethics in Appraisals
- Fraud in Lending
- Ethical Behavior
- Business Prospecting
- Terms used in the Mortgage Industry
- Who is Fannie Mae/Freddie Mac?
- Secondary Market Agencies
- Mortgage Backed Securities
- History
- On the Brink of Insolvency
- Private Mortgage Insurance (PMI)
- Homeowners Protection Act of 1998 - HPA
- Flood Insurance

Fannie Mae/Freddie Mac/PMI/HPA; Closing

- Title and Title Insurance
- Settlement/Closing Agent
- Explanation of Fees – Settlement Statement
- Explanation of Documents
- Funding
- Conventional/Conforming Mortgages
- Government Loans
- Guidance on Non-Traditional Mortgage Product Risk

California-DBO Mortgage Laws

- California Finance Lenders Law
 - Definitions
 - Exemptions
 - Restrictions
- California Residential Mortgage Lending Act (CRMLA)
 - Financial Code
- The California Homeowner's Bill of Rights (HBOR)
 - Increased Notifications
 - Single Point of Contact
 - No Dual Tracking is Permitted
 - Verification of Documents
 - Enforceability
 - Tenant Rights
 - Neighborhood Blight

Course Final Examination