

# 8 Hour SAFE Comprehensive: 2019 Originator Essentials

**Course Provider:**

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**NMLS Course Provider ID:**

1400327

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March 27, 2019



## **Rules of Conduct for NMLS Approved Pre-Licensure (PE) and Continuing Education (CE) Courses Version NMLS 1.1 2015-02-24**

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), requires that state-licensed MLOs complete pre-licensing (PE) and continuing education (CE) courses as a condition to be licensed. The SAFE Act also requires that all education completed as a condition for state licensure be NMLS approved. Since 2009 NMLS has established course design, approval, and delivery standards which NMLS approved course providers are required to meet. To further ensure students meet the education requirements of the SAFE Act, NMLS has established a Rules of Conduct (ROC). The ROC, which have been approved by the NMLS Mortgage Testing & Education Board, and the NMLS Policy Committee, both of which are comprised of state regulators, are intended to stress that NMLS approved education be delivered and completed with integrity.

### **Rules of Conduct**

As an individual completing either pre-licensure education (PE) or continuing education (CE), I agree to abide by the following rules of conduct:

1. I attest that I am the person who I say I am and that all my course registration information is accurate.
2. I acknowledge that I will be required to show a current government issued form of identification prior to, and during the course, and/or be required to answer questions that are intended to verify/validate my identity prior to, and during the course.
3. I understand that the SAFE Act and state laws require me to spend a specific amount of time in specific subject areas. Accordingly, I will not attempt to circumvent the requirements of any NMLS approved course.
4. I will not divulge my login ID or password or other login credential(s) to another individual for any online course.
5. I will not seek or attempt to seek outside assistance to complete the course.
6. I will not give or attempt to give assistance to any person who is registered to take an NMLS approved prelicensure or continuing education course.
7. I will not engage in any conduct that creates a disturbance or interferes with the administration of the course or other students' learning.
8. I will not engage in any conduct that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not operate in the mortgage loan business lawfully, honestly or fairly.
9. I will not engage in any conduct that is dishonest, fraudulent, or would adversely impact the integrity of the course(s) I am completing and the conditions for which I am seeking licensure or renewal of licensure.

I understand that NMLS approved course providers are not authorized by NMLS to grant exceptions to these rules and that I alone am responsible for my conduct under these rules. I also understand that these rules are in addition to whatever applicable rules my course provider may have.

I understand that the course provider or others may report any alleged violations to NMLS and that NMLS may conduct an investigation into alleged violations and that it may report alleged violations to the state(s) in which I am seeking licensure or maintain licenses, or to other states.

I further understand that the results of any investigation into my alleged violation(s) may subject me to disciplinary actions by the state(s) or the State Regulatory Registry (SRR), including removal of any course from my NMLS record, and/or denial or revocation of my license(s).

# 8 Hour SAFE Comprehensive: 2019 Originator Essentials

## Course Syllabus

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### **Course Description**

This course will instruct mortgage loan originators on a number of regulations that they will have to comply with while taking part in their mortgage loan origination activities. Rules, such as those implemented by the Dodd-Frank Wall Street Reform and Consumer Protection Act, are set in place to protect the interest and well-being of consumers who apply for mortgages to purchase or refinance their properties. To ensure that their business practices satisfy the regulations adopted by federal laws, mortgage loan originators need to keep current on the guidelines published by entities such as the Consumer Financial Protection Bureau (CFPB).

### **Topics and Learning Objectives**

This course consists of four sections:

1. Federal Mortgage Related Laws
2. Ethical Treatment of Consumers
3. The VA Home Loan Program
4. Complying with Appraisal Independence Requirements

**Total study time: 8 hours**

### **Module 1: Federal Mortgage Related Laws**

Study Time: 3 clock hours (150 minutes of federal law)

- TILA-RESPA Integrated Mortgage Disclosures Rule (TRID) (50 minutes)
- Other TILA Requirements for Mortgage Loans (40 minutes)
- RESPA Section 8 Summary (20 minutes)
- The Equal Credit Opportunity Act (ECOA) (40 minutes)

In the first module of this course we'll review the TILA-RESPA Integrated Disclosure (TRID), covering the loan disclosure requirements of the Truth in Lending Act (TILA, 12 CFR 1026) and the Real Estate Settlement Procedures Act (RESPA, 12 CFR 1024). We'll review the types of loans the regulations are applicable to, the rate tolerances and permitted fees allowed by the rules, and changes that can be made to the Loan Estimate and Closing Disclosure. We'll also review Marketing Service Arrangements (MSAs) and the Equal Credit Opportunity Act (ECOA, 12 CFR 1002).

### **Module 1 Objectives**

When you have completed this module, you will be able to:

- review the permissible fees and finance charges permitted under the Truth In Lending Act (TILA), codified as Regulation Z, and the Real Estate Procedures Act (RESPA), codified as Regulation X.
- explain actions that must be taken when when finance charges on the initial Loan Estimate are overstated or understated.
- outline the types of loans that are applicable to complying with the Integrated Disclosure Rules.
- list additional Regulation Z regulations regarding open-ended and closed-ended credit.
- recognize the risks associated with Marketing Services Agreements (MSAs) and potential RESPA violations.
- examine the Equal Credit Opportunity Act, codified as Regulation B, and its rules relating to requesting information, evaluating applications, and extending credit.

## **Module 2: Ethical Treatment of Consumers**

Study Time: 2 clock hours (100 minutes of ethics, fraud, and consumer protection)

- Identity Theft Rules (30 minutes)
- Telemarketing Sales Rules (40 minutes)
- BSA/AML Suspicious Activity Report Filing Requirements (30 minutes)

The second module is written with a focus on consumer protection. We'll outline the Identity Theft Rules, 16 CFR 681, and the requirements covered entities have with protecting their customer's accounts. Then we'll examine the Telemarketing Sales Rules, 16 CFR 310, outlining deceptive and abusive practices when soliciting for business by cold-calling consumers. Finally, we'll summarize the BSA/AML Suspicious Activity Report filing requirements.

### **Module 2 Objectives**

When you have completed this module, you will be able to:

- describe the FTC's Identity Theft Rules, which entities are required to comply with the rules, and the requirements for covered entities to establish an identity theft prevention program.
- summarize the prohibited deceptive and abusive acts as outlined in the Telemarketing Sales Rules.
- describe the information that should be included on a preliminary suspicious activity report.
- recognize the penalties for failing to comply with Suspicious Activity Report filing requirements.

## **Module 3: The VA Home Loan Program**

Study Time: 2 clock hours (100 minutes of non-traditional mortgage)

The third module covers unique mortgage product solutions for unique customers. This year we will examine the Department of Veteran Affairs VA home loan guaranty program, covering topics such as eligibility, occupancy requirements, refinances, underwriting, and how the guaranty benefits lenders.

### **Module 3 Objectives**

When you have completed this module, you will be able to:

- Outline people, property and purposes that are eligible for VA loans.
- Describe the various aspects of VA loans, including entitlement, guaranty, IRRRLs, and funding fees.
- Explain what a lender must consider when underwriting a VA loan.

### **Module 4: Complying with Appraiser Independence Requirements**

Study Time: 1 clock hour (50 minutes of elective topics)

The fourth and last module illustrates the importance of appraiser independence requirements. We will review these requirements as outlined by various federal regulations, agencies and published guidance.

### **Module 4 Objectives**

When you have completed this module, you will be able to:

- Recognize the difference between an appraisal, a home inspection, and Broker Price Opinion (BPO).
- Recall various definitions used in relation to property appraisals.
- Outline the various prohibited actions that might be interpreted as adversely influencing an appraiser's conclusion of value.
- Review the various actions that are not prohibited.
- Explain the exceptions that would allow a follow-up appraisal to be conducted.

### ***NMLS ID Required***

You must have an NMLS ID to receive credit for this course. You will need this number before you begin the course.

If you already have an NMLS ID but don't remember what it is:

- Login into NMLS
- Click on the **Composite View** tab.
- Click **View Individual** on the sub-header row.
- The number that appears in parentheses after your name is your NMLS ID number.

If you do not have an NMLS ID and need to obtain one, use the instructions available in the NMLS Resource Center:

<https://mortgage.nationwidelicensingsystem.org/licensees/resources/LicenseeResources/Create-an-Individual-Account-Quick-Guide.pdf>

## ***Technical Requirements***

Students only need a computer with a functioning and accessible Internet connection. This course works on all modern browsers including Microsoft Internet Explorer, Google Chrome, Mozilla Firefox, Apple Safari, and Opera. Students are responsible for internet access service charges.

## ***Completion Requirements***

This is an online mastery-based course. Students must complete all reading assignments, media activities, and pass incremental assessments to make progress.

Completion of the course requires passing a final examination of 25 multiple choice questions with a minimum score of 70%. Students that fail a final exam may retake the final exam as many times as needed to pass. The course is expected to take approximately 8 clock hours to complete.

## ***Course Activities***

The course contains segments that include reading, videos, question knowledge checks, quizzes, and a final exam. Students are expected to interact and complete all activities to make course progress.

Students will be provided with the course content online. Each section will provide an overview of the topic, followed by examples and interactive activities to help students better understand each lesson. Students will be tested throughout each section to determine if they are meeting the objectives of each section and developing a working knowledge that will help them to successfully use what they are learning.

## ***Testing and Completion Expectations***

Online, timed, and active participation is required to apply the learned material to case study material. Each of the four modules have section quizzes as well as short questions throughout each section. The section quizzes require an 80% or higher score to proceed on to the next level of the course. Tests are graded automatically upon student submission.

At the end of the 8 hour course, a final exam is given. The final exam consists of 25 questions in multiple choice format. The student must score 70% or above. Course credit will not be issued until the final exam has been successfully passed. Final exams may be retaken without limit if failed.

## ***Issuance of Credit***

After successfully passing the final exam, OnlineEd will notify the Nationwide Mortgage Licensing System (NMLS) that the continuing education has been completed by the student. It is OnlineEd policy to have credit uploaded to the NMLS by the end of the following business day.

The student will have a printable course completion certificate available after passing the course final exam. The certificate is for the student's personal records and is not confirmation that the NMLS has received the notification that the student has completed the course final exam.

## ***Policies on Cheating and Misrepresentation***

Misrepresentation of personal identity is strictly forbidden for all OnlineEd courses. Falsifying personal information, forgery, and misrepresentation may result in immediate suspension. Additional actions by state and federal agencies may include loss or suspension of a license, failure to grant a license, fees, or criminal prosecution.

Cheating on courses that supply completion certificates, designations, or official credit is not tolerated. OnlineEd is not obligated to continue to furnish credit or continued support for students caught cheating on any part of the coursework or testing.

## ***Breaks***

Students are free to stop for a break at any time during the course for any length of time. Progress in the course is saved automatically. Breaks and periods of inactivity will not count towards the required seat time. Students will automatically be logged out after 6 minutes of inactivity and the inactive time will not count towards seat time.

## ***Availability***

This online course is available all day, every day after enrollment unless there is scheduled system maintenance. Courses are made available to students immediately upon purchase. Instructor and technical support are available during normal office hours of 9:00 am to 5:00 pm Pacific Standard Time on Monday through Friday, excluding holidays. Online access to this course is available for 365 days from the enrollment date unless stated otherwise.

If this course is not completed within the given amount of time, a reinstatement fee may be charged. Course content will continue to be available to students after course completion.

## ***Instructor Support***

Students will be assigned a course instructor at registration. Students may contact the course instructor by email if they have questions regarding the course content. Technical support questions should be directed to OnlineEd, Inc. and not to the instructor. Students are not required to use this service. OnlineEd reserves the right to refuse instructor support to students that abuse this service.

## ***Refund Policy***

All tuition and fees paid for the course are refundable when: (a) the course of instruction is discontinued by OnlineEd and such discontinuation has prevented a student from completing the course; or (b) the enrollment of the student was procured as a result of any misrepresentation in promotion materials of the school, or representation made by an owner or employee of the school. All refunds will be completed within 30 days after the effective date of enrollment termination. Refunds will not be given to any student after the student has successfully registered in a course or courses, as once registered, student has access to the registered courses. In hardship cases, OnlineEd may issue a refund at its sole discretion. OnlineEd does not issue retroactive partial refunds for courses that are subsequently discounted or put on sale after a student makes a purchase.

## ***Introduction to the Provider***

### **OnlineEd**

OnlineEd, Inc. is an NMLS approved course provider based in Portland, Oregon, and has been offering courses over the Internet since 1998.

#### **NMLS Provider ID: 1400327**

This course is developed and published by OnlineEd, Inc. Completion certificates and other school functions will also be handled by OnlineEd, Inc.

All of our teaching and instruction is done via the Internet and through our unique course management system. We actually write and publish our own course material for an exclusive online experience. All course materials are written by knowledgeable, experienced industry professionals and instructors.

#### **Contact information:**

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#### **Our Mission Statement**

“To provide superior distance education that exceeds industry standards and expectations in course content and delivery methods to those who seek to enter a new profession and those engaged in a profession.”