

8-Hour SAFE Comprehensive

A Mortgage Lending Primer

Realty Publications d/b/a first tuesday
3474 Niki Way
Riverside, CA 92507
NMLS Course Provider #1400986

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Attachments:

1. NMLS Rules of Conduct for Students (ROCS)
2. Syllabus



Rules of Conduct for NMLS Approved Pre-Licensure (PE) and Continuing Education (CE) Courses

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 pre-licensure 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).

Students will be required to attest to the aforementioned rules of conduct online before starting the course.

8 HOUR SAFE COMPREHENSIVE – A MORTGAGE LENDING PRIMER

COURSE SYLLABUS AND COURSE INSTRUCTIONS

COURSE DESCRIPTION

This course addresses fair housing and consumer protection laws, with a focus on recent changes to consumer protection laws. Topics include a review of existing and new regulations on the SAFE Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Fair Credit Reporting Act and credit use, including credit repair, the new qualified mortgage rules, and more. Detailed specifications of changes are provided, along with examples and analysis of current and likely future impacts.

CREDIT BANKING

first tuesday credit banks on non-holiday Fridays. Beginning mid-December, credit banking will be completed Monday through Friday, excluding holidays.

The last credit banking for 2017 will take place at 12:00 PM PST on December 29, 2017.

COURSE COMPLETION DATE

You may complete this course any time during 2017 for on-time course credit, but you cannot process your renewal until November 1, 2017. Keep in mind the following deadlines:

first tuesday will be credit banking for the last time in 2017 at 12:00 PM PST on December 29, 2017.

The Guaranteed-to-Miss-Renewal Deadline: December 31, 2017

It may not be possible to complete an on-time renewal on this date.

The At-Risk-to-Miss-Renewal Deadline: December 26, 2017

Completing your course after this date may prevent you from submitting an on-time renewal with your state regulatory agency. However, your state regulatory agency may require an earlier completion date.

The Smart Deadline: December 19, 2017

Completing the course by this date ensures you will receive course credit in time for the 2017 license renewal period. This allows sufficient time for credit banking and for the CE restriction for license renewal to be lifted.

IMPORTANT: To check state regulatory deadlines, please visit

<http://mortgage.nationwidelicencingsystem.org/SLR/Pages/default.aspx>

ENROLLMENT PERIOD

Courses are good for a maximum of **1 year from the date of enrollment**. If you have not completed this course by **12:00 PM PST on December 29, 2017**, it will **automatically be converted to a Late CE course on January 1, 2018**. Your course progress will be saved in the conversion.

You have **1 year from the date of enrollment** to complete the course before you will have to pay to re-enroll.

COURSE COMPLETION

Upon completion, all students will receive a course completion certificate and 8 hours of education credit. **first tuesday** will submit your course completion directly to the NMLS.

PLEASE NOTE: To ensure proper credit is given, it is extremely important that you provide us with your correct NMLS ID. You can check the NMLS ID on file with first tuesday at the top of your Student Homepage, after the following words:

“Your NMLS ID # is:”

If your NMLS ID is not correct, please call us at 951.781.7300 prior to taking your exam.

STUDENT CONDUCT

This course is online self-study. This means that you will guide yourself through the material and activities. The course should be taken in a quiet, distraction-free area.

You are expected to do your own work and neither give nor receive unauthorized assistance. Any violation of this standard could lead to automatic withdrawal from the course without credit or refund.

BIOMETRIC SIGNATURE (BIOSIG) AUTHENTICATION

NMLS now requires online self-study continuing education courses to include a security measure called Biometric Signature (BioSig) Authentication. You will create a 4-character BioSig password before you start your course reading. You will be required to provide your NMLS ID and a valid email to create your BioSig password.

After that first entry, you will be prompted to enter your BioSig password 3 more times in the course.

For more information about the BioSig requirements, visit <https://biosig-nmls.zendesk.com/hc/en-us>. You will also be able to view a tutorial about BioSig before you create your BioSig password.

We will be happy to walk you through your BioSig password creation after you enroll in the course, but for more detailed technical assistance with BioSig, please submit a ticket at <https://biosig-nmls.zendesk.com/hc/en-us/requests/new>.

HOW TO RECEIVE CREDIT FOR THE COURSE

In order to receive credit for the course, participants must spend at least the minimum amount of time (designated per page) on each module, earn a 70% or better on each of the 8 end-of-module quizzes and earn a minimum score of 70% on the final exam.

Course time is based on a 50-minute hour, and includes time allocated for quizzes and the exam. The total actual course time spent will be 400 minutes (8 hours x 50 minutes).

READING

This course contains 8 MODULES of reading. Each module is broken down into UNITS. Each UNIT is broken down into PAGES.

NMLS requires us to time your reading. Each page is timed. To move on to the next page, you will click on the “NEXT” button in the lower right-hand corner of the reading page. The “NEXT” button will only appear once you’ve spent the minimum required time on the page.

Per NMLS rules, you will be logged out if you’re inactive for 6 MINUTES. Per NMLS rules, if you’re logged out for inactivity, you will be required to restart the entire UNIT. To avoid a timeout, please make sure you are actively clicking on the page and scrolling through the material. NMLS does not allow us to notify you before you are timed out.

If you need to take a break, please click on the “Student Home Page” link at the bottom of your reading window to save your place on the PAGE you are reading. If you simply leave the reading open, you will be timed out for inactivity, and required to restart the UNIT.

DO NOT BOOKMARK INDIVIDUAL PAGES IN YOUR BROWSER. Browser bookmarks will not save your reading progress.

Once you have spent the required time on each unit, you will have access to reviewing the information in that unit. A PDF version of the reading is available after you complete each module. Download the PDF to study offline.

COMPREHENSION CHECKS

Some reading pages include Comprehension Checks. In order to proceed to the next page, you must answer all Comprehension Checks on the page correctly.

QUIZZES

Each module has a 5-question multiple-choice quiz. You have to pass the quiz with a 70% to progress to the next part of the course. You have unlimited attempts to pass each quiz.

Quiz questions are randomized, thus you will see more of the content if you retake the quizzes multiple times. Even once you pass, we recommend you take the quizzes several times to study.

EXAMS

The course has a 25-question multiple-choice exam. You will have 20 minutes to complete the exam. Exam questions are randomized. The passing score is 70%.

You have 4 attempts to pass the exam. The first 3 retakes are available immediately. If you do not pass the exam in the 4 attempts, you will be required to wait 24 hours before you have another 4 attempts.

There is no charge for retaking the exams within your 1-year enrollment period.

REFUND & CANCELLATION POLICY

All courses are 100% refundable within enrollment period, provided no exams have been taken. Refunds must be requested by phone. Refunds issued to credit cards are credited back to the student's account within 3-5 business days of request. Check refunds are issued with the next internal billing cycle, which occurs bi-monthly.

Upon refund request, your account will be suspended, and you will no longer be able to access any of your materials online.

TECHNICAL REQUIREMENTS

A high-speed internet connection is recommended. The latest versions of Google Chrome, Microsoft Edge and Microsoft Internet Explorer are supported. We highly recommend you update your browser before starting the course. Mozilla Firefox is NOT supported.

Upon first logging in, a technical requirements check will be performed and determine any technical updates required for maximum compatibility. Instructions on performing those updates are provided.

Per NMLS rules, this course is not compatible with smart phones, tablets or other mobile devices.

CONTACTING FIRST TUESDAY

For assistance with enrollment, banking, course completion or technical matters, please call 951.781.7300 Monday through Friday between 8:30 AM and 5:00 PM Pacific Standard Time, or email customerservice@firsttuesday.us.

For questions about course content, please email editorial@firsttuesday.us.

COURSE OBJECTIVES

- Understand the loan originator licensing scheme under the SAFE Act, and be able to differentiate between registered loan originator requirements and state-licensed loan originator requirements
- Differentiate between disclosures and responsibilities to consumers required by the different fair housing and fair credit laws
- Understand the new ability-to-repay rules and the qualified mortgage safe harbors
- Identify unlawful and misleading practices in communicating with consumers
- Understand how nontraditional ARMs and reverse mortgages function, and the benefits and risks they pose for consumers
- Understand and implement better practices in relation to consumer credit

COURSE OUTLINE

MODULE 1: THE SAFE ACT (1 HOUR OF FEDERAL REGULATION)

Unit 1 The SAFE Act History and Overview (18 minutes – 5 pages)

Learning Objectives are to understand the history leading to the SAFE Act and conduct requiring licensing under the SAFE Act.

Unit 2 License vs. registration (20 minutes – 4 pages)

Learning Objectives are to learn about and differentiate between the 2 types of loan originators regulated by the SAFE Act, and understand their responsibilities under the SAFE Act.

Unit 3 The NMLS (3 minutes – 2 pages)

Learning Objectives are to understand what information is available to the public in the Consumer Access site required by the SAFE Act and the NMLS, and to review current loan originator statistics.

Unit 4 SAFE Act Case Study (2 minutes – 1 page)

Learning Objective is to see an application of how SAFE Act licensing and registration requirements apply in real life. Includes a short case study assessment.

Quiz 5 multiple choice questions (4.5 minutes)

MODULE 2: THE HOME MORTGAGE DISCLOSURE ACT (1 HOUR OF FEDERAL REGULATION)

Unit 1 Introducing the HMDA (10 minutes – 4 pages)

Learning Objectives are to understand the purpose of the HMDA, understand how HMDA is used, and know who is subject to HMDA data collection requirements.

Unit 2 The HMDA-LAR (21 minutes – 6 pages)

Learning Objectives are to know what data is required to be collected under HMDA, and learn how to fill out the HMDA-LAR.

Unit 3 Using HMDA Data (9 minutes – 2 pages)

Learning Objectives are to understand how HMDA data is used, and to review current trends revealed by HMDA data.

Unit 4 HMDA Case Study (3 minutes – 1 page)

Learning Objective is to see how HMDA data collection impacts loan originators and lenders who violate fair housing law. Includes a short case study assessment.

Quiz 5 questions (4.5 minutes)

MODULE 3: THE EQUAL CREDIT OPPORTUNITY ACT (1 HOUR OF FEDERAL REGULATIONS)

Unit 1 Introducing the ECOA (12 minutes – 3 pages)

Learning Objectives are to identify protected classes under the ECOA, understand who is subject to ECOA, and what activities are prohibited.

Unit 2 ECOA disclosures (9 minutes – 2 pages)

Learning Objectives are to identify disclosures required under the ECOA, and their content, and the penalties for failure to comply with the ECOA.

Unit 3 The FCRA (18 minutes – 4 pages)

Learning Objectives are to understand how the FCRA impacts loan originator activities, know what disclosures are required under the FCRA, and understand how the FCRA works with other fair housing laws to protect consumers.

Unit 4 ECOA Case Study (4 minutes – 1 page)

Learning Objective is to see how ECOA protections impact loan originators and lenders who violate fair housing law. Includes a short case study assessment.

Quiz 5 questions (4.5 minutes)

MODULE 4: THE CONSUMER FINANCIAL PROTECTION BUREAU (1 HOUR OF CONSUMER PROTECTION, FRAUD, ETHICS AND FAIR LENDING)

Unit 1 Introducing the CFPB (9 minutes – 3 pages)

Learning Objectives are to understand the reason for the creation of the CFPB, and to understand its functions and powers.

Unit 2 Ability-to-Repay and the QM Rule (15 minutes – 4 pages)

Learning Objectives are to understand the new ability-to-repay rules, and identify which loans fall under the safe harbor protections of the qualified mortgage.

Unit 3 Other CFPB Regulatory Updates (16 minutes – 4 pages)

Learning Objective is to review other new CFPB regulations affecting loan originators.

Unit 4 CFPB Case Study (3 minutes – 1 page)

Learning Objective is to see how the CFPB's powers can impact loan originators and lenders in real life. Includes a short case study assessment.

Quiz 5 questions (4.5 minutes)

MODULE 5: THE MORTGAGE ACTS AND PRACTICES – ADVERTISING AND MARS RULES (1 HOUR OF CONSUMER PROTECTION, FRAUD, ETHICS AND FAIR LENDING)

Unit 1 Mortgage Acts and Practices (8 minutes – 3 pages)

Learning Objectives are to understand what types of mortgage advertisements are deceptive to consumers, and to understand the penalties for deceptive mortgage advertisements.

Unit 2 Analyzing Ads for Violations (6 minutes – 3 pages)

Learning Objective is to identify fraudulent or misleading mortgage advertisements.

Unit 3 The MARS rule (24 minutes – 6 pages)

Learning Objectives are to understand the purpose and function of the MARS rule, and to learn how to comply with requirements of the MARS rule.

Unit 4 MARS Rule Case Studies (5 minutes – 1 page)

Learning Objective is to see a real-life example of a MARS rule violation, and the penalties for such a violation.

Quiz 5 questions (4.5 minutes)

MODULE 6: NONTRADITIONAL MORTGAGE PRODUCTS AND ADJUSTABLE RATE MORTGAGES (1 HOUR OF NONTRADITIONAL LENDING)

Unit 1 Nontraditional Mortgage Product Risk (13 minutes – 3 pages)

Learning Objectives are to understand the impact of nontraditional mortgage risk on consumers, and the economy and to understand how those risks have given rise to the need for the new lending regulations.

Unit 2 Introducing ARMs (15 minutes – 3 pages)

Learning Objectives are to understand the history behind the use of ARMs in the United States, and understand how ARMs work.

Unit 3 Different Types of ARMs (10 minutes – 3 pages)

Learning Objectives are to understand the different ARM products which have influenced the market in the last decade and understand disclosure requirements for ARMs, in order to protect consumers from abusive ARMs.

Unit 4 ARMs Case Study (5 minutes – 1 page)

Learning Objective is to understand how one of the major ARM indexes, the Libor, was subject to manipulation during the Millennium Boom.

Quiz 5 questions (4.5 minutes)

MODULE 7: REVERSE MORTGAGES (1 HOUR OF NONTRADITIONAL LENDING)

Unit 1 The HECM Reverse Mortgage (10 minutes - 3 pages)

Learning Objectives are to understand the current need for reverse mortgage type products in the future as Baby Boomers retire, and to understand the basic features of the HECM reverse mortgage.

Unit 2 Requirements and Disclosures (24 minutes – 5 pages)

Learning Objectives are to understand the specific qualifications and rules in place for the HECM reverse mortgage, and what different programs and uses are available under the HECM program.

Unit 3 Fraud and HECM's future (5 minutes – 2 pages)

Learning Objectives are to review common reverse mortgage scams, the HECM program's status, and to understand why extra vigilance is needed to protect consumers of reverse mortgages.

Unit 4 HECM Case Study (4 minutes – 1 page)

Learning Objective is to see how current HECM rules can negatively impact reverse mortgage consumers, and expose a common unethical loan originator practice associated with reverse mortgages. Includes a short case study assessment.

Quiz 5 questions (4.5 minutes)

MODULE 8: CREDIT (1 HOUR OF ELECTIVE)

Unit 1 A brief overview of credit (14 minutes – 4 pages)

Learning Objectives are to review the factors which create the most prevalent credit score, the FICO score, and to understand the differences between the FICO score and other credit scores used in the market.

Unit 2 Credit repair (14 minutes – 3 pages)

Learning Objectives are to learn about credit repair, the rules credit repair organizations must abide by, and to understand what information about credit and credit repair is available to consumers.

Unit 3 Nontraditional credit (13 minutes – 4 pages)

Learning Objectives are to understand the difference between traditional and nontraditional credit, and review guidelines for using nontraditional credit in mortgage lending.

Unit 4 Credit Repair Case Study (2 minutes – 1 page)

Learning Objective is to see the real-life application of the CROA in punishing violators. Includes a short case study assessment.

Quiz 5 questions (4.5 minutes)

FINAL EXAM

Exam 25 questions (20 min)