

8 Hour SAFE Comprehensive: Compliance in Action 2018

Course Description and Purpose

This course satisfies the requirements set forth by the SAFE Act for a comprehensive 8-hour continuing education course for mortgage loan originators. *SAFE Comprehensive: Compliance in Action 2018* covers topics required by the SAFE Act: (3hrs) of federal law, (2hrs) of nontraditional mortgage lending, (2hrs) of ethics (which shall include fraud, consumer protection, and fair lending issues), plus (1hr) of undefined education (elective).

Course Provider

School Name: Tennessee Association of Mortgage Professionals
Address: PO Box 111, Spring Hill, TN 37174
Phone: 615-302-0809
Other contact information: BShort@TNAMP.com
Location: Throughout Tennessee
Date/Times: Various dates each month in 2018

Course Instructor

Name: Brian Short, Kim Miller, Mike Simmons, Jim Tew
Qualifications: Past TNAMP Instructors, all with over 20 years in the industry

Course Learning Objectives

After completing this course, you will be able to:

- Identify how to implement and use the TILA, RESPA, and ECOA regulations in daily business transactions to protect consumer and their investments.
- Describe Regulation X and Z regulation enforcement and disclosure requirements.
- Identify how certain regulations govern ethical behavior in the mortgage industry, including TILA, RESPA, BSA, AML, GLBA, and FACTA.
- Describe prohibited MLO actions based upon ethics-based regulations.
- Describe the Bank Secrecy Act and Anti-Money Laundering Act's regulations financial institutions must meet to protect against fraudulent monetary schemes.
- Review the Guidance on Nontraditional Mortgage Product Risks and the Statement on Subprime Mortgage Lending, including the mortgage standards advised by these documents.
- Identify the characteristics, benefits, and risks of various nontraditional loan products.
- Identify the key requirements of mortgage lending regulations and the enforcement actions that will follow violations of these laws and acts.

Course Materials

The core instructional text for this course:

- *SAFE Comprehensive: Compliance in Action 2018*

Course Expectations

Attendance: Attendance is mandatory to receive course credit.

Classroom Policies:

- Active participation is required in this course. Students are expected to be actively engaged with the material, listen to and follow the directions of the facilitator (instructor), participate in group discussions and activities, and complete all student activities as assigned.
- Students are expected to be respectful when interacting with the instructor and other students in the classroom and refrain from inappropriate language or derogatory comments.
- Cell phones should be on mute or turned off.
- Tape recorders are not permitted during class lecture sessions.

Course Completion

Before your completion status can be transmitted to the Nationwide Mortgage Licensing System & Registry (NMLS), you are required to:

- Spend the minimum required amount of time in the course.
- Attend and participate in all course sessions.
- Complete all required activities.
- Multiple-choice chapter quizzes are included as additional activities with no passing score required.

Course Evaluation

At the conclusion of the course, you will be asked to complete a Course Evaluation.

Course Outline

Course Introduction

Estimated Time	5 minutes
Topics	<ul style="list-style-type: none"> • Course Materials • Student Expectations

Chapter 1: TILA, RESPA, and ECOA Consumer Protections

Estimated Time	145 minutes
Chapter Topics Part 1: The Truth In Lending Act	<ul style="list-style-type: none"> • The Consumer Credit Protection Act • Implementation of TILA <ul style="list-style-type: none"> • Eligibility for TILA Disclosure Requirements • TRID Disclosures <ul style="list-style-type: none"> • TRID Disclosure Requirements • Applicable Credit Disclosure Requirements <ul style="list-style-type: none"> • Timing of Disclosures • TILA Advertising Disclosures <ul style="list-style-type: none"> • Triggering Terms Requiring Disclosure • Advertising Requirements for Settlement Service Providers • TILA and the Right to Rescind
ACTIVITY	<ul style="list-style-type: none"> • Knowledge Checks • Class Discussion Activities
Chapter Topics Part 2: The Real Estate Settlement Procedures Act	<ul style="list-style-type: none"> • Introduction to RESPA <ul style="list-style-type: none"> • RESPA Loan Coverage • Paying Bona Fide Discount Points • Mortgage Loan Settlement Services <ul style="list-style-type: none"> • Case Study: Failure to Disclose Ownership • Prohibition of Paying/Accepting a Kickback <ul style="list-style-type: none"> • Case Study: Kickbacks and the CFPB • Seller-Required Title Insurance • Foreclosure Processes • RESPA Early Intervention Requirements of Servicers <ul style="list-style-type: none"> • Receipt of a Loss Mitigation Application
ACTIVITY	<ul style="list-style-type: none"> • Knowledge Checks • Class Discussion Activities
Chapter Topics Part 3: The Equal Credit Opportunity Act	<ul style="list-style-type: none"> • Introduction to ECOA <ul style="list-style-type: none"> • ECOA and Marital Status • Considering Income • Age of Applicant • Citizenship Status and ECOA • Rules for Evaluating Applications • Analyzing Credit

	<ul style="list-style-type: none"> • Credit Scoring Systems • Credit Decisions • Disparate Impact and Disparate Treatment
ACTIVITY	<ul style="list-style-type: none"> • Class Discussion Activities
Chapter Quiz	<ul style="list-style-type: none"> • 30 multiple-choice questions; no passing score required

Chapter 2: Ethical Regulations and Compliance

Estimated Time	95 minutes
Chapter Topics Part I. Ethical Regulation in the Mortgage Industry	<ul style="list-style-type: none"> • Federal Laws Governing Ethical Behavior • The SAFE Act • The Dodd-Frank Act • Real Estate Settlement Procedures Act • Truth-in-Lending Act • Advertising (Regulation N): Unfair Acts or Practices • Gramm-Leach-Bliley Act • Fair and Accurate Credit Transaction Act • The False Identification Crime Control Act of 1982 • Identity Theft Assumption and Deterrence Act • The Home Mortgage Disclosure Act • The Housing Financial Discrimination Act of 1977 • Financial Institutions Reform, Recovery, and Enforcement Act • Homeownership Protection Act • Housing and Economic Recovery Act (HERA) • Mortgage Assistance Relief Services Rule • Telemarketing Sales Rule • Senior Citizen Consumer Fraud
ACTIVITY	<ul style="list-style-type: none"> • Knowledge Checks

[Suggested Break]

Chapter 2: Ethical Regulations and Compliance (cont.)

Chapter Topics Part 2: Money Laundering and the Mortgage Industry	<ul style="list-style-type: none"> • Anti-Money Laundering Regulations • Bank Secrecy Act • Money Laundering Prevention Regulations • U.S.A. PATRIOT Act • Anti-Money Laundering (AML) Act • BSA and AML Act Effectiveness • Money Laundering Risks in Real Estate • Case Study: Ethics Scenario
ACTIVITY	<ul style="list-style-type: none"> • Knowledge Checks • Class Discussion Activities
Chapter Quiz	<ul style="list-style-type: none"> • 20 multiple-choice questions; no passing score required

Chapter 3: Nontraditional Loans

Estimated Time	95 minutes
Chapter Topics Part 1: Development of the Subprime Market	<ul style="list-style-type: none"> • Recent History of the Mortgage Industry • Understanding the Background of the Subprime Mortgage Crisis • Guidance on Nontraditional Mortgage Product Risk <ul style="list-style-type: none"> • The Government Accountability Office • CSBS and AARMR Guidance • Statement on Subprime Mortgage Lending • CSBS/AARMR/NACCA Subprime Statement
ACTIVITY	<ul style="list-style-type: none"> • Knowledge Checks
Chapter Topics Part 2: Nontraditional Mortgage Loan Programs	<ul style="list-style-type: none"> • Nontraditional Mortgages <ul style="list-style-type: none"> • 15-Year Fixed-Rate Loans • Adjustable Rate Mortgages • Case Study: Hybrid ARMs and Rate Caps • Interest-Only Mortgages • Balloon Mortgage • Reverse Mortgage • FHA Loans and Updates • Nontraditional Underwriting
Activity	<ul style="list-style-type: none"> • Class Discussion Activities
Chapter Quiz	<ul style="list-style-type: none"> • 20 multiple-choice questions; no passing score required

Chapter 4: CFPB Enforcement Actions

Estimated Time	45 minutes
Chapter Topics	<ul style="list-style-type: none"> • The CFPB <ul style="list-style-type: none"> • Understanding Enforcement Actions and Agreements • RESPA Section 8 <ul style="list-style-type: none"> • RESPA Section 8 Regulations • Case Study: CFPB v. Meridian Title • Foreclosure <ul style="list-style-type: none"> • RESPA and Foreclosure Regulations • Case Study: CFPB v. Fay Servicing, LLC • Home Mortgage Disclosure Act <ul style="list-style-type: none"> • HMDA Regulatory Purpose • Case Study: CFPB vs. Nationstar Mortgage LLC • Reverse Mortgages and the MAP Rule <ul style="list-style-type: none"> • Reverse Mortgage: Prohibited Representations • CFPB vs. American Advisors Group • Discrimination and Mortgage Lending <ul style="list-style-type: none"> • ECOA and the Fair Housing Act Discrimination Regulation • Case Study: DOJ and CFPB vs. BancorpSouth Bank

ACTIVITY	• Knowledge Checks
Chapter Quiz	• 10 multiple-choice questions; no passing score required

Final Activity and Course Evaluation

Estimated Time	20 minutes
Activity	Comprehensive Application Final Activity
Survey	Complete a course evaluation
Total Estimated Time	400 minutes