



8 Hour MA SAFE Comprehensive: Key Topics for MLO's Syllabus

Course Provider

Host Group Real Estate Academy
236 Huntington Avenue Suite #312
Boston, MA 02115
800-918-5240
www.hostgroup.us / www.hostgroupboston.com
info@hostgroup.us

Course Purpose

This course satisfies the requirements set forth by the Secure and Fair Enforcement Mortgage Licensing Act for a comprehensive 8-hour continuing education course for mortgage loan originators.

Course Description

This course covers the following continuing education topics as required by the SAFE Act: Federal lending legislation: RESPA Rules, Regulations, and Disclosure (3 hrs), ethics: Mortgage Fraud (2 hrs), and nontraditional mortgage products: The Reverse Mortgage (2 hrs). Massachusetts law review(1 hr) is also included.

Course Objectives

Upon completion of this course, students will be able to:

- Define a mortgage loan and a residential mortgage loan.
- List the three acts that require a loan originator license.
- Describe how compensation for mortgage professionals is defined under Massachusetts law.
- List the persons who are exempt from being licensed as a loan originator.
- State the activities that loan originators are prohibited from undertaking.
- Discuss the requirements for being an independent loan processor or underwriter.
- Recite the license renewal requirements for loan originators.
- List the reasons for denial, suspension, or revocation of a loan originator license.
- Discuss the purpose and limits of the Mortgage Recovery Fund.
- List the required disclosures that must be given to private investors who fund mortgage loans in Arizona.
- Describe the securities issues that relate to loans funded by private investors.
- Recite the basic steps in a non-judicial foreclosure of a deed of trust.
- Define the types of properties that are exempt from a deficiency judgment when a trustee's foreclosure sale is conducted.
- Describe the reverse mortgage and how it can help the senior homeowner.
- Recognize the types of reverse mortgages now available in the industry.
- Discuss how this market is changing to meet the needs of borrowers.
- Identify the requirements, payment options, and providers of this product.



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- Be familiar with “Truth in Lending Requirements” for reverse mortgages.
- Define mortgage fraud.
- Identify the agencies responsible for monitoring fraud.
- Identify the participants in mortgage fraud schemes.
- Recognize the effects mortgage fraud has on consumers.
- Understand the events that have led to an increase in mortgage fraud.
- Define fraud for profit and fraud for property.
- Recognize the participants in these mortgage fraud schemes.
- Identify the various types of schemes involved in mortgage fraud.
- Identify the various mechanisms used to perpetrate mortgage fraud schemes.
- Recognize the red flags associated with each fraud mechanism.
- Adopt best practices to mitigate the scheme.
- Describe the purpose of RESPA and explain how its rules and regulations apply to loans, lenders, and service providers.
- Identify the required RESPA disclosures and indicate when each completed form must be completed and delivered to a borrower.
- Discuss the format of the Good Faith Estimate disclosure and identify how settlement costs the borrower is likely to incur are shown in specific blocks on this standardized form.
- Discuss the format of the HUD-1 Settlement Statement disclosure and identify how actual settlement costs are recorded and itemized in sequential lines on this standardized form.
- Explain how estimates on the GFE can be compared to actual charges recorded on the HUD-1 Settlement Statement.
- Describe tolerance levels that apply to specific cost categories limit the amount of change permitted from initial estimate to actual recorded cost.

Course Instructor

Dee “Fuse” Kumar is the head instructor for Host Group Real Estate Academy. He has been mentoring and training mortgage and real estate professionals for 10 years, with over 17 years of experience in the real estate and hospitality industries. After helping coach real estate professionals for many years, Dee decided to create mortgage finance and real estate classes to help teach and train people interested in learning the ins and outs of the industry. Dee's skills are very strong; an expert at wearing many hats in the Real Estate Industry, Dee has also worked in mortgage processing and operations, as an underwriter, lecturer, real estate broker, investor, property manager, sales coach, and business consultant to many real estate and mortgage companies aiding in group training, marketing, and technology implementation. An avid writer, Dee has authored many articles about the mortgage industry. He is currently developing software technologies for several mortgage and finance applications and fraud detect predictive analytics, and is writing three books – one for mortgage processors and originators, one on mortgage fraud, and one on Asset Protection.

Expected Behavior



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Students are expected to be respectful when interacting with the instructor and other students and refrain from inappropriate language or derogatory comments. Cell phones should be on mute or turned off.

Support

If you have support questions, Host Group Real Estate Associates are available to assist you. Call toll-free: **1-800-918-5240** during these times: **Monday-Friday, 9:00 am - 7:00 pm ET: Closed Saturdays Sunday**

Required Course Materials

The core instructional text for this course:

8 Hour MA SAFE Comprehensive: Key Topics for MLOs (Hondros Learning)

Each chapter includes key terms, a summary, and a quiz

Course Completion Requirements

To receive credit for this course, students must attend the entire 8 hours.

Section	Topics
<p>Part 1 Nontraditional Mortgage Products – The Reverse Mortgage 2 hours Required Topic</p>	<p>The Aging Population The Average Senior</p> <p>Creative Solutions Traditional Mortgage Typical Reverse Mortgage Spending Down the Equity Exceptions</p> <p>Income and Credit Requirements</p> <p>Basic Features of Reverse Mortgages Age Requirement Home Requirement Owner Requirement</p> <p>Amount Available with a Reverse Mortgage Age of the Homeowner Payment Options</p> <p>Spending Options Tax Implications Income Implications</p> <p>When the Loan Comes Due Non-Recourse Loans Defaulting on a Reverse Mortgage</p> <p>HUD’s Reverse Mortgage The Popularity of the HECM Basic Features of the HECM</p>

Section	Topics
	<p>Mortgage Amount HECM Payment Options HECM – Credit Line Growth HECS Insurance Premiums</p> <p>Reverse Mortgage Loans: Counseling Services Reverse Mortgage Loans: The Process Downsizing</p> <p>HECM Home Purchase Overview The Saver Option Fannie Mae Truth in Lending Requirements Timing of TILA Disclosures</p> <p>Advantages to a Reverse Mortgage Confronting the Negatives Clearing Up Some Myths Getting a Reverse Mortgage Step One – Contact and Counseling Step Two – Application Step Three – Underwriting Step Four – Closing</p>
<p>Part 2 Two-Hour Ethics: Mortgage Fraud</p> <p>2 hour Required Topic</p>	<p>Mortgage Fraud Defined Federal Bureau of Investigation Federal, State, and Local Law Enforcement</p> <p>Who is Committing Mortgage Fraud Where Does Mortgage Fraud Occur? A High Priority for the FBI</p> <p>Financial Fraud Enforcement Task Force Financial Crimes Enforcement Network Federal National Mortgage Association Fraud Investigation Unit</p> <p>Effects of Mortgage Fraud Who is Affected by Mortgage Fraud? Consumers Investors</p> <p>A Growing Problem Growth of Mortgage Fraud Technology</p> <p>Types of Mortgage Fraud Property Flipping Schemes Good Flipping versus Illegal Flipping</p> <p>Builder Bailout Chunking United States vs. Lawler, et al.</p> <p>Mortgage Servicing Fraud Phantom Sale Reverse Mortgage Fraud Short Sale Fraud Non-Arm's Length Short Sale to Facilitate a Principal</p>

Section	Topics
	<p>Loan Reduction Unauthorized Fees and/or Payments Short Sale Flip Foreclosure Rescue Fraud for Property Buy and Bail Fraud Mechanisms Asset Rental Fake Down Payment Fraudulent Appraisal Fraudulent Documentation Fraudulent Use of a Shell Company Straw Borrower/Nominee Borrower</p>
<p>Part 3 Three-Hour Law: RESPA Rules, Regulations, and Disclosure</p> <p>3 hour Required Topic</p>	<p>What is RESPA? Purpose of RESPA When RESPA Rules and Regulations Apply When RESPA Rules and Regulations Do Not Apply</p> <p>What is a Settlement Service? Who are Settlement Service Providers? Need for Required Disclosure</p> <p>What the Borrower Can Pay For Compensable Settlement Services</p> <p>Understanding “Anything of Value” Offering Incentives Advertising and Promotion</p> <p>Required Disclosures under RESPA The Definition of “Application”</p> <p>Required Disclosures at Application Special Information Booklet The Good Faith Estimate The Mortgage Servicing Disclosure Statement</p> <p>Required Disclosures before Settlement The Affiliated Business Arrangement Disclosure HUD-1 Settlement Statement (Preliminary)</p> <p>Required Disclosures at Settlement The HUD-1 Settlement Statement The Initial Escrow Statement</p> <p>Required Disclosures after Settlement Annual Escrow Statement Servicing Transfer Statement</p> <p>RESPA Enforcement Civil Lawsuits and Penalties Criminal and Civil Penalties Complaints</p> <p>The Good Faith Estimate Form Uniform Standards for Consumer Comparison Method of Delivery Seller Paid Costs Included</p>

Section	Topics
	<p>Tolerance for Changes Borrower Information Collected at Application Borrower Signature Verification of Borrower Information Expiration of the GFE</p> <p>GFE – Page One GFE – Page Two GFE – Page Three</p> <p>What is a Tradeoff Table? Borrower’s Shopping Chart</p> <p>What is the HUD-1 Settlement Statement? When the HUD-1 is Distributed When the HUD-1 is Not Required</p> <p>HUD-1A Form Who Pays for Settlement Charges No Cost Loans Tolerance Levels</p> <p>HUD-1 Statement: Page One HUD-1 Statement: Page Two HUD-1 Statement: Page Three Comparison of the GFE and HUD-1 Charges That Cannot Increase More Than 10% Charges That Can Change Loan Terms</p>
<p>Part 4 One-Hour Law Review: MA Rules, Regulations, and Disclosure, Unfair and Deceptive Practices.</p> <p>1 hour Required Topic</p>	<p>I. Mortgage Regulatory Agencies A. Massachusetts Division of Banks B. Office of the Attorney General C. Responsibilities and limitations</p> <p>II. State Law and Regulation Definitions A. General Laws Chapter 255E – Licensing of Mortgage Brokers and Lenders B. General Laws Chapter 255F – Licensing of Mortgage Loan Originators C. General Laws Chapters 183 and 184 D. General Laws Chapter 93A E. General Laws 167E section 7 - Mortgages and Loans F. Division’s Regulations 209 CMR 41.00, 42.00, 32.00, 48.00 G. Attorney General’s Regulations 940 CMR 8.00: Mortgage Brokers and Mortgage Lenders</p> <p>III. Loan Originator License Law and Regulation A. Persons required to be licensed 1. Non-exempt 2. Exempt</p> <p>B. Licensee qualifications and application process</p>

Section	Topics
	<ul style="list-style-type: none"> 1. Financial responsibility (credit report) 2. Background check (criminal check) 3. Pre-licensing education testing C. Grounds for denying a license 1. Criminal convictions 2. Previous revocation 3. Prohibition 4. Character and fitness 5. Financial Responsibility (credit) 6. Adverse civil judgments D. License maintenance 1. Continuing education 2. Personal information updates and required notifications 3. Renewal 4. Termination, reassignment, inactivation and reactivation IV. Compliance A. Loan Originator - Broker 1. Prohibited conduct and practices 2. Required conduct 3. Fees and charges 4. Disclosures and agreements 5. Advertising 6. Record keeping and reporting B. Loan Originator - Lender 1. Prohibited conduct and practices 2. Required conduct 3. Fees and charges 4. Disclosures and agreements 5. Advertising 6. Record keeping and reporting C. Loan Originator - General 1. Prohibited conduct and practices V. Disciplinary Action A. General Laws Chapter 255F – Sections 7 thru 13 1. Notifications, hearings, and appeals 2. Suspension and revocation of licenses 3. Penalties/fines 4. Civil and criminal liability B. General Laws Chapter 93A 1. Notifications, hearings, and appeals 2. Suspension and revocation of licenses



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Section	Topics
	3. Penalties/fines 4. Civil and criminal liability VI. Unique State Test Areas A. Reverse Mortgages B. Community Reinvestment Act (CRA) C. 90 Day Right to Cure After Default on a Mortgage Loan