

8-HOUR CA-DBO SAFE COMPREHENSIVE

A Mortgage Origination Review

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

NMLS Course # 6201
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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 CA-DBO SAFE COMPREHENSIVE – A MORTGAGE ORIGINATION REVIEW

COURSE SYLLABUS AND COURSE INSTRUCTIONS

COURSE DESCRIPTION

This course digests the core lending regulations of and recent changes to the Truth in Lending Act (TILA) and Regulation Z (Reg Z), the Real Estate Settlement Procedures Act (RESPA) and Regulation X (Reg X), the Mortgage Assistance Relief Services Rule, the Mortgage Acts and Practices – Advertising (MAP) Rule, mortgage fraud detection, the Red Flags Rule, the Bank Secrecy Act and anti-money laundering rules, Federal Housing Administration (FHA)-insured and U.S. Department of Veterans Affairs (VA)-guaranteed loans as alternatives to conventional financing, California Department of Business Oversight (DBO)-specific licensing laws, as well as a review of California foreclosure law.

CREDIT BANKING

first tuesday credit banks (reports student course completion) on the following schedule, excluding holidays:

Jan 2-Feb 23, 2:00 PM PST MWF

Feb 26, 27, 28, 2:00 PM PST Every Day

Mar 1-Oct 31, 2:00 PM PST F

Nov 1-Dec 7, 2:00 PM PST MWF

Dec 10-Dec 21, 2:00 PM PST Every Day

first tuesday will be credit banking for the last time in 2018 at 12:00 PM PST on December 31, 2018.

COURSE COMPLETION DATE

You may complete this course during 2018 to meet the on-time CE requirements to renew in 2018. On-time renewal processing with the NMLS does not begin until November 1, 2018.

Keep in mind the following deadlines:

first tuesday will be credit banking for the last time in 2018 at 12:00 PM PST on December 31, 2018.

The Guaranteed-to-Miss-Renewal Deadline: December 31, 2018

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

The At-Risk-to-Miss-Renewal Deadline: December 24, 2018

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 18, 2018

Completing the course by this date ensures you will receive course credit in time for the annual 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 31, 2018**, it will **automatically be converted to a Late CE course on January 1, 2019**. 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 correct it or 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 each time you log in to the course, and before Module 3, Module 6 and the final exam. You will use the same BioSig password every year.

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

Most 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 your 1-year 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 every Friday.

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 Mozilla Firefox, Google Chrome, Microsoft Edge and Microsoft Internet Explorer are supported. We highly recommend you update your browser before starting the course.

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 ftcustomerservice1@gmail.com.

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

COURSE OBJECTIVES

- Review existing TILA and Regulation Z requirements, including understanding permissible fees, finance charges and their disclosure, advertisement requirements and annual percentage rates
- Review existing RESPA and Regulation X requirements, including types of loans subject to RESPA and steps required before initiating foreclosure
- Understand the basic requirements of FHA-insured and VA-guaranteed lending
- Understand common mortgage fraud schemes, and how to detect them
- Identify protections which need to be in place to prevent identity theft and money laundering
- Identify unlawful and misleading practices in communicating with consumers
- Understand how nontraditional ARMs function, and the benefits and risks they pose for consumers
- Identify and understand DBO licensing laws under both the Consumer Residential Mortgage Lending Act (CRMLA) and the California **Finance Lenders Financing** Law (**CFLLCFL**)

- Understand the California nonjudicial foreclosure process, including how it is affected by the Homeowner Bill of Rights

COURSE OUTLINE

MODULE 1: THE TRUTH-IN-LENDING ACT AND REGULATION Z (1 HOUR OF FEDERAL REGULATION)

Unit 1 Regulation Z (Truth-in-Lending Act) Review (13 minutes – 4 pages)

Learning Objectives are to identify the purpose of the Truth-in-Lending Act (TILA), Regulation Z (Reg Z) and determine the threshold at which a lender becomes a Reg Z lender.

Unit 2 Integrated disclosures (13 minutes – 4 pages)

Learning Objectives are to learn about the purpose, structure and use of the new Loan Estimate and Closing Disclosure forms.

Unit 3 Rescission and Reg Z Advertising rules (15 minutes – 4 pages)

Learning Objectives are to identify the proper guidelines to follow in connection with a notice of right to rescind, understand the advertising rules set forth by Regulation Z and identify triggering terms and the disclosures they trigger.

Unit 4 Regulation Z Case Study (2 minutes - 1 page)

Learning Objective is to see an application of how the right to rescind applies in practice.

Quiz 5 multiple choice questions (4.5 minutes)

MODULE 2: TILA MINIMUM STANDARDS FOR RESIDENTIAL MORTGAGE LOANS (1 HOUR OF FEDERAL REGULATIONS)

Unit 1 Ability-to-repay rules and qualified mortgages (22 minutes – 8 pages)

Learning Objectives are to know the ability-to-repay rules, differentiate between a qualified mortgage and a non-qualified mortgage, as set out by the ability-to-repay rules.

Unit 2 Loan originator compensation rules (12 minutes – 4 pages)

Learning Objectives are to identify the requirements and activities which designate a loan originator under the Truth-in-Lending Act, differentiate between allowable and non-allowable loan originator compensation and identify prohibited activities under the steering prohibitions.

Unit 3 The finance charge and annual percentage rate (7 minutes – 2 pages)

Learning Objectives are to define and determine what charges and tolerances apply to the finance charge and the annual percentage rate.

Unit 4 TILA Steering Case Study (2 minutes – 1 page)

Learning Objective is to see how the CFPB is enforcing the loan originator compensation steering prohibitions.

Quiz 5 questions (4.5 minutes)

MODULE 3: 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 (8 minutes – 4 pages)

Learning Objective is to identify fraudulent or misleading mortgage advertisements.

Unit 3 The MARS rule (22 minutes – 5 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 Study (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 4: MORTGAGE FRAUD, RED FLAGS RULE, ANTI-MONEY LAUNDERING AND DO NOT CALL (1 HOUR OF CONSUMER PROTECTION, FRAUD, ETHICS AND FAIR LENDING)

Unit 1 Mortgage fraud overview and the Red Flags Rule (21 minutes – 5 pages)

Learning Objectives are to identify common mortgage fraud schemes and features that point to fraud, and determine the protections which need to be in place to prevent identity theft under the Red Flags Rule.

Unit 2 The Bank Secrecy Act and anti-money laundering (7 minutes – 2 pages)

Learning Objective is to teach the student to understand a mortgage company's responsibilities in detecting the use of illicit funds under the anti-money laundering rules.

Unit 3 Do Not Call – Telemarketing and Consumer Fraud and Abuse Prevention Act (TCFAPA) (12 minutes – 3 pages)

Learning Objectives are to understand the prohibitions imposed on telemarketing by the TCFAPA and to determine how to comply with telemarketing call rules.

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

Learning Objective is to see how TCFAPA prohibitions applied to a real-life case.

Quiz 5 questions (4.5 minutes)

MODULE 5: RESPA, AFFILIATED BUSINESS ARRANGEMENTS AND KICKBACKS (1 HOUR OF FEDERAL REGULATIONS)

Unit 1 RESPA Introduction (12 minutes – 4 pages)

Learning Objectives are to understand the purpose and scope of the RESPA and Reg X regulations and identify loans subject to RESPA and Reg X.

Unit 2 Kickbacks and split fees (12 minutes – 5 pages)

Learning Objectives are to define the parameters of an illegal kickback and differentiate between permissible and impermissible types of compensation under RESPA historically, and in the light of recent law.

Unit 3 Affiliated business arrangement rules, kickback scenarios and foreclosure rules (17 minutes – 6 pages)

Learning Objectives are to understand acceptable and unacceptable conduct on affiliated business arrangements, review kickback scenarios and understand RESPA's impact on foreclosure filings.

Unit 4 Split fee Case Study (2 minutes – 1 page)

Learning Objective is to review the case which changed the rules for split fee violations under RESPA.

Quiz 5 questions (4.5 minutes)

MODULE 6: FHA-INSURED MORTGAGES (1 HOUR OF NONTRADITIONAL LENDING)

Unit 1 FHA-insured loans (27 minutes – 8 pages)

Learning Objectives are to understand the Federal Housing Administration (FHA)'s purpose as a government guarantor of mortgages, summarize available FHA programs, and review basic underwriting standards for the FHA's single family residence programs.

Unit 2 How the FHA's mortgage premiums work (5 minutes – 3 pages)

Learning Objectives are to understand the inclusion of default insurance premiums and impounds as part of the total monthly payment on an FHA-insured loan, review the cancellation requirements for FHA-insured default insurance and determine the effect default insurance has on the amount the borrower is qualified to borrow.

Unit 3 FHA Energy-Efficient Mortgages (9 minutes – 3 pages)

Learning Objective is to understand the parameters of the FHA's Energy-Efficient Mortgage (EEM) mortgage program.

Unit 4 FHA Case Study (2 minutes – 1 page)

Learning Objective is to analyze the impact of an FHA-insured mortgage on a borrower's purchasing power.

Quiz 5 questions (4.5 minutes)

MODULE 7: ARMS AND VA LOANS (1 HOUR OF NONTRADITIONAL LENDING)

Unit 1 Introducing ARMs (15 minutes – 5 pages)

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

Unit 2 VA Loans (15 minutes – 6 pages)

Learning Objectives are to identify eligibility requirements for VA loans and determine general underwriting standards for VA loans.

Unit 3 The Interest Rate Reduction Refinance Loan (9 minutes – 3 pages)

Learning Objectives are to teach the student to identify eligibility requirements for the VA IRRRL program.

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

Learning Objective is to compare an FHA-insured loan with a VA-guaranteed loan.

Quiz 5 questions (4.5 minutes)

MODULE 8: CRMLA, **CFLLCFL** AND THE HOMEOWNER BILL OF RIGHTS (1 HOUR OF CA-DBO ELECTIVE)

Unit 1 CRMLA Licensing (14 minutes – 6 pages)

Learning Objectives are to understand the qualifications for and process of obtaining a California Residential Mortgage Lending Act (CRMLA) license, identify the structure which allows a CRMLA licensee and mortgage loan originator (MLO) to originate, service and broker residential mortgage loans and identify the renewal requirements for CRMLA licensees and individual MLO licensees.

Unit 2 **CFLLCFL** Licensing (14 minutes – 5 pages)

Learning Objectives are to understand the qualifications for and process of obtaining a California **Finance Lenders Financing** Law (**CFLLCFL**) license, identify prohibited **CFLLCFL** licensee practices and review **CFLLCFL** licensee reporting requirements.

Unit 3 Foreclosure and the Homeowner Bill of Rights (15 minutes – 4 pages)

Learning Objectives are to understand California's nonjudicial foreclosure process and the current status of the Homeowner Bill of Rights.

Quiz 5 questions (4.5 minutes)

FINAL EXAM

Exam 25 questions (20 min)