

7 Hour SAFE Core: 2022 Originator Fundamentals

Course Provider:

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NMLS Course Provider ID:

1400327

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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 MLO's 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

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 these rules are in addition to whatever applicable rules the course provider may have set. Additionally, I understand that the course provider or others may report any alleged violations to NMLS. NMLS may conduct an investigation into alleged violations and may report alleged violations to the state(s) in which I am seeking licensure or maintain licenses, or to other states. As an individual completing either pre-licensure education (PE) or continuing education (CE) I attest the course format I am being credit banked for has been entirely completed by myself and have met required below:

Classroom (live)

- Completed sign-in by providing my signature prior to the start of the course
- Provided government issued ID at time of sign-in of the course to verify who I say I am
- Engaged with other students and instructor(s)
- Returned from breaks and lunches on time as required
- Participated and was engaged throughout the entire course
- Properly completed the entire seat-time the SAFE Act required for the approved
- NMLS course in order to receive an end-of-course completion certificate

Classroom Equivalent (webinar)

- Provided at the time of entering the webinar platform:
- Government issued ID
- Knowledge-Based Authentication
- Returned from breaks and lunches on time as required
- Properly completed the entire seat-time the SAFE Act required for the approved NMLS course in order to receive an end-of-course completion certificate by the following means:
- Use of camera for the entire duration of the course and visible from the shoulders up
- Understand that if I fail to maintain camera presence for a period of greater than 10 minutes I will be removed from the class and not receive credit
- Engaged and completed all course quizzes and case studies

- Engaged and completed all polls
- Understand at various times during the CEQ/webinar course, I will be required to authenticate my identity and engagement.
- Engaged with other students and facilitators/instructor(s)

Online Instructor-Led (online with instructor)

- Provided at the time of entering the Learning Management System (LMS):
- Met the personal identification requirements set forth by the provider
- Will not divulge my login ID or password or login credentials to another individual for any online course
- Used my own personal login information to complete the NMLS approved online course
- Properly completed the entire seat-time the SAFE Act required for the approved NMLS course in order to receive an end-of-course completion certificate by the following means:
- Engaged and completed all course quizzes and case studies
- Engaged with other students and facilitators/instructor(s)

Online Self-Study (online without instructor)

- Provided at the time of entering the Learning Management System (LMS):
- Met the personal identification requirements set forth by the provider
- Used and authenticated my own personal login for BioSig to enter and complete the NMLS approved online course
- Will not divulge my login ID or password or login credentials to another individual for any online course
- Understand at various times during the online course, I will be required to authenticate my identity through a biometric system.
- Properly completed the entire seat-time the SAFE Act required for the approved NMLS course in order to receive an end-of-course completion certificate by the following means:
- Engaged with all the course content and completed all course quizzes and case studies

Additionally, I

1. Attest that I am the person who I say I am and that all my course registration information is accurate.
2. Acknowledge that I am required to show a current government issued form of identification prior to class entry and that the name on the identification matches the name as it appears on this course registration.
3. 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. Will not give or attempt to give assistance to any other person who is registered to take an NMLS approved pre-licensure or continuing education course
5. Understand that the course provider has the right to dismiss anyone from class that creates a disturbance or interferes with the administration of the course or other students' learning, including, but not limited to cell phone/smart watch usage.
6. Acknowledge that any outside activities are prohibited while attending class and grounds for immediate removal from class.
7. 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.

8. Will not engage in any conduct that is dishonest, fraudulent, or would adversely impact the integrity of the course(s) I am completing or the conditions for which I am seeking licensure or renewal of licensure.
9. Understand and acknowledge my responsibility to report any violations or misconduct involving any of the above Rules of Conduct to the Mortgage Testing and Education Board (MTEB).
10. Understand the CSBS Privacy Notice is applicable to these Rules of Conduct. The CSBS Privacy Notice can be found here:
[https://nationwidelicencingsystem.org/about/policies/NMLS%20Document%20Library/CSBS%20External%20Privacy%20Notice-6.18%20\(1\).pdf](https://nationwidelicencingsystem.org/about/policies/NMLS%20Document%20Library/CSBS%20External%20Privacy%20Notice-6.18%20(1).pdf)

By signing below, I understand the Rules of Conduct listed above, and that any violations to these rules will be subject to an investigation by the state(s) in which I am seeking licensure in or maintaining licenses in. The results of any investigation may subject me to disciplinary actions by the state(s) or the State Regulatory Registry (SRR), including but not limited to:

- Revocation, suspension, or denial of license
- Disqualification from receiving class credit
- Retraction of class credit
- Fines
- Additional education

Print Name: _____

Course Number(s): _____

Signature: _____

Date (mm/dd/yyyy): _____

Email: _____

NMLS ID# _____

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Course Syllabus

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 three sections and a final exam

1. Maintaining Compliance in the Mortgage Industry
2. Ethical Practices and Common Fraud Schemes
3. Non-traditional Mortgage Products
4. Final exam

Total study time: 7 credit hours (5 hours, 30 minutes)

Module 1: Maintaining Compliance in the Mortgage Industry

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

- Loan Decisioning Failures, ECOA Valuation Rule, and Electronic Delivery (20 minutes)
- Adverse Actions, FHA Lending, and the Informed Consumer Choice Disclosure (35 minutes)
- Quiz (5 minutes)
- LE and CD Issuance and Reissuance (12 minutes)
- RESPA and Consumer Protection, Affiliated Business Arrangements (18 minutes)
- Transfer of Mortgage Servicing, Service Providers, Advanced Fees (8 minutes)
- Consumer Information, LE Tolerances, CD Corrections, and Third-Party Fees (6 minutes)
- ARM Disclosure, Advertising, MLO Qualifications, Rate Lock Information (25 minutes)
- LE and CE Content Shortcomings (16 minutes)

- Quiz (5 minutes)

Each year, the NMLS receives feedback from various agencies on problems and errors occurring in the mortgage industry. This feedback is then incorporated into your annual continuing education requirements as mandated by the NMLS. This module will cover a variety of conduct issues related to federal laws that are among the most frequently cited by examiners as industry problems.

Module 1 Objectives

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

- recognize a creditor's notification requirements when taking an adverse action against a loan application.
- identify a loan applicant's right to copies of valuations made during their loan application process.
- demonstrate how a consumer can consent to receiving electronic records and how this consent can be withdrawn.
- outline the requirements for a lender to originate FHA Title I and Title II loans.
- define the purpose of the Informed Consumer Choice Disclosure.
- describe how companies are to deliver initial loan disclosures and any necessary re-disclosures within the prescribed federal time frames.
- explain the kickback and referral fees that are prohibited under the Real Estate Settlement Procedures Act (12 CFR § 1024).
- describe Loan Estimate and Closing Disclosure compliance issues discovered by auditors such as a failure to identify service providers, charging advanced fees and excessive third-party fees, and proper use of credit card authorizations.
- list the requirements for issuing an Affiliated Business Arrangement Disclosure, Rate Lock Disclosure, and Adjustable Rate Mortgage Change Disclosure.
- explain the additional disclosures to be included on an advertisement when it contains a trigger term.
- outline the supervisory role of loan originator organizations and where the NMLS ID must be disclosed.

Module 2: Ethical Practices and Common Fraud Schemes

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

- Ethical Mortgage Lending Practices (45 minutes)
- Quiz (5 minutes)
- Mortgage Fraud (45 minutes)

- Quiz (5 minutes)

In this section we will review ethics in mortgage lending and how they affect the mortgage industry. We'll discuss ethical practices and consumer protection responsibilities of the mortgage loan originator, and outline various ethical standards as they relate to a compliance approach of ethical lending. This section will provide you with checklists of possible red flags of mortgage fraud.

The second half of this section will outline a variety of mortgage fraud schemes. Many of the cases outlined in this section cost millions of dollars in losses for lenders, resulted in property foreclosures, and caused stress for those who were victims of these schemes. Some of these dubious plans involved mortgage loan originators and others in the industry, while others were perpetrated by loan applicants who recruited unsuspecting buyers. Reviewing various types of fraud that occurred in our industry may help you recognize it if a suspicious application ever crosses your desk.

Module 2 Objectives

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

- explain the fiduciary duties of a mortgage loan originator.
- recognize unethical behavior in mortgage advertising, daily business, and processing of loans.
- list the various red flags to potential money laundering or fraud.
- identify specific types of mortgage fraud from case studies and examples.

Module 3: Non-traditional Mortgage Products

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

- The HomeStyle® Renovation (HSR) Program (18 minutes)
- Good Neighbor Next Door (GNND) Program (13 minutes)
- Reverse Mortgages (26 minutes)
- VA Loans (15 minutes)
- Fannie Mae RefiNow™ (8 minutes)
- Quiz (10 minutes)

Besides a traditional conventional loan product, there are other options available when it comes to rehabilitating a home for purchase and refinance that may more perfectly fit the rehab loan needs of the borrower. This module will explain several non-traditional mortgage products, exploring other options available to borrowers. We'll go over the Fannie Mae HomeStyle renovation program, the Good Neighbor Next Door program, reverse mortgages, the VA loan, and Fannie Mae's new RefiNow program.

Module 3 Objectives

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

- describe the benefits of Fannie Mae's HomeStyle® Renovation program.
- recognize the loan designed for community supporters, the Good Neighbor Next Door Program.
- explain the purpose of the Reverse Mortgage, a program that pays qualified borrowers based on the equity in their property.
- recognize how military members can purchase a property using their VA loan benefits.
- generalize the new Fannie Mae loan refinance program, the RefiNow™.

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.nationwidelicingsystem.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 Edge, 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 7 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 a 70% 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 7 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

NMLS policy states that online self-study courses (OSS) do not include instructor support. Technical support questions should be directed to OnlineEd.

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, LLC 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. Completion certificates and other school functions will also be handled by OnlineEd..

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:

7405 SW Beveland Road
Portland, OR 97223
(503) 670-9278

<https://www.OnlineEd.com>

mail@OnlineEd.com

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.”