

# 7 Hour SAFE Core: 2024 Originator Fundamentals

**Course Provider:**

OnlineEd, LLC.  
14355 SW Allen Blvd., Suite 240  
Portland, OR 97005  
1-866-519-9597  
mail@onlineed.com  
<https://www.onlineed.com>

**NMLS Course Provider ID:**

1400327

**Course Approval Date:**

March 25, 2024

**Date of Course Content:**

February 27, 2024





## **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 state-licensed MLO's to complete pre-licensing (PE) and continuing education (CE) courses as a condition of licensure. The SAFE Act also requires 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 education requirements of the SAFE Act, NMLS established Rules of Conduct (ROC). The ROC, which have been approved by the NMLS Mortgage Testing & Education Board (MTEB), 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 PE or CE I attest the course format I am being credit banked for has been entirely completed by myself alone and have met the below requirements:

#### **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:

- Provided adequate camera access to ensure visibility for the entire duration of the course by enabling the proctor to ensure I was 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):
  - Personal identification requirements set forth by the provider
- Have not and 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:
  - Provided adequate camera access to ensure visibility for the entire duration of the course by enabling the proctor to ensure I was visible from the shoulders up
- 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):
  - 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
- Have not and 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. I will not use or attempt to use any artificial intelligence and/or large language model chatbots and/or other assistance to complete 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://www.csbs.org/privacy-policy>

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

- Revocation, suspension, or denial of license
- Disqualification from receiving class credit
- Retraction of class credit
- Fines and/or administrative penalties.
- Additional education

Print Name: \_\_\_\_\_

Course Number(s): \_\_\_\_\_

Signature: \_\_\_\_\_

Date (mm/dd/yyyy): \_\_\_\_\_

Email: \_\_\_\_\_

NMLS ID# \_\_\_\_\_

# 7 Hour SAFE Core: 2024 Originator Fundamentals

## Course Syllabus

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### **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 four sections and a final exam

1. Top 10 Federal Topics for 2024
2. Ethical Mortgage Advertisement Practices
3. The Fannie Mae HomeStyle Renovation Loan
4. Final exam

Total study time: 8 credit hours (6 hours, 40 minutes)

### **Module 1: Top 10 Federal Topics for 2024**

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

- Introduction (23 minutes)
- Topic 1: "Unknown Reason" for Loan Denials (5 minutes)
- Topic 2: Rescission Notice Disclosure Not Provided (10 minutes)
- Topic 3: Prohibited Fees Charged for Rapid Recheck or Expedited Rescore Fees (5 minutes)
- Topic 4: Failure to Disclose Statement of Specific Reasons (16 minutes)
- Topic 5: Rescission Notice Not in Compliance (7 minutes)
- Module 1 Quiz: ECOA and Topics 1-5 (5 minutes)
- Topic 6: TILA Zero Tolerance Overcharge (30 minutes)
- Topic 7: Loan Estimate Not Provided Timely (7 minutes)
- Topic 8: Loan Files Lacked Confirmation of Giving Appraisals or Other Valuations (14 minutes)

- Topic 9: Post Closing Disclosure (CD) not Provided to Borrower for Change in Third Party Charges (14 minutes)
- Topic 10: Failure to Provide Appraisal and Applicable Valuation Disclosures Within Required Timeframe (4 minutes)
- Module 1 Quiz: Topics 6-10 (10 minutes)

Fair lending along with compliance to the law, established rules, and implemented regulations is everyone's responsibility. When compliance failures occur, everyone, including the customer, loses.

Licensed and registered mortgage lenders, brokers, and mortgage loan originators are required to maintain a consistent and current understanding of all regulatory requirements with which they are obligated to comply. This especially applies to individual mortgage loan originators who, in addition to their sponsoring company, will be held accountable for failures discovered through regulatory examinations and investigations involving residential mortgage loans that they originate. Additionally, it should be clearly emphasized that ignorance of the governing rules and regulations does not constitute grounds for exoneration.

The topics outlined in this module are mandated by the NMLS and state regulators, covering the more egregious regulatory compliance failures recently discovered through various regulatory examinations, investigations, and audits.

At the end of this module, you will be able to

- recognize violations of 12 C.F.R. §1002.9(b)(2-9) that occur when stating "Unknown Reason" for loan denials and not providing the principal reason for denying an application
- describe how not providing the Notice of Right of Rescission violates 12 C.F.R. §1026.23(a)(3)(i)(b)(1)(v)
- identify prohibited fees charged for Rapid Rescore or Expedited Recheck in violation of FCRA - 15 U.S.C. §1681i(a)(1)(A)
- avoid failing to disclose the credit score used in taking adverse action and failing to disclose information relating to this adverse action in violation of 12 C.F.R. §1002.9(b)(2)
- recognize when the Rescission Notice is not in compliance with TILA - §1026.23(b)
- avoid a Zero Tolerance Overcharge in violation of 12 C.F.R. §1026.19(e)
- identify who is responsible when the TILA Loan Estimate is not provided timely in violation of 12 C.F.R. §1026.19(e)(1)
- discuss how to document that the borrower was provided with a copy of the appraisal report or other valuation in accordance with 12 C.F.R. §1002.14(a)(1)
- explain how to provide the correct title fee and make sure the amount of fees on the Closing Disclosure matches with the final settlement statement in accordance with TILA - §1026.19(f)(2)(iii)
- describe failure to provide appraisal and applicable valuation disclosures within three (3) business days of application in accordance with ECOA - 12 C.F.R. §1002.14(a)(1)

## **Module 2: Ethical Mortgage Advertisement Practices**

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

- The Mortgage Acts and Practices - Advertising Rule (12 CFR 1014) (35 minutes)
- TILA and RESPA Advertising Rules (15 minutes)
- FTC Advertising Rules (25 minutes)
- Case Study: Misleading Mortgage Advertisements (5 minutes)
- Points to Remember (10 minutes)
- Module 2 Quiz (10 minutes)

Most, if not all of the regulations for the mortgage and banking industry are implemented to protect the consumer. That is what this module is about - consumer protection in advertising. Throughout this module, we hope to provide you a better understanding of the laws designed to protect consumers from untruthful mortgage advertising and understanding what you can and cannot do when advertising your loan products. Your proper understanding of these rules is vital when dealing with the public and promoting your services.

At the conclusion of this module, you will be able to

- Identify the CFPB's rules on mortgage advertising including the scope, definitions, and prohibited representations for mortgage loan promotional advertising.
- Give examples of statements used in mortgage lending advertising that might be in violation of the CFPB's advertising rules.
- Recognize the difference between the CFPB advertising rules and the rules set forth in the Truth in Lending Act.
- Describe the restrictions on kickbacks and referral fees outlined in RESPA, 12 CFR 1024.14.
- Explain the Federal Trade Commission's rules regarding advertised endorsements.
- Recognize the importance of consumer privacy protection rules by understanding the national Do Not Call registry and the CAN-SPAM Act.

## **Module 3: The Fannie Mae HomeStyle® Renovation Loan**

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

- The HomeStyle® Renovation (HSR) Program (41 minutes)
- FHA's 203(k) Loan Program (49 minutes)
- Module 3 Quiz (10 minutes)

In this next section, we will explore property rehabilitation loan products. Over the years, most of us have become familiar with the FHA 203(k) Rehab Loan. It was the loan program that many mortgage loan originators turned to when they needed a rehab loan program for their borrower client.

Today, 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 introduce you to one such program: the Fannie Mae HomeStyle® Rehab loan program. We'll explain the details of this program and compare it to the traditional 203(k) rehab loan.

At the end of this module, you will be able to:

- Recognize the HSR qualifications for borrowers and property types
- Describe how a lender can apply with Fannie Mae to offer the HomeStyle Renovation loan
- Outline the steps necessary for a HomeStyle Renovation loan, from beginning to final inspection
- Utilize the Maximum Mortgage Worksheet to apply for a HomeStyle Renovation loan
- Compare the HSR loan to the FHA's 203(k), Streamlined 203(k), and Energy Efficient Mortgage

## ***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.nationwidelicensingsystem.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 Multistate 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. Technical support is 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 until midnight Pacific Time on December 31, 2024** unless stated otherwise.

Course content will continue to be available to students for 180 days 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.

## ***Non-Discrimination Policy***

OnlineEd does not discriminate for admission on the basis of race, color, religion, sex, sexual orientation, national origin, marital status, age, or disability.

## ***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:**

14355 SW Allen Blvd., Suite 240  
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(503) 670-9278

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[mail@OnlineEd.com](mailto: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.”