

**CAPSTONE INSTITUTE OF MORTGAGE FINANCE  
20 HOURS MORTGAGE LOAN ORIGINATOR  
SAFE COMPREHENSIVE COURSE  
COURSE SYLLABUS**

**Comprehensive Requirement:**

This course fulfills the federal SAFE ACT mandate for a live 20 hour course in mortgage finance. It fulfills the need for a comprehensive requirement. This course is designed as a live training course. It covers the stipulations demanded by the federal government for ethics, fraud, nontraditional markets, fair lending practices and federal regulation and compliance.

**Delivery**

Delivery of this course is unique in that much of the material is very course specific and must be handled by a professional in the field. Jargon is also industry specific and must be handled by an industry professional. Case Studies are completed through mock ups. Instructions for completing mortgage-related forms, such as the Loan Estimate and Truth-in-Lending Disclosure are presented via power point presentation in a line-at-a-time presentation making a dynamic approach to form completion and case study (1.7 f). It is monitored by an instructor of record on site for fairness and quality assurance. This syllabus also explains how such a class would be delivered on-site and the general questions of a classroom are addressed.

**Assessment**

This syllabus also explains how such a class would be assessed to guarantee that students assimilated the material in question and were in fact competent learners (1.10.2).

**Awards**

Certificates will be awarded at the successful completion of the course (1.11).

## **Comprehensive Requirement: 20 Hours Mortgage Loan Originator SAFE Comprehensive Course**

- 1.1** This course meets the guidelines for the Safe Act Requirements as follows:
  - a. 3 hours of Federal law and regulations
  - b. 3 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues
  - c. 2 hours of training related to lending standards for the nontraditional mortgage product marketplace
  - d. 12 hours of undefined instruction on mortgage origination
- 1.2** This course meets the basic Pre-Education requirements of the SAFE Act and is not state specific.
- 1.3** This course is intended to satisfy the basic Pre-Education requirements of the SAFE Act, and includes 12 hours of electives, 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgages, a specific number of hours for State required education (taken from the 12 hours of electives), and the remaining number of mortgage elective hours for a total of 20 hours.
- 1.4** Course meets the minimum number of hours as stated (20) and each course section within the course meets for the required time as required by law.
- 1.5** The name of this course is **20 Hours Mortgage Loan Originator SAFE Comprehensive Course**.
- 1.6** The start date of the course will be the date that the first lecture is run and the end date will be when the final exam is given within the year offered. No course crosses the calendar from one year into the next.
- 1.7** **Quality of Courses**

**Stage 1:** What is worthy and requiring of understanding? As a home is the biggest investment a family ever makes, and a mortgage originator is the gatekeeper that allows families access, everything in the course that is learned is worthy of our understanding. It becomes obvious that understanding and cognizance of how to perform in the field is vital. Compliance, record keeping, file access, note taking, diligence to timeliness with records and reporting are all key concepts in the journey to become an originator.

**Stage 2:** What is evidence of understanding? Formally evidence of understanding will be measured by testing. Informally, it will be whether or not the candidate can deliver a mortgage for clients.

**Stage 3:** What learning experiences and teaching promote understanding, interest, and excellence? Mock-ups of loans to work through are excellent ways that teachers can observe how well students are filling in the paperwork and complying with federal guidelines. Giving scenarios in which borrowers are good or weak risks and asking the originators to find loans for them is an interesting exercise and an excellent field experience promoting quality control.

- a. **Instructor of Record** - The instructor's background is sufficient for the instruction. (See section 1.9.2) Contact information for the Instructor of record is provided at each location.

A live instructor is on location, known by most schools as the "instructor of record." This instructor takes attendance, controls the electronic equipment, gives the final exam and fields questions either by answering them himself or seeking expertise if the questions are beyond his/her reach. The instructor of record should introduce him/herself to the assembled class and develop a class rapport with students. The instructor of record is chosen by the demands of the institution at which the class is being delivered (community college, proprietary school, state college, etc.).

- b. **Purpose of the course** - The purpose for the course is to comply with the state licensure requirements of the state the class is being held in.
- c. **Course description** - An overview of all the facets of mortgage finance including the negative ramifications of the field in order to prevent loss of income from non-compliance and customer loss. Form completion is examined and checked as well as regulations regarding equality and veteran's approval.
- d. **Course objectives** - The objective is to make a well rounded originator capable of handling any loan and of finding money for any financially able family.
- e. **Learning objectives** - To provide the originator with a thorough understanding of mortgage terminology, federal mortgage laws and regulations, and mortgage loan programs, both conforming and non-conforming. In addition, the originator will understand how to calculate a mortgage payment, determine how to correctly calculate the borrower's income and determine the qualifying guidelines. The originator will also have a thorough understanding of ethics and fraud.
- f. **Textbook** - There is a textbook provided for the course.

- g. **Case Studies** - Students will be expected to complete a mock up of loans in class (see attendance). Case studies include mortgage calculations, completing a Loan Estimate, calculating qualifying ratios, determining qualifying income, and completing a Schedule of Real Estate Owned. This will be done through power point presentation. Each line of the power point is presented to be duplicated on documents such as the Loan Estimate so that the student actually fills in a complete document. As each line is laid down the student has the opportunity to do and see how the form is filled in correctly. Failure to do this can result in disqualification for a certificate.
- h. **Attendance** - Students are expected to attend all classes.
- i. **Rules of Conduct Form** - Each student must read and sign the Rules of Conduct Form. The Rules of Conduct, which have been approved by the NMLS Mortgage & Testing Education Board, and the NMLS Policy Committee, both of which are comprised of state regulators, and is intended to stress that NMLS approved education be delivered and completed with integrity.
- j. **Cell phones** - Cell phones are to be turned off.
- k. **Laptops** - Lap tops are permitted for class work and note taking. Laptops are not to be used for messaging of others (conversations) during class time. Instructor may ask that they be closed.
- l. **Forms** - Each module of instruction is contained in the textbook including examples of forms to be filled out. Instructions for the forms are provided in the lecture.
- m. **Technology needed** - There are no technology requirements for the course beyond pencil, paper, and textbook, although students are encouraged to purchase a financial calculator in order to calculate P&I payments.
- n. **Final exam** - There is an on-site final examination (see 1.10.2).

Minimum passing score is 75%. Capstone Institute does not permit re-testing on its final pre-licensing comprehensive PE course.

Students who do not pass their final test will not receive their Certificate of Completion.

## **LIVE IN-SEAT COURSE OUTLINE**

### **DAY 1**

90 Minutes  
15 Minutes  
135 Minutes  
60 Minutes  
90 Minutes  
15 Minutes  
135 Minutes  
**450 Minutes**

### **NATIONAL TEST CONTENT OUTLINE**

Federal Mortgage-Related Laws  
15-Minute Break  
Federal Mortgage-Related Laws  
Lunch  
Federal Mortgage-Related Laws (Cont'd)  
15-Minute Break  
Qualified & Non-Qualified Mortgage Programs  
**7-1/2 Hours In-Seat**

### **CASE STUDIES**

1. Federal Regulations Test Questions
2. SAFE Act Test Questions
3. Qualified & Non-Qualified Test Questions

### **HOMEWORK**

Review Mortgage Terminology (P. 118 in Outline) & Definitions (In Case Study)  
Review Federal Regulations in Manual & in Outline

### **DAY 2**

90 Minutes  
15 Minutes  
135 Minutes  
  
60 Minutes  
90 Minutes  
15 Minutes  
135 Minutes  
**450 Minutes**

### **NATIONAL TEST CONTENT OUTLINE**

Mortgage Loan Origination Activities – Loan  
Inquiry & Application Process  
15-Minute Break  
Borrower Application – Verifying  
Income/Assets/Debts/Loan  
Estimate/Closing Disclosure  
Lunch  
Qualification, Processing, Underwriting & Closing  
15-Minute Break  
Financial Calculations  
**7-1/2 Hours In-Seat**

### **CASE STUDIES**

1. Determining Qualifying Income – Pre-Qualification Worksheet
2. Borrower Qualification Test Questions
3. Calculating the Loan-to-Value & Mortgage Payment
4. Fees Worksheet & Loan Estimate

### **HOMEWORK**

Review Additional Federal Regulations Test Questions (Answers Provided)

### **DAY 3**

60 Minutes  
15 Minutes  
135 Minutes  
60 Minutes  
90 Minutes  
15 Minutes  
5 Minutes  
20 Minutes  
35 Minutes  
10 Minutes

**445 Minutes**

### **NATIONAL TEST CONTENT OUTLINE**

Ethics & Fraud  
15-Minute Break  
Ethics & Fraud  
Lunch  
Review All Test Questions  
15-Minute Break  
Pass out Final Exam and Explain Testing  
Final Exam  
Review, Grade and record final test results  
Pass Out Certificates of Completion, NMLS  
Announcements, etc.  
**7.4 Hours In-Seat**

### **CASE STUDIES**

1. Ethics & Fraud Test Questions
2. Study Guide for Final Test

**1.8** A textbook and case studies are provided as part of the course.

#### **1.9 Instructors**

**1.9.1.1** The instructor has the interpersonal skills and the team building skills to lead a group of students through the experience. The same could be said for the Instructor of record.

**1.9.1.2** Instructors communicate through the language called jargon or industry terminology.

**1.9.1.3.** The instructors share the information one to one or one to many. Additionally, the instructor is a master teacher who can absorb great chunks of information at a time; he/she can plan and lead classes, and collect and use information from a diverse set of resources. Instructors are able to disseminate information in such a manner that students can learn the maximum.

**1.9.1.4** The instructors set goals (in the form of learning objectives), plan activities, establish learning priorities and manage time.

**1.9.2** The instructors demonstrate through experience subject matter finesse in one or more areas of mortgage law in practice not limited to:

- Federal law and regulations
- State laws and regulations (for one or more state agencies)
- General mortgage origination knowledge and practices

Instructors have at least 3 years in the industry in a position that bears directly on mortgage loan origination practices including but not limited to origination, underwriting, secondary marketing, operating compliance, quality control or other comparable positions, OR

Regulatory instructors have at least 3 years of experience including supervision of mortgage company examinations (brokers and/or lenders), consumer complaint investigation and resolution, or mortgage legal affairs.

Instructors (associated with mortgage GSEs) have 3 years of responsible experience in a position that is comparable to either the industry professional or regulatory position described above.

Instructors have a BA/BS degree from a regionally accredited institution or an equivalency. As there is no degree in mortgage finance, equivalency in operations, licensure, workplace experience, leadership in the office, or regulatory guidance over a mortgage company would serve as equivalency. Instructors may also have experience and/or licensure in real estate or real estate work which serves to provide them with an adequate background in mortgage processes and expertise in the transfer of titles, monies and lands and equips them with the savvy of mortgage operations making degrees unnecessary.

\*\*\*Instructors take a criminal background check included in the SAFE Act.

- 1.9.1** Course provides a measure of student satisfaction evaluation at the end of the course to see if the students surveyed were able to provide feedback that the course provided them substantive information. Feedback scale runs 1 to 5 with 1 being very little and 5 being excellent. The feedback instrument is run after the final examination.
- 1.9.2** The final exam for the course is an objective test (multiple choice) given with an equal number of questions from each section. Minimum passing score is 70%. Students must also participate in class activities.
- 1.10** Certificates will be awarded for successful completion of the course as proscribed by the SAFE Act in compliance with this course and others as named so as to turn out an originator into the work force.