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Course Syllabus

Welcome to *The 3-in-1 SAFE Comprehensive* 8 hour NMLS Continuing Education course syllabus!

This course is divided into three modules that meet all 8 hours of NMLS requirements for continuing education under the SAFE Act. (One hour is defined as 50 minutes of video content per the NMLS Guidelines.)

- Ethics and Elective – 3 hours
- Federal Law: RESPA & GFE – 3 hours
- Nontraditional Mortgages: ARMs and Reverse Mortgages – 2 hours

The method for studying the curriculum is to:

- Watch 8 hours of online videos (3 distinct modules)
- Take a series of online quizzes and exams as-you-go
- Take a final online exam at the end of the course
- In order to complete the course you will be asked to complete a course survey

Course Workbook

You may print out the course workbook (provided in .pdf format) and use it as a guideline for following the presenter and taking comprehensive notes as you go through the training. This will enable you to get the most from the information and personalize the knowledge that you will gain. There may be links to various websites listed throughout the course workbook. The links are only accessible if you are viewing the document as a .pdf.

Technical Requirements

- A computer that has an internet connection and audio / visual capabilities
- You will be asked to create a series of security questions so that we can verify your attendance periodically during the online presentation. NMLS guidelines require us to regularly verify your attendance as you are going through the material.



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How do the exams work?

As you go through the curriculum, you will be quizzed and tested on the materials. The quizzes and exams are administered through an online test-as-you-go format. They are graded in “real time,” and you’ll know if you pass immediately upon completion.

- Each of the three modules has quiz questions that you must answer periodically throughout the module. Once you have correctly answered 70% of the quiz questions in a module, you will advance to the next module. There is no limit on the number times you can take the quizzes, but **you will need a minimum score of 70% on the module quizzes in order to advance.**
- Once you have passed all three modules, you will advance to the Final Course Exam.
- You must pass the Final Course Exam in order to complete the course. **You will need a minimum score of 70% in order to pass the Final Course Exam.**

The Final Course Exam:

- If you pass the Final Course Exam, you will have completed the course and you will receive 8 hours of continuing education credit under the SAFE Act and NMLS guidelines.
- If you do not pass the Final Course Exam, you can take the exam two more times. If you do not pass the exam with those two attempts we ask that you go back and study the entire curriculum again. After 30 days, contact us or return to the site and purchase an Extra Exam Try for \$59.

Special Note: Once you complete the entire course you will be able to view the full video modules as long as you remain a CMPS member.



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About the Instructor



Gibran Nicholas, CMPS®
Chairman & CEO
CMPS Institute

Gibran Nicholas is a professional writer, speaker and an entrepreneur. Gibran speaks and writes about economics, real estate and financial issues including the current mortgage and credit crises. Since 2005, he has been the Chairman and CEO of the CMPS Institute, a national organization that certifies mortgage bankers and brokers. Gibran has personally trained over 6,000 financial professionals across the country including CPAs, attorneys, financial planners, bankers and mortgage brokers. Gibran is regularly quoted as an industry expert in national publications such as the *Wall Street Journal*, *Barron's*, *MarketWatch*, *Business Week* and the *Washington Post* and has been featured on Fox and ABC News.

Gibran is an old-timer in the world of entrepreneurs. At 16 years old he entered law school, and at 20 years old, he started his own mortgage planning firm. The business quickly became one of the highest volume private mortgage companies in Michigan, with additional licenses in Illinois, Florida, and Massachusetts. In 2005, Gibran became the Chairman and CEO of the CMPS Institute. Through his involvement in CMPS, Gibran empowers mortgage and financial professionals with knowledge and resources to better serve clients and increase their competitive advantage. Gibran has served as a board member for the Financial Planning Association of Michigan, and is very active in the financial planning community. He frequently teaches continuing education seminars for CPAs, Certified Financial Planners, attorneys, real estate brokers, and mortgage lending professionals.



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Module 1 – Ethics and Elective

Instructor: Gibran Nicholas

Time: 3 Hours

Outline

Section 1 - Consumer Privacy Laws and Regulations

- *Sub-Section 1 – Gramm-Leach-Bliley Act (GLBA)*
 - The three sections of the Gramm-Leach-Bliley-Act that deal with privacy issues
 - Privacy of Consumer Financial Information & Privacy Disclosures
 - Safeguarding of Consumer Financial Information & Information Security
 - Criminal Statute that Prohibits Pre-texting
 - Role of the FTC
- *Sub-Section 2 – Fair Credit Reporting Act (FCRA) & Fair and Accurate Credit Transactions Act (FACTA)*
 - Requirements under FCRA and FACTA
 - Affiliate Marketing Rule
 - Risk Based Pricing Rule
 - FCRA Identity Theft Provisions
 - Red Flags Rule
- *Sub-Section 3 – Consumer Privacy Rules Implemented by the FTC and FCC*
 - Do-Not-Call Rules
 - Do-Not-Fax Rules
 - Do-Not-Spam Rules

Section 2 – Equal Credit Opportunity Act (ECOA) and Regulation B

- Purpose of ECOA and Regulation B
- Anti-discrimination rules
- Disclosure rules / Types of Notices
 - Content
 - Timing
 - Rules



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- Which loans are subject to ECOA?
- Which mortgage loan originators are subject to ECOA?
- Adverse action
- Record retention
- Providing appraisal reports
- Enforcement, Penalties and Liabilities

Section 2 – How to Protect Against Mortgage Fraud

- Mortgage fraud defined
- Key statistics
- Mortgage fraud perpetrators
- Top mortgage fraud states
- Top four current mortgage fraud schemes

Module 1 Learning Objectives

- How the Gramm-Leach-Bliley Act (GLBA) impacts mortgage lenders and brokers
- How the Fair Credit Reporting Act (FCRA) impacts mortgage lenders and brokers
- How the Affiliate Marketing, Risk-Based Pricing, & Red Flag Rules impact mortgage lenders and brokers
- How FTC and FCC consumer privacy regulations impact mortgage lenders and brokers
- How the Equal Credit Opportunity Act (ECOA) impacts mortgage lending
- What is a “prohibited basis” upon which lenders are not allowed to discriminate
- What is an “adverse action” for purposes of ECOA
- What disclosures and notices are required under Regulation B
- What is the timing of the disclosures and notices that are required under Regulation B
- How to comply with the disclosure and other rules under ECOA & Regulation B
- How to understand and avoid the types of mortgage fraud that are most prevalent in today’s marketplace



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Module 2 – Federal Law: RESPA and GFE

Instructor: Gibran Nicholas

Time: 3 Hours

Outline

- Purpose of RESPA
- Which loans are impacted by RESPA
- How RESPA impacts your referral relationships
- How to structure affiliated business arrangements (ABAs) in a way that is RESPA compliant
- How "application" is defined for purposes of the GFE and why it's crucial not to give a GFE too soon in the loan process
- Important Dates and Timelines
 - How long does the interest rate need to be guaranteed for and what are some strategies for dealing with this?
 - How long do the settlement costs need to be guaranteed for and what are some strategies for dealing with this?
- Points and Origination Fees from both a broker and lender perspective
 - How to avoid under-pricing your fees
 - What fees are tax deductible in light of the new GFE and HUD-1?
 - When and how can Block #1 of the GFE change?
 - When and how can Block #2 of the GFE change?
 - What if the market changes after the initial GFE is issued but before the borrower locks?
 - How are temporary buy-downs and seller paid points handled?
 - How are "no cost loans" and "reduced cost loans" handled?
- Changed circumstances
 - What qualifies?
 - What doesn't qualify?
 - What happens in the case of a changed circumstance?
 - What can change on the revised GFE in the case of a changed circumstance?



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- Service Providers and Tolerances
 - What fees are subject to a tolerance?
 - How does this work exactly?
- GFE Process and Flowchart:
 - Timelines, Tolerances, Changed Circumstances, GFE Expiration, etc.
 - Penalties for violation

Learning Objectives

- Purpose of RESPA
- Which loans are impacted by RESPA
- How RESPA impacts your referral relationships
- How to structure affiliated business arrangements (ABAs) in a way that is RESPA compliant
- When and how to give borrowers a GFE
- How to understand, complete, and properly explain to borrowers each line of the GFE
- How to handle “changed circumstances” and revised GFEs
- How to list and explain points and origination fees from both a lender and broker perspective
- How to comply with important dates and timelines surrounding the GFE



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Module 3 – Non-traditional Mortgages: ARMs and Reverse Mortgages

Instructor: Gibran Nicholas

Time: 2 Hours

Outline

- Types, formulas, and mechanics of Adjustable rate mortgages (ARMs)
 - Rate and payment fluctuations
 - Fully amortized ARMs
 - Interest Only ARMs
 - Usages and case studies
- Reverse mortgages
 - Qualification and disqualification standards
 - Underwriting the residence
 - How much mortgage and how is the amount determined?
 - How can the money be taken?
 - Title issues
 - What happens at the end?

Learning Objectives

- How to understand the qualifying guidelines, usages, and mechanics of reverse mortgages
- How to understand the qualifying guidelines, usages, and mechanics of adjustable rate mortgages (ARMs)
- How to explain and evaluate suitability of ARMs and Reverse mortgages

For more information, please contact:

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