

## **Day One – Introduction and Overview**

Introduction	Instructor and Program Objectives	8:30 – 8:45
“Big Picture” overview	Origination to servicing <ul style="list-style-type: none"><li>• Origination</li><li>• Processing</li><li>• Underwriting</li><li>• Closing</li><li>• Warehousing</li><li>• Servicing</li></ul>	8:45 – 10:00
Break		10:00 – 10:15
Loan Origination Process	Description of loan originators responsibilities <ul style="list-style-type: none"><li>• Initial interview</li><li>• Pre-qualify applicant</li><li>• Debt to income ratio</li><li>• Give alternatives</li><li>• Identify issues to applicant</li></ul> Loan Processing <ul style="list-style-type: none"><li>• Overview</li><li>• Basic Loan Documents<ul style="list-style-type: none"><li>○ Loan Application</li><li>○ Real Estate Sales Contract</li><li>○ VOE</li><li>○ Credit Report</li><li>○ Appraisal</li></ul></li></ul> Underwriting <ul style="list-style-type: none"><li>• What happens in Underwriting?</li><li>• Automated Underwriting<ul style="list-style-type: none"><li>○ Loan Prospector vs. Desktop Underwriter</li></ul></li><li>• Credit Decision</li></ul> Loan Closing <ul style="list-style-type: none"><li>• Overview</li><li>• Documentation<ul style="list-style-type: none"><li>○ Mortgage Instrument</li><li>○ Mortgage Note</li><li>○ Deed</li><li>○ HUD 1</li><li>○ Truth in Lending Disclosures</li></ul></li></ul>	10:15 – 12:00

- Title Insurance
- Recording the Documents
- Warehousing
- Servicing
  - Loan Servicing - Overview
  - Areas
    - Loan Setup
    - Customer Service
    - Investor Accounting (Investor Relations)
    - Default Service

Secondary  
Marketing

- Primary and Secondary Markets – Overview 12:00 – 12:30
- Functions?
  - What does it accomplish?
- Mortgage Banking Revenue (How do Mortgage Lenders Make Money)
- Origination Fees
  - Warehouse Spread
  - Secondary Market Sales
  - Servicing Fees

## **Day 2 – Mortgage Basics**

Introduction	Instructor Introduction and Course Objectives	8:30 – 8:45
Loan Plan Specifications – Guidelines	Understanding Loan Plan Specifications <ul style="list-style-type: none"><li>• Expanded Criteria and “Price Bumps”</li><li>• Understanding Guidelines</li><li>• Criteria</li><li>• LTV/Occupancy</li><li>• Transaction<ul style="list-style-type: none"><li>○ Purchase</li><li>○ Refinance</li><li>○ Cash Out</li></ul></li><li>• Eligible Properties</li><li>• Multiple Properties</li><li>• Mortgage Insurance</li><li>• Assumability</li><li>• Programs Offered</li><li>• Documentation Types</li><li>• Qualifying Ratios</li><li>• Employment History</li><li>• Trailing Spouse</li><li>• Non-Resident Aliens</li><li>• Non-Occupant Co-Borrowers</li><li>• Seller Contributions</li><li>• Cash Reserves</li><li>• Gift Letters</li><li>• Secondary Financing</li><li>• Borrowed Funds</li><li>• Credit Scores</li><li>• Mortgage History</li><li>• Major Derogatory Credit</li></ul>	8:45 – 10:45
Break		10:45 – 11:00
Program Specific Guidelines	Conventional “Conforming” Loans <ul style="list-style-type: none"><li>• First Time Homebuyer Programs</li><li>• Private Mortgage Insurance</li><li>• FHA Loans</li><li>• VA Loans</li><li>• A-, ALT A and Sub-Prime Loans</li></ul>	11:00 – 11:45
Loan Program Types -	Fixed Rate	11:45 – 12:30

Repayment Types

ARM

- Hybrid ARM
- Graduated Payment Mortgages
- GPM
- Growing Equity GEM/EQUAL
- Buydowns
- Balloon

### **Day 3 – Loan Documentation and Treatment**

Introduction	Instructor Introduction and Course Objectives	8:30 – 8:45
Understanding Debts	<ul style="list-style-type: none"><li>• Credit History – Reading Credit Reports</li><li>• Understanding and Fixing Credit Problems</li><li>• Credit Scoring &amp; Sub-Prime Lending</li><li>• Fraud Watch</li></ul>	8:45 – 9:45
Understanding Income	<ul style="list-style-type: none"><li>• Self-Employment</li><li>• Reduced Documentation</li><li>• Compensating Factors</li><li>• Eligible Borrowers</li><li>• Fraud Watch</li></ul>	9:45 – 10:30
Break		10:30 – 10:45
Understanding Asset Documentation	<ul style="list-style-type: none"><li>• Sources of Funds –</li><li>• Gifts and Post Closing Reserves</li><li>• Fraud Watch</li></ul>	10:45 – 11:15
Closing Preparation and Documentation	<ul style="list-style-type: none"><li>• Documents Required Prior to Closing<ul style="list-style-type: none"><li>○ Insurance - Hazard Insurance</li><li>○ Condominium Insurance</li><li>○ Planned Unit Developments</li> <li>○ Flood Zone Determination</li><li>○ Termite Report</li><li>○ Well/Septic Certification</li><li>○ New Construction</li></ul></li><li>• Settlement Agent<ul style="list-style-type: none"><li>○ Title Insurance and House Location Surveys</li><li>○ Lender Sends Loan Instructions to Settlement Agent</li><li>○ Closing Costs and the HUD-1 Settlement Statement</li></ul></li><li>• Closing Documents<ul style="list-style-type: none"><li>○ Promissory Note</li><li>○ The Mortgage or Deed of Trust</li></ul></li></ul>	11:15 – 12:30

Federal Home Loan Mortgage Corporation  
Mortgage Banking Essentials for Customer Service Representatives  
Proposed Course Syllabus Draft

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- Wet and Dry Settlements
- The Right of Rescission -  
Refinances
- Foreclosure