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Initiation/New Loan Officer Training

Call Center Environment Learning Requirements and Objectives

New loan officers in the call center environment need training in four areas.

- Mortgage Business Basics – Product Knowledge
- Sales Training – Handling Inbound Leads
- Automation Training – Maneuvering Through the LOS
- Regulatory Compliance

Mortgage Business Basics includes an understanding of rate and point options, financial calculations, basic qualification calculations, product types, underwriting specifications, complete application and loan process management.

Sales training involves taking business knowledge and applying it to customer situations to solve a customer's problems. Call center loan officers need to understand how to perform a needs analysis, overcome borrower objections and manage time

Automation Training integrates borrower needs analysis with financial calculations application data collection.

Regulatory compliance training is state mandated. Careful planning of a new loan officer training program syllabus combines state mandated training with elements of all of the other three areas. For example RESPA requirements can be covered in the Business Basics section by combining assets, closing costs and the Good Faith Estimate; the Sales Training - explaining disclosures as a rapport building technique; the Automation Training – preparation of the disclosures and what they look like for the company.

By combining all elements of the new loan officer's training needs into one program the company realizes substantial savings and value

- Time – Loan officers are deployed more rapidly and effectively – spend less time training and more time selling
- Money – realize cost savings by avoiding duplicative training
- Effectiveness - A cohesive and quantifiable initiation program

A sample program syllabus would contain elements of the following:

Course Syllabus - Loan Officer Boot Camp

9:00 a.m. – 7:00 p.m.

Day One

Introduction	Class Introduction Goal Review Initial Market Assessment	½ hr
Mortgage Math	Fractions & Decimals – Converting Reading Rate Sheets Understanding Ratios Using the Financial Calculator Number Concepts – Leverage, Taxable Equivalency	2 ½ hrs
Customer Needs Analysis	Handling Interest Rate Requests with Financial Comparisons	½ hr
Loan Products	Fixed Rate Mortgages – Buydowns, Balloons Adjustable Rate Mortgages – Indexes, Comparing Points 2nd Mortgages	3 hrs
Customer Needs Analysis	Matching Programs with Borrower Needs	½ hr
Loan Plan Specifications	What is Conforming? FHA Mortgages VA Guaranty Private Mortgage Insurance 1st and 2nd Mortgage Programs State Bond Programs	2 ½ hrs
Total		10 hrs

Day 2

Qualifying – Ratios and Credit History	Understanding Guidelines Mathematics of Qualifying Understanding Debts Credit History – Reading Credit Reports Credit Scoring	2 hrs
Qualifying – Income and Other Restrictions	Understanding Income Self-Employment Eligible Borrowers	2 hrs
Assets, Down Payment and Closing Costs	Understanding Closing Costs Understanding the Good Faith Estimate Understanding Prepaid Items Preparing the Good Faith Estimate Sources of Funds	2 hrs
Home Financing Process	The Loan Application Processing & Loan File Set Up Understanding RESPA/Truth-in-Lending/ECOA/ Federal Regulations Understanding Closing Requirements	4 hrs
Total		10 hrs

Day 3

Property Types	Understanding Property Types Condominiums Planned Unit Developments (PUDs) Construction-Permanent Financing Investment Property Other Property Types	1 ½ hrs
Refinancing	Where to Start Rate Reduction Term Reduction Lendable Equity – Cash Out Government Loans Problems with Existing Financing	3 ½ hrs
The Secondary Market	Understanding the Secondary Market Lock in Options and Mortgage Pricing How Lenders Make Money Interest Rate Drivers	2 hrs
State Law	Licensing Requirements Business Practices Predatory Lending Guidelines	3 hrs
Total		10 hrs

State Licensing Requirement Matrix

Continuing/Initial Education Requirements

Among the states where Credit Suisse is not exempt as a Mortgage Lender, the total requirements for licensing are represented by the following chart. These items show both initial and continuing education for edification purposes – new hires may already be licensed and would not need pre-licensing training.

Florida	14	August 31st (2 Yrs)	Needs	\$ 99.00	
Florida PL	24	N/A	Needs	\$ 199.00	
Illinois (CE)	6	Revolving	Needs	\$ 109.00	
Illinois (PL w/ CE)	6	N/A	Needs	\$ 109.00	
Kansas	8	September 1st	Needs	\$ 119.00	
Louisiana	10	December 1st	Needs	\$ 189.00	
Maryland	20	December 31st (2 Yrs)	Needs	\$ 199.00	
Maryland	6	December 31st (2 Yrs)	Needs	\$ 99.00	
Mississippi	12	September 30th	Needs	\$ 199.00	
Montana (CE)	12	May 31st	Needs	\$ 199.00	
Montana (PL)	12	N/A	Needs	\$ 199.00	
Nevada	10	Revolving (+/- 80% May 31st)	Needs	\$ 199.00	
North Carolina	8	June 30th	Needs	\$ 199.00	
Oklahoma	16	December 31st	Needs	\$ 169.00	
Pennsylvania	6	June 30th	Needs	\$ 119.00	
Utah (CE)	14	Revolving	Needs	\$ 199.00	
Utah (PL)	20	N/A	Needs	\$ 199.00	
West Virginia	7	September 30th	Needs	\$ 149.00	227 Hours
Wisconsin Test Pre	16	Revolving (2 Yrs)	Needs	\$ 69.00	\$ 3,021.00 Per Studen
Arizona (PL)	40	N/A	Mortgage Bar	\$ 599.00	

The total cost per student, were all these requirements taken individually, would amount to nearly 6 weeks of time. In addition, the cost per student is substantial. Utilizing cross certification and a combination of training topics, the cost for the continuing education component is \$1226 per student.

If Credit Suisse does not have the HUD Supervised Lender Exemption, the following states are added to the licensing requirements.

Alabama	12	December 31st	HUD Exempt	\$ 199.00	
Indiana	12	December 1st	HUD Exempt	\$ 199.00	
Indiana PL	24	N/A	HUD Exempt	\$ 349.00	
Kentucky	12	June 30th	HUD Exempt	\$ 199.00	
Ohio	6	December 31st	HUD Exempt	\$ 119.00	
Ohio (Ethics)	6	December 31st	HUD Exempt	\$ 119.00	80 Hours
South Carolina	8	September 30th	HUD Exempt	\$ 119.00	\$1,303.00 Per Student

The additional certifications add \$444 to the cost of the training.

With this in mind, Credit Suisse may consider a FHA lending division. Since these loans offer more process complexity, this may be an area that will provide for advancement of loan officers could department in the call center.

Licensing Strategy

To manage the compliance aspect of the program and limit licensing expenses to performing employees, we suggest a tiered system. Stage 1 would provide the states that offer the greatest ease in licensing. Stage 2 and 3 would add greater challenges and require higher competency levels.

Stage 1 would eliminate all credit hours required an individual.

Stage 2 and Stage 3 would be preceded by a “Test Preparation Class” to review, prepare and assure the highest possibility of passing.

Stage 1 - Certification/Registration States

<u>State</u>	<u>Hours</u>	<u>Renewal Deadline</u>	<u>Status</u>	<u>Cost</u>	
Alabama	12	December 31st	HUD Exempt	\$199.00	
Indiana	12	December 1st	HUD Exempt	\$199.00	
Indiana PL	24	N/A	HUD Exempt	\$349.00	
Kansas	8	September 1st	Needs	\$119.00	
Kentucky	12	June 30th	HUD Exempt	\$199.00	
Maryland	20	December 31st (bi-yearly)	Needs	\$199.00	
Maryland	6	December 31st (bi-yearly)	Needs	\$ 99.00	
Mississippi	12	September 30th	Needs	\$199.00	
Montana (CE)	12	May 31st	Needs	\$199.00	
Montana (PL)	12	N/A	Needs	\$199.00	
Nevada	10	Revolving (most end May 31st)	Needs	\$199.00	
Oklahoma	16	December 31st	Needs	\$169.00	
Pennsylvania	6	June 30th	Needs	\$119.00	
South Carolina	8	September 30th	HUD Exempt	\$119.00	177 Hours
West Virginia	7	September 30th	Needs	\$149.00	2730 Cost

Stage 2 and 3 “Test Preparation” States

<u>State</u>	<u>CE</u>	<u>Hours</u>	<u>Broker/Lender</u>	<u>Test Service</u>
Stage 2 - "Easier"				
Louisiana	Y	12	Yes	PSI
Montana	Y	12	Yes	Training Co Administers
New Jersey	N	N/A	Yes	Promissor
Wisconsin	Y	16	Yes	Promissor
Stage 3 - "Challenging"				
Illinois	Y	6	Yes	AMP
North Carolina	Y	8	Yes	PSI
Ohio	Y	6	Yes	Experior
Utah	Y	20	Yes	Promissor

Customized Product Knowledge, Compliance and Ongoing Training

Creating a customized training product allows the company to focus on making mandatory training meet both company and loan officer needs, in addition to compliance.

A customized training program would incorporate the following elements

New Loan Officer Training Manual
Origination, Processing, Underwriting and Closing Operations Manuals
On-Line Training Learning Management System
Live Classroom Training and Train the Trainer Program

Creating these components in the Credit Suisse name is an additional capability which can substantially add to the value of the Loan Originator Training Program.

Ongoing Learning Management System

We have developed an online learning management system (LMS) that is capable of delivering content as well as tracking progress of students. The LMS

- reports indicating which participants have met targeted goals
- generates completion certificates at the moment of completion
- provides e-mail notification of course completion due dates
- allows data for new participants to be uploaded initially to give the student credit for requirements met elsewhere
- interface is customized to reflect the look and feel of the client's presence
- back-end is managed by lendertraining.com assuring that all courses meet state and federal guidelines
- offers over 170 modular courses – 10 times as many as the leading provider

Most importantly, the client's internal course material can be aggregated into the LMS so that the client can see how the participant is progressing on all requirements.

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Administration Course Manager Reports My TrainCaster HELP LOG OUT

Training Records

Course Manager

THOMAS MORGAN
Group: Administration

TRAINING RECORDS >> ADD A NEW COURSE >>

Course	Status	Copy	Delete
Introduction to TrainCaster	ACTIVE		
▶ Continuing Education			
Federal Law Update 2005 - 2006	ACTIVE		
Regulatory Compliance - ECOA and Federal Credit Laws	ACTIVE		
Regulatory Compliance - Overview of Federal Regulations	ACTIVE		
Regulatory Compliance - Real Estate Settlement Procedures Act (RESPA)	ACTIVE		
Regulatory Compliance - RESPA Review and the Debate over RESPA Reform	ACTIVE		
Regulatory Compliance - The Truth-In-Lending Act (TILA)	ACTIVE		
▶ Loan Officer/Account Executive Professional Development			
Loan Officer Bootcamp - Live	ACTIVE		
Mortgage Math	ACTIVE		
▶ Test Preparation			
Illinois Test Preparation	ACTIVE		

Upload as many courses as you like into your LMS. Lendertraining allows you to track students progress, print certificates, and manage learning objectives.