School of Mortgage Banking I
Introduction to Real Estate Finance

Agenda

Day 1
7:30am - 8:00am   Registration and Continental Breakfast

8:00 - 8:15am     Welcome & Overview of Course

8:15 - 10:45am    Introduction to Mortgage Banking
                   ▪ Explain the basic business model of mortgage lending.
                   ▪ Describe the role of mortgage banking in the economy.
                   ▪ Describe the key functions and players in the primary mortgage market.
                   ▪ Describe the key functions and players in the secondary mortgage market.

10:45 - 12:00 pm  Ethics
                   ▪ Define “ethics” and recognize the role of ethics in responsible decision-making.
                   ▪ Explain how a framework – a vetting process – can be used to help make ethical decisions at work.
                   ▪ Describe how codes of ethics such as MBA’s Canon of Ethics can be used to operationalize ethics at the organizational level.
                   ▪ Understand and apply the MBA Code of Ethics.

12:00 - 1:00 pm   Lunch
1:00 – 3:15 pm  Regulatory Compliance

- Recognize the importance of legal/regulatory compliance in mortgage banking operations.
- Identify the purpose and major provisions of the major federal laws that impact mortgage lending, including:
  - Fair lending laws
  - Consumer financial protection laws
  - Credit-related laws
  - Communications and privacy laws
  - Anti-terrorism and anti-money laundering laws
  - Loan servicing laws

3:15 – 5:00 pm  Laws Affecting the Mortgagee’s Interest in Property

- Distinguish between real and personal property.
- Distinguish the various types of real property.
- Identify limitations on the use of real property.
- Distinguish among various types of interests in real property.
- Describe the various ways to hold title to real property.
- Identify the methods and means of conveying real property.
- Recognize the significance of establishing by recordation the priority of the mortgage lender’s security interest.
- Explain the function of title insurance.
- Explain how mortgages and mortgaged property can be transferred.
- Describe the lender’s remedies for default.

5:00pm  School of Mortgage Banking I Day 1 session ends
Day 2

8:00 – 10:30am  Loan Products

- Compare borrower’s needs and investor appetites in loan products.
- Describe the basic types of loan products and programs on the market.
- Explain the common loan features.
- Describe some of the special programs and products on the market.
- Explain what a Qualified Mortgage is and why it is important.

10:30 – 12:00pm  Loan Production

- Explain the role of loan production in the mortgage lending cycle.
- Differentiate between retail and wholesale channels.
- List the major phases of loan production.
- Describe the main functions and key job tasks in each of the major phases:
  - Origination
  - Processing
  - Underwriting
  - Closing

12:00 – 1:00 pm  Lunch

1:00 - 5:00pm  Loan Production (cont’d)

5:00pm  School of Mortgage Banking I Day 2 session ends
Day 3

8:00am – 12:00pm  Fraud & Quality Assurance

- Explain typical mortgage banking quality assurance functions.
- Describe quality assurance audit practices.
- Describe the characteristics of an effective quality assurance department.
- Identify fraud methods and schemes.
- Recognize indicators of potential mortgage fraud.
- Propose strategies for detecting and combating fraud.

12:00 – 1:00pm  Lunch

1:00 – 5:00pm  Loan Administration (Servicing)

- Explain the overall function of loan servicing.
- Explain how the servicing portfolio generates revenue.
- Identify the steps involved in valuing a servicing portfolio.
- Explain the key goals and functions of servicing operations.
- Describe the major functional areas of loan servicing.
- Identify strategies to ensure efficient, profitable loan servicing.

5:00pm  School of Mortgage Banking I Day 3 session ends

Day 4

8:00am – 12:00pm  Secondary Marketing

- Define the secondary mortgage market.
- Analyze how the secondary market generates cash.
- Describe the responsibilities of a secondary marketing department.
- Explain how loans are priced and discount points are used.
- Explain the relationship between price and yield.
- Identify the types of commitments.
- Define best execution.
- List the roles of Fannie Mae, Freddie Mac, and Ginnie Mae in the secondary market.
- Describe mortgage-backed securities and their use.

SCHEDULE SUBJECT TO CHANGE.
Day 4 (cont’d)

12:00 – 1:00pm  Lunch

1:00 – 2:00pm  Warehouse Lending

- Explain the function of warehouse lending in the mortgage banking industry.
- Identify the typical characteristics of a warehouse line of credit.
- Explain the process of obtaining and collateralizing a warehouse line of credit.
- Describe major steps of the warehouse lending process.

2:00 – 4:30pm  Commercial Lending

- Define commercial lending.
- Distinguish commercial from residential real estate finance.
- Explain the commercial lending process flow.
- Describe commercial underwriting and its related activities.
- Describe the players involved in commercial lending.
- Identify the various property types involved in commercial lending.
- Describe the types of commercial loans.

4:30pm  School of Mortgage Banking I concludes