



MORTGAGE BANKERS ASSOCIATION

School of Loan Origination II Instructor-Led Online Course

Course Objective:

This course is designed for experienced residential originators. The course assumes basic levels of mortgage knowledge and familiarity with terminology and mortgage practices. SOLO I provides the prerequisite content. SOLO II is the application of foundational principals learned in SOLO I.

The primary objective is for attendees to develop in-depth competencies, speak more confidently and offer better solutions to differentiate them in the marketplace by leading with knowledge instead of price.

Each session is 90 minutes live, instructor-led. After attending the live session, the course requires participants to use the knowledge acquired during the session to complete an assessment and various assignments.

These assignments are in the Blackboard Learning Management System (LMS) and vary by session. In addition to the assessments and assignment, there is a case study based on a refinance transaction designed to allow attendees to uncover issues that are encountered during a transaction.

Below are the session topics covered in the course with each session's stated objectives:



Session 1: Welcome & Overview

OBJECTIVE: to lay a clear foundation to attendees, provide an overview and set expectations about the goals of the course, the materials and tools available, how to access the course documents and a comprehensive review of the goals for the case study.

- Instructor introduction
- Review breakdown of course content
- Overview of course expectations
- Using the LMS to access materials and tools
- Review Smith Case Study

Session 2: Product Guidelines and Selection

OBJECTIVE: to review completed case study 1003 at the initial application, broaden attendee's perspective on potential outcomes, analysis of data points, provide examples of how to think out of the box, identify borrower strengths and weaknesses and review subtle differences in matrices to determine appropriate options.

- Identifying appropriate loan products to accomplish transaction goal
- Creating loan options
- Identifying advantages and disadvantages of loan options
- Interpreting investor matrices
- Presenting options to the borrower

Session 3: Pricing Interest Rates and Risk

OBJECTIVE: to review categories of risk and the affect on pricing, determine pricing issues and review Fannie Mae Primary Risk Factors

- Loan level pricing adjustments
 - Transaction risk
 - Borrower risk
 - Property risk
 - LPC vs BPC transactions
 - Lock issues – unlocked loan risk
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Session 4: TRID Compliance

OBJECTIVE: discussion of issues around TRID compliance, determine accurate costs, review details of costs, calculation of the TIP and how to use it as a market differentiator.

- Background and intent
- Compliance requirements
- Detail Forms review
- Discussion
 - Current perceptions
 - Current practices
- The difference between APR and TIP
- TRID regulation review for origination practices
- TRID forms review using case study

Session 5: Documenting the File and Calculating Income

OBJECTIVE: to identify and review documents required upfront for least conditions on the first underwrite with the goal being three outstanding conditions: title, appraisal and homeowner's insurance.

- Thinking of transactions from underwriter's perspective
- Unresolved issues upfront become problems down the road
- Hidden traps of credit review
- Required documents – knowing what to ask for
 - How to document every data point before underwriting
- Translating taxable income into qualifying income
 - Discussion why 4506-T requirements cause delays
- Qualified mortgages and ability to repay –
 - What underwriters need to approve the file
- Employment stability issues
 - Review personal and business returns
- Review relevance of all assets and how they strengthen a file

Session 6: Refinance Case Study Wrap Up – Group Discussion

- Review final decision
 - Issues that came up
 - Identify initial strategy vs. change in strategy based on facts
 - Effect on transaction timing and customer satisfaction
 - What originators can do differently -preventing the preventable
 - What items got missed and why
 - Uncover how poorly handled files affect pipeline management
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Session 7: Value and Challenges of Purchases

OBJECTIVE: to identify how to avoid issues related to purchases due to contracts, timing, real estate agent communications and learn to take control of the transaction.

- Discussion – what have you experienced?
- Changing markets: political effect on housing
- Purchases vs. refinances
- Educating buyers and setting expectations
- Managing timing issues
- Realtor expectation and communications
- Turning customer service upside-down

Session 8: Managing and Marketing Your Pipeline

OBJECTIVE: to determine how the efficiently manage transactions with the least impact on customers, learn the value of pipeline reviews, and identify the marketing opportunities within the transaction.

- Fair communications
- Managing your pipeline
- Regularly scheduled pipeline reviews
- Marketing within your pipeline
- Social media
- Creating purchase business
- The power of teaching real estate finance – continuing education

Wrap Up Q&A

Final Exam
