



ARIZONA MORTGAGE LENDERS ASSOCIATION

8 Hour Arizona SAFE Comprehensive: Compliance in Action 2021

Course Description and Purpose

This course satisfies the annual continuing education requirements for mortgage loan originators set forth by the SAFE Act. *8-hr AZ SAFE Comprehensive: Compliance in Action 2021* covers topics required by the SAFE Act, including 3 hours of federal law, 2 hours of ethics, 2 hours of nontraditional mortgage lending, and 1 hour of Arizona law state-specific education (elective).

Course Outline

<i>Chapter 1</i>	<i>Federal Mortgage-Related Laws</i>
Estimated Time	145 minutes
Topics	<ul style="list-style-type: none"> • ECOA and FCRA <ul style="list-style-type: none"> - ECOA: Regulation B Provisions - Prohibited Discrimination Compliance - ECOA Credit Status Notification Compliance - ECOA and FCRA Adverse Action Compliance - Incomplete Application Notification Compliance • HMDA Data Collection <ul style="list-style-type: none"> - HMDA Purpose and HMDA Scope of Authority - HMDA Data Collection and Reporting - Federal Financial Institutions Examination Council • TILA <ul style="list-style-type: none"> - TILA: Regulation Z Provisions - Adjustable-Rate Mortgage Disclosure Compliance - Settlement Service Providers Disclosure Compliance - MLO Compensation Compliance - Licensee Identification Compliance • TILA: The Initial Loan Estimate <ul style="list-style-type: none"> - Initial Disclosure Delivery Compliance; Exemptions - Loan Estimate: Good Faith Disclosure - Good Faith Zero Tolerance Rule - Exceptions to Good Faith Zero Tolerance Rule - Costs with Unlimited Tolerance - Costs with Limited Tolerance - Service Provider Fees Given Option to Shop - Tolerances Given Situations of Noncompliance • DJ's Case Study • TILA: A Revised Loan Estimate

	<ul style="list-style-type: none"> - Revised Loan Estimates Allowed - Changed Circumstance Affecting Settlement Service Charges - Changed Circumstance Affecting Eligibility - Consumer-Requested Changes - Status of Interest Rate Lock Changes - Expiration of Original Loan Estimate - Construction Loan Settlement Delays - Revised Loan Estimate General Rules - Record Retention Compliance - Delivery Requirements - Clint's Case Study • TILA: The Good Faith Comparison <ul style="list-style-type: none"> - LE and CD Disclosure Closing Costs - LE and CD Sections with Zero Tolerance - Borrower Did or Did Not Shop - Good Faith Comparison Summary - Closing Disclosure Changes • Real Estate Settlement Procedures Act <ul style="list-style-type: none"> - Introduction to RESPA; Deficiencies - RESPA Kickback and Unearned Fee Compliance - Investigative Authority - Allowable Payment of Multiple Services - Recordkeeping Requirements - Example Violation • Additional Examiner Deficiencies <ul style="list-style-type: none"> - Electronic Records and E-Signatures Deficiency; Compliance - VA-Guaranteed Mortgage Loan Allowable Fees Deficiency; Compliance • What's Changing in 2021 <ul style="list-style-type: none"> - Redesigned URLA Implementation - Termination of GSE Patch - Discontinuation of LIBOR • Chapter Summary
Activities	<ul style="list-style-type: none"> • Knowledge Checks (open-ended, T/F and M/C review questions) • Apply Your Knowledge (case study questions and discussion) • Chapter Quiz (21 multiple-choice questions)
Chapter 2	Nontraditional Mortgage Products
Estimated Time	95 minutes
Topics	<ul style="list-style-type: none"> • Guidance on Nontraditional Lending <ul style="list-style-type: none"> - The Introduction of Interagency Guidance - CSBS/AARMR Guidance - Today's Nontraditional Mortgage Market • FHA-Insured Loans <ul style="list-style-type: none"> - The FHA Loan Types - FHA Loan Limits - FHA Qualifying Standards - FHA Property Qualifications - Additional FHA Provisions

	<ul style="list-style-type: none"> - FHA Mortgage Insurance Premium Requirement - FHA Underwriting Process; Approved Lenders - FHA Loan Recent Changes: Mortgagee Letters • Home Equity Conversion Mortgage <ul style="list-style-type: none"> - HECM Eligibility Requirements - HECM Loan Features • VA-Guaranteed Mortgage Loans <ul style="list-style-type: none"> - VA-Guaranteed Loan Eligibility; Documentation - Loan Amount Guarantee - VA-Guaranteed Loan Qualifying Standards - Variable Funding Fee Requirement - Certificate of Reasonable Value Requirement - Additional VA-Guaranteed Loan Provisions - Allowable and Prohibited Closing Costs - Approved Lenders • Adjustable-Rate Mortgages <ul style="list-style-type: none"> - Components of ARMs - Rate Caps - How an ARM Works; Hybrid ARM - ARM Underwriting Standardization - ARM Application Disclosures; APR - ARM Service Disclosures • Loans Categorized by Special Feature or Purpose <ul style="list-style-type: none"> - Term Loan with Interest Only Payment - Partially Amortizing Loan with Balloon Payment - Construction Loan - Open-Ended Mortgage - Purchase Money Mortgage - Blanket, Package, and Bridge Mortgages - Jumbo Loans - Mortgages with Buydown Plans • Chapter Summary
Activities	<ul style="list-style-type: none"> • Knowledge Checks (open-ended, T/F and M/C review questions) • Apply Your Knowledge (case study questions and discussion) • Chapter Quiz (15 multiple-choice questions)
Chapter 3	<i>The MLO's Duty to Protect Consumers</i>
Estimated Time	95 minutes
Topics	<ul style="list-style-type: none"> • Mortgage Fraud <ul style="list-style-type: none"> - Fraud Categories; General Ways to Commit Fraud - Mortgage Fraud; Case Study - Mortgage Fraud with Straw Buyer; Case Study - Red Flags of Mortgage Fraud - Illegal Property Flipping - Mortgage Loan Fraud with Title or Escrow Companies - Risk Reduction through RESPA • Identity Theft <ul style="list-style-type: none"> - About Identity Theft; Schemes - Identity Theft Case Study

	<ul style="list-style-type: none"> - Federal Laws Governing Identity Theft - Identity Theft and Assumption Deterrence Act - Identity Theft Penalty Enhancement Act - Fair Credit Reporting Act - Fair and Accurate Credit Transaction Act • Predatory Lending <ul style="list-style-type: none"> - Subprime Lending and Predatory Lending - Indicators of Predatory Lending - State and Federal Intervention; HOEPA - Predatory Lending: Foreclosure Scams; Case Study; Red Flags • Advertising and Telemarketing Laws that Protect <ul style="list-style-type: none"> - Prohibited Unfair and Deceptive Advertising - Prohibited Advertising Practices - Availability of Advertisement Offer Requirement - Clear, Conspicuous, and Compliant Advertisements - Telemarketing Sales Rule • Chapter Summary
Activities	<ul style="list-style-type: none"> • Knowledge Checks (open-ended, T/F and M/C review questions) • Apply Your Knowledge (case study questions and discussion) • Chapter Quiz (15 multiple-choice questions)

Chapter 4	AZ Licensee Operational and Home Lending Compliance
Estimated Time	45 minutes
Topics	<ul style="list-style-type: none"> • Supervisory Authority and License Law <ul style="list-style-type: none"> - Supervisory Authority - Arizona License Law; AZDFI Rules • Licensee Operational Compliance <ul style="list-style-type: none"> - MLO Sponsorship; Approved-Inactive Status - Requirements for Employing an MLO - MLO License Employment Termination - Display of MLO License - Change of MLO Residence Address - Branch Office License Requirements; Responsible Individual Change • Advertising Compliance <ul style="list-style-type: none"> - Company Name and License Number Disclosure Requirement - Requirements for MLO Advertisements - Prohibited Deceptive Advertising and Solicitations - Advertising Online; Federal Trade Commission Statement and Act - Compliance with Federal Laws - TILA - Advertising Record Retention - A Case of Solicitation Deception • MLO Prohibited Acts <ul style="list-style-type: none"> - Loan Amount Restrictions - Prohibited Deception - Prohibited Act Related to Handling of Money - Requirement to Secure Advantageous Loan • Prohibited Acts of Mortgage Brokers and Bankers <ul style="list-style-type: none"> - Blank Space Restriction; Exception

	<ul style="list-style-type: none"> - Loan Amount Restriction – Mortgage Broker; Mortgage Banker - Prohibited Commingling of Money - Delay of Closing Prohibition - Record Mortgage or Deed of Trust Restrictions - Property Insurance Prohibition • Disclosure and Deposit Requirements <ul style="list-style-type: none"> - Mortgage Broker Disclosure Requirements - Mortgage Broker Escrow Account Requirements - Mortgage Banker Fee Agreement Requirements - Mortgage Banker Trust Account Requirements • Arizona Private Party Financing Law <ul style="list-style-type: none"> - Institutional and Non-Institutional Investor Defined - Non-Institutional Disclosure Requirements • Actions for Noncompliance <ul style="list-style-type: none"> - An Order for a Person to Cease and Desist - An Order for an Entity to Cease and Desist - Rights to a Hearing - Civil Penalties - Superior Court Action - Violation of an Order or Injunction • Chapter Summary
Activities	<ul style="list-style-type: none"> • Knowledge Checks (open-ended, T/F and M/C review questions) • Apply Your Knowledge (open-ended questions and discussion) • Chapter Quiz (10 multiple-choice questions)

Final Activity and Course Evaluation

Estimated Time	20 minutes
Final Activity	Comprehensive Case Study
Survey	Complete a Course Evaluation
Total Estimated Time	400 minutes