



# Mortgage Loan Originator Required Training Series - Session Two (Webinar)

August 23, 2016 ☐ 3:30pm - 5:00pm

**Expect this question in the next Compliance Exam: Did all loan originators receive sufficient training in 2016?**

Why will this question be asked?

Banks have been complying with the Mortgage Loan Originator rules since 2014 and examiners are looking for compliance with the training requirements. This is a direct quote from the FDIC exam procedures for Truth in Lending: *"The loan originator organization must also provide periodic training to each employee that covers federal and state legal requirements to the individual loan originator's loan origination activities."* How will you prove that the training has been provided and that it was effective?

**Session Two** in the quarterly series will focus on the mortgage life cycle: and what are the requirements when the loan application has been completed? How do you underwrite and approve a mortgage loan request? What notices are required? What must they include?

## What you will learn:

- Recap of the definition of an "application" among the lending regulations
- What disclosures are required within 3 business days after receiving a completed application?
  - RESPA Homeownership Counseling List
  - Home Loan Toolkit - Closed end
  - Loan Estimate
  - HPML & ECOAA Appraisal notice as required
- Review of the "Ability to Repay" documentation requirements, and characteristics of various qualified mortgage loan options. Ability to Repay WORKSHEET
- Review of Reg B requirements for appraisal copies
- Flood Rules, notices, escrow requirements & exemptions, "detached structure" rules on residential property
- FCRA issues - risk-based pricing notice to Home Loan Applicant
- Recap of "small creditor" definition and service area test and updated "Repayment Ability" Matrix for loan applications on or after April 1, 2016
- *REVIEW - Covered applications taken on or after October 3, 2015 became subject to the "Integrated Disclosure" provisions. This session will include an overview of documenting the "intent to proceed", when fees can be charged and verifications can be conducted, other common TRID processing issues.*
- *Sample Loan Estimate & Closing Disclosure for a 6 month interest-only construction loan with a fixed rate and interest due only on advanced amounts (amount & timing of advances unknown) will be included in the materials. Also recap of the March session done by the CFPB and construction loan options for holdback funds and other challenges.*
- Loan checklist for Real Estate Loan applications taken on or after October 3, 2015.
- *BONUS - Participants will receive a 10 question quiz and an answer key. Passing the quiz will provide documentation of the effectiveness of the training effort.*

*A recording of the first session held on March 1st is available from the LBA and focused on the initial application and loan "inquiry". The third and final session in the series is scheduled for October 18th; the last session will cover the closing process*

## Webinar Speaker



Susan Costonis is a compliance consultant and trainer. Her 37 year career in banking and training began with 20 years at First National Bank, in Fort Collins, CO. Susan has been a bank compliance consultant or compliance officer in Louisiana since 1998. During her career, Susan has successfully managed compliance programs and exams for institutions supervised by the OCC, FDIC, and Federal Reserve. She is a Certified Regulatory Compliance Manager and completed the ABA Graduate Compliance School.