(SAFE Act)

SECTION 1 - TABLE OF CONTENTS

ГОРІС

i-viii Factors for Computing Monthly Principal & Interest

SECTION 2 - DEFINITIONS

2-1-38

SECTION 3 - FEDERAL REGULATIONS AND COMPLIANCE

3-1	General Overview
3-2	State of Georgia Special Disclosure
3-4	The Secure and Fair Enforcement Mortgage Licensing Act of 2008
3 -10	EQUAL CREDIT OPPORTUNITY ACT
3 -10	General Overview
3 -10	General Rules Prohibiting Discrimination
3- 12	Equal Treatment for Same-Sex Married Couples
3- 12	Taking Applications and Gathering Information
3 -13	Gathering Information
3- 16	Spouse's Signature
3- 16	Designation of Name and Monitoring
3-17	Counteroffer
3 -17	Notice of Incompleteness
3-18	Monitoring
3- 19	ECOA Valuation Rule Requiring Copy of Appraisal Report
3 -20	Notice of Adverse Action
3 -21	Timing of Notification of Adverse Action

SECTION	N 3 - FEDERAL REGULATIONS AND COMPLIANCE (Cont'd)
3 -23	Record Retention Requirements
3 -23	Penalties for Non-Compliance
3- 25	Equal Credit Opportunity Act Notice
3- 26	Notice of Counteroffer
3 -27	Notice of Incompleteness
3- 28	Notice of Credit Denial or Termination
3- 29	REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)
3 -29	Transactions Covered and Not Covered
3 -30	Good Faith Estimate
3 -31	Integrated Mortgage Disclosures Under RESPA and TILA
3 -32	Loan Estimate Disclosure
3 -13	Good Faith Tolerance Requirements
3 -34	Services That the Consumer May Shop For
3 -35	Charges Subject to a 10% Cumulative Tolerance
3 -36	Charges Subject to Zero Tolerance
3 -37	Changed Circumstances That are Permitted
3 -38	Changed Circumstances That Affect Eligibility
3 -40	Timing for Revisions to the Loan Estimate
3 -42	Closing Disclosure
3 -43	Revised Closing Disclosure
3-44	Requiring Particular Providers
3 -45	Provide a List of Service Providers the Borrowers May Select
3 -46	Home Loan Toolkit
3 -46	Mortgage Servicing Transfer Disclosure

SECTION 3 - FEDERAL REGULATIONS AND COMPLIANCE (Cont'd)

REAL ESTATE SETTLEMENT PROCEDURES ACT (Cont'd)

3-48	Response to Qualified Written Requests
3- 49	HUD-1 Settlement Statement Replaced With Closing Disclosure
3- 49	Record Retention for Closing Disclosure
3 -49	Prohibition Against Kickbacks and Unearned Fees
3- 53	Controlled/Affiliated Business Arrangement
3 -54	Computer Loan Origination Systems, Escrow Disclosure at Closing, and
	Annual Escrow Account Statement
3 -55	Limit on Amount of Escrow Funds
3- 55	Escrow Account Cancellation Notice
3- 56	Other RESPA Restrictions
3 -56	Record Retention Requirements
3 -57	New Final Rule 78 CFR 1069
3 -62	Penalties for Non-Compliance
3 -63	Loan Estimate
3 -66	Required Service Provider Addendum
3 -67	Home Loan Toolkit
3 -68	Closing Disclosure
3 -73	Controlled Business Arrangement Disclosure
3 -74	Computer Loan Origination (CLO) Fee Disclosure
3 -75	Initial Escrow Account Statement

SECTION 3 - FEDERAL REGU	LATIONS AND	COMPLIANCE	(Cont'd)
--------------------------	-------------	------------	----------

3 -76	THE TRUTH-IN-LENDING ACT – REGULATION Z
3 -76	Overview & Changes to Regulation Z
3- 77	Ability-to-Repay and Qualified Mortgage Rule (ATR/QM)
3 -79	Qualified Mortgage Rules
3 -81	Mortgage Disclosure Improvements Act (MDIA)
3 -83	Mortgage Servicing Final Rule
3-88	Truth-in-Lending Disclosure
3- 89	Right of Rescission
3 -91	Truth-in-Lending in Advertising
3- 92	Revisions in Truth-in-Lending to Improve Mortgage Advertising
3- 96	Other Prohibited Acts or Practices Under Truth-in-Lending 226.36
3 -102	Notice of Right to Cancel
3 -103	ADJUSTABLE RATE MORTGAGES
3 -106	Consumer Handbook on Adjustable Rate Mortgages
3-107	THE HOME OWNERSHIP AND EQUITY PROTECTION ACT (Section 32
	Loans)
3 -112	RULES FOR PROTECTIONS COVERING HIGHER-PRICED MORTGAGE
	LOANS
3- 115	HOMEOWNERS PROTECTION ACT GOVERNING CANCELLATION OF PMI
3 -120	FLOOD DISASTER PROTECTION ACT
3 -120	General Overview
3 -121	Flood Disaster Protection Act Notice
3 -122	FAIR CREDIT REPORTING ACT
8-123	THE FAIR AND ACCURATE CREDIT TRANSACTIONS ACT

<u>PAGE</u>	TOPIC
SECTIO	ON 3 - FEDERAL REGULATIONS AND COMPLIANCE (Cont'd)
3 -126	FAIR AND ACCURATE TRANSACTIONS ACT - RED FLAGS &
	SAFEGUARDS RULES REGARDING IDENTITY THEFT
3 -131	FEDERAL PRIVACY LAW – GRAMM-LEACH-BLILEY ACT
3 -134	RIGHT TO FINANCIAL PRIVACY ACT
3 -135	BANK SECRECY ACT 1970/ANTI-MONEY LAUNDERING ACT & MONEY
	LAUNDERING CONTROL ACT OF 1986
3 -136	ANTI-DRUG ABUSE ACT OF 1988 & ANNUNZIO-WYLIE ANTI-MONEY
	LAUNDERING ACT (1992)
3 -137	MONEY LAUNDERING SUPPRESSION ACT (1994) & MONEY LAUNDERING
	AND FINANCIAL CRIMES STRATEGY ACT (1998)
3 -138	FAIR HOUSING ACT
3 -139	THE HOME MORTGAGE DISCLOSURE ACT
3-141	THE USA PATRIOT ACT
3 -145	TELEPHONE CONSUMER PROTECTION ACT - DO NOT CALL REGISTRY
3- 147	MORTGAGE ASSISTANCE RELIEF SERVICES (MARS)
3 -154	MORTGAGE ACTS AND PRACTICES ADVERTISING
3- 157	THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL
	COMMERCE (ESIGN) ACT
3-158	DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION
	ACT (H.R. 4173)

SECTION 4 - CONVENTIONAL LOAN PROGRAMS

4 -1	The Secondary Mortgage Market
1- 4	Automated Underwriting Systems and Credit Scoring
4- 5	Conventional Loans
1 -5	30-Year Fixed Rate Loan
1- 6	20-Year Fixed Rate Loan
1 -7	15-Year Fixed Rate Loan
1-8	Non-Traditional Loan Programs
1 -8	"Simple" Adjustable Rate Mortgages
1 -9	Adjustable Rate Mortgages - Terminology
1 -11	Consumer Handbook on Adjustable Rate Mortgages (CHARM Booklet)
1 -12	Interest-Only ARM Mortgages
1- 16	Payment Option, Option ARMs, or Pick-A-Payment Mortgages
1- 19	Hybrid ARMs
1- 21	Piggyback, No Money Down, Simultaneous Second, or 80/20, 80/10/10 Loans
1-24	The Buydown Loan Program
1-27	Construction-Permanent Loans
1- 30	Reverse Mortgages
1- 31	Second Mortgages and Home Equity Lines of Credit
1- 32	Other Miscellaneous Loan Programs
1-33	Maximum Loan-to-Value (LTV) Ratios
1-34	Maximum Seller Contributions

SECTION 5 - UNDERSTANDING RATE SHEETS, PMI, MORTGAGE CALCULATIONS, LOAN ESTIMATE & CLOSING DISCLOSURE

5-1	Understanding Secondary Market Rate Sheets
5-4	Private Mortgage Insurance
5 -15	Mortgage Calculations, Calculating the Loan-to-Value and Mortgage Payments
5-18	Completing the Loan Estimate
5- 20	Fees That <u>Do</u> Affect the APR
5-22	Fees That Do Not Affect the APR
5 -35	Fees Worksheet – Explanation of Charges
5-29	What are Prepaids?
5-32	How to Determine the Number of Months to Escrow for Property Taxes
5-36	Complete the Loan Estimate
5-68	Requiring Particular Providers & Settlement Service Providers the Borrower May Select
5- 69	Home Loan Toolkit
5-70	Settlement Service Providers You Cannot Shop For
5-71	Home Loan Toolkit
5-72	Closing Disclosure
5-78	Now You Understand the Basics of Mortgage Calculations

SECTION 6 - GUIDELINES FOR TAKING A DETAILED LOAN APPLICATION

6-1	Importance of Taking a Detailed Loan Application
6- 2	Learn Your Loan Programs
6- 3	Get Organized
6-8	The Pre-Application Interview
6-11	Additional Information Checklist
6-12	The Face-to-Face Interview - Sten #1 - Review the Sales Contract

PAGE NO. TOPIC

$SECTION\,6-GUIDELINES\,FOR\,TAKING\,A\,DETAILED\,LOAN\,APPLICATION\,(Cont'd)$

	· ·
6-24	Step #2 – Discuss Available Loan Programs
6-24	Step #3 – Prepare a Fees Worksheet and Loan Estimate
6- 26	Step #4 – Determine That the Borrowers Meet Qualifying Ratios
6- 29	How Much House Can I Afford Worksheet
6-32	Step #5 – What to Do When Ratios are Too High
6-34	Step #6 – Get a Lock-In Agreement Signed
6- 36	Completing the Uniform Residential Loan Application
6-44	Sources of Down Payment and Settlement Costs
6-51	Borrower Information
6- 53	Employment Information
6-55	Sources of Monthly Income
6- 62	Assets and Liabilities – Assets
6 -64	Assets and Liabilities – Liabilities
6 -66	Schedule of Real Estate Owned
6 -67	Credit Under Any Other Name
6- 68	Details of Transaction
6- 69	Declarations – Judgments, Collection Accounts, Bankruptcy, Foreclosure, etc.
6- 73	U. S. Citizen – Permanent or Non-Permanent Resident Alien
6- 76	Information for Government Monitoring Purposes
6- 78	Step #8 – Get All Required Disclosures Signed
6- 79	Checklist of Documents Needed at Loan Application
6-81	Let's Sum It Up

PAGE NO. TOPIC

SECTION 7 – PROCESSING THE LOAN

7-1	5 Documents Required in Processing a Loan
7-3	Ordering the Loan Documents
7-4	Ordering the Flood Certification
7 -6	Ordering the Appraisal
7-8	Reviewing the Credit Report
7 -9	What is a Credit Bureau?
7-9	Limited and Automatic Subscribers
7-10	What is a Consumer Reporting Agency?
7-10	What is a Factual Credit Report?
7-13	Codes Used by Credit Bureaus
7-14	Important Information to Remember About Credit Reports
7-14	Review the Following Areas on a Credit Report Carefully
7-16	Different Types of Mortgage Credit Reports
7-20	What is Credit Scoring?
7-25	Sample Credit Report
7-33	Review the Credit Report Carefully
7-34	Documentation Requirements
7-35	Verification of Employment and Income
7-51	Verifying Funds to Close
7-61	Reviewing the Uniform Residential Appraisal Report
7-89	Submitting the Loan Package
7-90	Uniform Underwriting and Transmittal Summary
7-95	Typical Order for Submission

PAGE NO. TOPIC

SECTION 8 – CONVENTIONAL REFINANCE TRANSACTIONS

8-1	Conventional Refinance Transactions
8-1	Limited Cash-Out Transactions
8-3	Cash-Out Refinance Transactions
8-4	Maximum Loan-to-Value Guidelines for Refinance Transactions
8-5	Calculating the Loan Amount for Refinance Transactions
8- 6	Case Study for a Rate & Term Limited Cash-Out Refinance
8-10	Case Study for a Cash-Out Refinance Transaction
8-14	Refinance Transactions – Documentation Needed