



1 Hour SAFE CE: The Math Behind HECMs

Course Syllabus

Course Purpose: To provide reverse mortgage professionals with an in-depth understanding of how “the numbers” in a reverse mortgage transaction.

Course Description: The course objectives are to help illustrate how reverse mortgage interest rates are calculated, explain vital application doc calculations, describe reverse mortgage growth rates, and explain how to read a monthly statement.

Course Dates and Times:

Tuesday, November 15, 2016, from 12:00 pm to 1:00 pm.

This course is being offered during NRMLA’s Annual Meeting & Expo, at the Swissotel Chicago, 323 E Upper Wacker Dr., Chicago, IL 60601

Instructor Contact Information

Instructor #1:

Instructor: Craig Barnes

Email: cbarnes@reversefunding.com

Phone number: (845) 391 - 5220

Office hours: M-F 9 am-5 pm EST

Background: Manager of Training, Reverse Mortgage Funding LLC, Bloomfield, NJ

Course Objectives: To further enhance students’ knowledge of the mechanics of a reverse mortgage, so that they can comfortably explain these concepts to their clients.

Required Course Material:

[HUD Handbook 4235.1](#) (chapters 5 and 7, appendix 21,22)

[HUD Principal Limit Factor \(PLF\) Tables](#)

[MoneyCafé.com](#) (weekly listing of interest rates)

[Federal Reserve Web Site](#) (publication of other selected interest rates)

[Financial Assessment and Property Charge Guide](#) (Slide 26 in the presentation refers to Sections 5-3 and 5.6 on pages 76-77)

Grading Policy:

To successfully complete the course, students must attend the full duration of the course and sign the attendance sheets. An exam will be given at the conclusion of the course. Passing score is 70 percent. Students may retake one additional time. Upon completion all students will receive a course completion certificate and 1 hour of continuing education credit.

Course Policies:

All students must be honest and forthright in their academic studies. To falsify the results of one's research, to steal the words or ideas of another, to cheat on an assignment, or to allow or assist another to commit these acts corrupts the educational process. Students are expected to do their own work and neither give nor receive unauthorized assistance. Any violation of this standard could lead to automatic withdrawal from the course without credit or refund.

Course Outline:**Introduction:**

This course is a live, instructor-led course. This means the instructor will facilitate and encourage the class to get to know each other, foster a sense of community in the class, and help students learn from one another.

Modules:

- Principal Limit Factors (5 minutes)
- Interest Rates (5 minutes)
 - Expected Rates and Look Up Floor
 - Note Rates
- Principal Limit Lock (3 minutes)
- Payment Plan Math (3 minutes)
- Mandatory Obligations (3 minutes)
- Amortization Schedule (5 minutes)
 - Ongoing MIP
- TALC (6 minutes)
- Loan Growth (20 minutes)
 - Line of Credit
 - Case Study 1 – LOC Growth
 - Expected Rate
 - Initial Rate +
 - Yield Curve
 - LESA
 - Case Study 2 - LESA
 - Prepayments

End of Course Assessment

Students will have 10 minutes to complete a 10-question, multiple-choice exam administered at the conclusion of the course. Students must receive a 70% score to pass. Students will be notified of their test scores within three business days. A student who fails the exam may retake it one additional time.

NRMLA will schedule a time for the student to retake the exam and then email a different set of questions. The student will have 10 minutes to email the responses back to NRMLA. NRMLA will notify the student of the results within three business days.