



1 Hour SAFE CE: The Math Behind HECMs

National Reverse Mortgage Lenders Association
1400 16th St., NW
Suite 420
Washington, DC 20036

Course Provider ID: 1401098

Date of Course Content: November 15, 2016

Date of Course Approval: August 22, 2016

Attachments:

- 1) NMLS Rules of Conduct for Students (ROCS)
- 2) Syllabus





Rules of Conduct for NMLS Approved Pre-Licensure (PE) and Continuing Education (CE) Courses

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), requires that state-licensed MLOs complete pre-licensing (PE) and continuing education (CE) courses as a condition to be licensed. The SAFE Act also requires that all education completed as a condition for state licensure be NMLS approved. Since 2009 NMLS has established course design, approval, and delivery standards which NMLS approved course providers are required to meet. To further ensure students meet the education requirements of the SAFE Act, NMLS has established a Rules of Conduct (ROC). The ROC, which have been approved by the NMLS Mortgage Testing & Education Board, and the NMLS Policy Committee, both of which are comprised of state regulators, are intended to stress that NMLS approved education be delivered and completed with integrity.

Rules of Conduct

As an individual completing either pre-licensure education (PE) or continuing education (CE), I agree to abide by the following rules of conduct:

1. I attest that I am the person who I say I am and that all my course registration information is accurate.
2. I acknowledge that I will be required to show a current government issued form of identification prior to, and during the course, and/or be required to answer questions that are intended to verify/validate my identity prior to, and during the course.
3. I understand that the SAFE Act and state laws require me to spend a specific amount of time in specific subject areas. Accordingly, I will not attempt to circumvent the requirements of any NMLS approved course.
4. I will not divulge my login ID or password or other login credential(s) to another individual for any online course.
5. I will not seek or attempt to seek outside assistance to complete the course.
6. I will not give or attempt to give assistance to any person who is registered to take an NMLS approved pre-licensure or continuing education course.
7. I will not engage in any conduct that creates a disturbance or interferes with the administration of the course or other students' learning.
8. I will not engage in any conduct that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not operate in the mortgage loan business lawfully, honestly or fairly.
9. I will not engage in any conduct that is dishonest, fraudulent, or would adversely impact the integrity of the course(s) I am completing and the conditions for which I am seeking licensure or renewal of licensure.

I understand that NMLS approved course providers are not authorized by NMLS to grant exceptions to these rules and that I alone am responsible for my conduct under these rules. I also understand that these rules are in addition to whatever applicable rules my course provider may have.

I understand that the course provider or others may report any alleged violations to NMLS and that NMLS may conduct an investigation into alleged violations and that it may report alleged violations to the state(s) in which I am seeking licensure or maintain licenses, or to other states.

I further understand that the results of any investigation into my alleged violation(s) may subject me to disciplinary actions by the state(s) or the State Regulatory Registry (SRR), including removal of any course from my NMLS record, and/or denial or revocation of my license(s).

Course Number(s)

Signature

Date (mm/dd/yyyy)

Print Name

NMLS ID (If Known)



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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 11:30 am to 12:30 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.