



# 1 Hour SAFE: Processing and Underwriting Credit #11949

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## Course Syllabus

### Course Overview

Welcome to the 1 Hour SAFE: Processing and Underwriting Credit course. In this document, you will learn about the scope of the course, as well as administrative specifics, such as grading and certificates.

### Course Purpose

The 1 Hour SAFE: Processing and Underwriting Credit course is designed to meet NMLS Continuing Education requirements, and to familiarize mortgage loan originators with the processing and underwriting of credit issues in mortgage loans.

### Course Description

The 1 Hour SAFE: Processing and Underwriting Credit course meets SAFE Act continuing education requirements for licensed entities through review and analysis of information packed into one credit report that is key in qualifying borrowers for loan products. This course provides a foundational knowledge of processing and underwriting credit, and will help unravel the wealth of information contained in credit reports as well as provide a methodology for reconciling credit and handling credit problems that may be uncovered in analysis.

### Course Objectives

Upon completion of this course, you should be able to:

- Recognize the characteristics of a credit report
- Handle identity and fraud alerts correctly
- Identify the steps in reconciling a credit report
- Handle credit problems correctly
- Identify the characteristics of nontraditional credit
- Manage Credit Problems

### Course Outline

#### Introduction – (5 minutes)

#### Module 1— (15 minutes estimated time for completion)

- Section 1: Reviewing the Credit Report
  - Types of Credit Reports
  - How Long is it Valid?
  - Reviewing the Credit Report
  - Credit Report Video
  - Office of Foreign Assets Control OFAC Alert
  - Information in the Credit Report
  - Credit Report Codes
  - Review Matching Activity
  - Key Learning Points
- Section 2: Fraud
  - Fraud & Identity Warnings

- The Possibility of Misrepresentation
- Identity Alerts
- Fraud Alerts
- Active Duty Alerts
- What Should You Do?
- Module summary and quiz

## Module 2— (25 minutes estimated time for completion)

- Section 1: Reconciling a Credit Report
  - Trade Line Information & References
  - The Questions to Ask
  - Accounts that Do Not Belong
  - Other Common Errors or Items That May be Disputed
  - Monthly Payments Example
  - Removing Errors and Accounts That Do Not Belong
  - Disputes
  - Underwriting Considerations
  - Contingent Liabilities
  - Divorce Scenario
  - A Real World Example
  - Duplicate Accounts
  - Fraudulent Debt
  - Recent Inquiries
  - New Accounts
  - Current Mortgage
  - Reconcile a Credit Report Questions
- Section 2: Managing Credit Problems
  - Managing Credit Problems
  - Credit Problem Scenario
  - Common Problems
  - Additional Documentation
  - Debt Management Services
  - Judgments
  - Bankruptcy Interaction
  - Foreclosure and Short Sale
  - Credit Explanations
  - Divorce
- Module summary and quiz

## Module 3— (20 minutes estimated time for completion)

- Section 1: Nontraditional Credit
  - Non-traditional Credit
  - Documenting Non-traditional Credit
  - Housing Reference
  - Non-traditional Credit Tier System
  - Underwriting Non-traditional Credit
  - Non-traditional Credit Review
- Section 2: Risk Analysis
  - Credit Risk Analysis

- Selecting the Representative Score
- Credit Risk Analysis
- Balancing Risk
- Fannie Mae Eligibility Matrix
- Trended Credit Data
- Credit Report Fees
- Rescoring
- Primary Risk Factor
- Section 3: Case Study
  - Case Study
- Module summary and quiz

**Final Assessment: 10 minutes**

## Required Course Materials

All materials required for the course are contained within the learning management system or provided via links within the course. No other materials are required. This course does not have to be completed in one sitting, but it is recommended for your learning retention that each component of the course be completed in one sitting. If you begin the course and you are timed out due to six minutes of inactivity, you will be returned to the first page of the unit of instruction within the module. If you begin the course and choose to leave the course you may re-access the course at any time without starting from the beginning. When re-entering the course, you will be asked if you would like to continue where you left off, simply answer OK to continue through the material. You must have pop-ups enabled and toolbars disabled. You may review any course materials you have already completed by using the navigation tools located in the course, menus, and course index page. You must have Adobe Reader to view the supplemental materials/handouts in the course.

## Final Course Assessment

After completing the course materials, you will need to pass a multiple-choice assessment. You must receive a score of 70 percent (70%) or better to pass.

## Instructor(s) Background

This course does not have an instructor. This course was developed through content contributions from Alana Stephens & Michael James.

## Instructor Biographies

**Donna Bradshaw** has been involved in the mortgage lending industry for nearly 40 years with duties ranging from abstracting to operations management and compliance management, including state licensing, and quality control. She began her career as a title company receptionist and occupied progressively more responsible positions up to Senior Vice President for a large multi-state mortgage lender. Donna is presently semi-retired, working part time with a local title company assisting with their compliance, best practices, escrow services and title researching.

Contact information: Please feel free to contact our contributors at [learning@elliemae.com](mailto:learning@elliemae.com)

## Course Administration

### 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).

Any violation of this standard could lead to automatic withdrawal from the course without credit or refund. Course should be taken in a quiet, distraction free area. NMLS has established a mandatory automatic log-out, and after six minutes of inactivity, you will be logged out of the course. On logging back in, you will return to either the page where inactivity was detected or the start of the unit of instruction. Units of instruction are indicated in the Course Outline section of this syllabus.



## Course Deadline

Students have until December 31 in the year in which the course is purchased to complete the course. You may complete the course at any time during this period. However, course providers are afforded seven calendar days to credit the student's NMLS account following successful completion of the course. It is strongly advised that you complete the course at least one week prior to the December 31 deadline.

## Grading Policy

Successfully complete the course and receive CE credit with the NMLS for this course, students must:

- Review the syllabus
- Complete the course
- Pass the Final Assessment with a score of 70 percent or better
- Receive (download) the Certificate of Completion

## Successfully completing a module

This course is broken into modules. Each module contains activities such as scenarios, videos, review questions, and a module quiz. Students must successfully complete these activities and pass the module quiz with a grade of 70 percent or better to complete that module.

## Course Evaluation

After you have completed the course and final assessment, please take a moment to complete the course evaluation. Your feedback will help us improve our courses and develop new offerings.

## Technical Requirements/Support

### Computer and internet requirements

Students must have an Internet connection. For best performance, an ethernet connection is preferred rather than Wi-Fi. The most recent versions of the following browsers are acceptable: Chrome, Edge, Internet Explorer, or Firefox. You must have Adobe Reader to view the supplemental materials/handouts in the course. Make sure you disable toolbars in your browser and enable popups.

If you can't find what you are looking for, contact our support staff at (800) 848-4904 Monday–Friday, 8:00 a.m.–5:00 p.m. Central Time.

## Help and Contact Information

Please feel free to contact our industry experts by emailing [learning@elliemae.com](mailto:learning@elliemae.com). Please include the course title and related slide number(s) in your communication.

## Continued Learning

After completing this course, you may be interested in other courses to enhance your knowledge. Visit <http://elliemae.com/education/continuing-education> for a list of all course offerings. In addition to self-paced online courses, AllRegs by Ellie Mae offers instructor-led, onsite classroom courses; instructor-led virtual classroom courses; and single session webinars on key issues impacting the mortgage industry. AllRegs by Ellie Mae also may be able to meet your customized training needs.