

# Homeowners Protection Act

## Course Syllabus

### Course Overview

#### Description

The Homeowners Protection Act (HPA) became effective in 1999 to address the difficulty in cancellation of primary mortgage insurance (PMI) experienced by homeowners. The act not only provides provisions for the cancellation of PMI, but it also establishes disclosure and notification requirements. AllRegs Academy's Homeowners Protection Act (HPA) self-study online course is designed to provide clarity on the Act by examining the requirements that it places on lenders and servicers of mortgage loans.

The course will distinguish between the requirements for conforming and non-conforming mortgages, high risk and non-high risk mortgages and adjustable rate and fixed rate mortgages regarding PMI cancellation options and PMI disclosure requirements. Upon completion of this course, students will better recognize the requirements of the lender and servicer regarding PMI disclosure and cancellation.

**Duration:** Approximately 34 minutes.

#### Objectives

After you complete this course, you will be able to:

- List options for removing borrower-paid PMI
- Distinguish between Fannie Mae/Freddie Mac high risk loans and lender-defined high risk loans
- Identify differences in disclosures for an adjustable rate mortgage and a fixed rate mortgage
- Identify the timeframes for the required disclosures
- Recognize disclosure requirements for lender-paid PMI
- Outline CFPB Examination Considerations relating to HPA

#### Required Materials

The course contains all required materials. No additional materials are necessary.

### Course Outline

#### Homeowners Protection Act

- A Little History
- Applicability
- List options for removing borrower-paid Private Mortgage Insurance (PMI)
- Private Mortgage Insurance
- Cancelling PMI
- What Does HPA Do?
- To Whom Does HPA Apply?
- Cancellation and Termination for Non-High Risk Transactions
- Example of Borrower Requested Cancellation
- Automatic Termination
- Final Termination
- Loan Modifications
- Refund of Unearned Premium

### **Distinguish between Fannie Mae/Freddie Mac high risk loans and lender-defined high risk loans**

- Cancellation and Termination for High Risk Transactions
- Fannie Mae and Freddie Mac High Risk Conforming Loans
- Lender-defined High Risk Non-conforming Loans
- Origination Disclosures for High Risk

### **Identify the time frames for the required annual PMI disclosures**

- Annual Notice
- Loan Transactions Prior to July 29, 1999
- Notification upon Cancellation or Termination of PMI
- Denial of PMI Cancellation or Termination

### **Identify differences in disclosures for an adjustable rate mortgage and a fixed rate mortgage**

- Varied Disclosure Requirements
- Disclosure for Non-High Risk Fixed Rate Transactions
- Disclosure for Non-High Risk Adjustable Rate Transactions

### **Recognize disclosure requirements for lender-paid PMI**

- Lender-paid PMI (LPMI)
- Initial Notice
- LPMI Termination Notification
- Enforcement

### **Outlines CFPB Examination Considerations relating to HPA**

- Common Failures
- The Audit
- Pitfall - PMI Cancellation Rights
- Requests for Cancellation

## Course Administration

### Earning Your Certificate

The course provides you with multiple attempts to pass the final assessment. You must receive a score of 70% or better to receive your Certificate of Completion. If you do not pass the assessment, it is recommended that you review the course and accompanying materials before you retake the assessment.

### Completion Deadline

You have 12 months from the subscription date to complete the course. You may complete the course at any time during this period.

### Policies

All learners must be honest and forthright in their professional development activities. Learners are expected to complete their own coursework.

### Course Evaluation

After you earn your certificate, you will have an opportunity to provide feedback that assists the design and development team with course improvement.

### Course Contributions

AllRegs® courses are developed through the combined efforts of industry experts, instructional designers, and course developers. The industry subject matter expert for this course is Valorie Kacherian, CRCM.

### Technical Requirements and Support

You must have an Internet connection and an Internet browser that supports the course files. Refer to the AllRegs® Academy Student System Requirements to ensure your browser supports our courseware. For additional assistance, consult the AllRegs® Academy FAQs.

### Course Help

For additional assistance, email [learning@elliemae.com](mailto:learning@elliemae.com). Please provide the following details:

- Course title
- Related screen number(s)
- Browser and version
- Your contact information