



# **Advanced Mortgage Knowledge**

Advanced Origination Curriculum

April 2016

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### Course Description

The course is part two of the Certified Mortgage Advisor Curriculum and covers advanced mortgage knowledge for those entering the industry. The topics covered include the economic concepts of home ownership, rates and the secondary markets, refinances, comparing mortgage options, customer service/pipeline management and advanced qualification, including self-employment.

### Target Group

The course is designed to be a benefit to new and experienced loan officers. It will also benefit certain segments of operations personnel, especially processors and loan officer assistants.

### Course Objectives of the Course

The objective of the course is to move a loan officer closer towards the goal of becoming an expert mortgage advisor, rather than a sales person. This course will prepare the loan officer to differentiate themselves from the competition as an expert, so that they can build a business model which will generate strong referrals and provide higher conversion rates for a full spectrum of prospects - from cold leads to referrals.

### Course Format

The course is delivered online with narrated slide presentation. This will enable the student to move at their own pace which provides maximum flexibility. It is expected that the student could finish the course in two full days if they are dedicating an entire working day towards completion of the course.

### Testing

There are quizzes throughout the material in order to reinforce the substance and the class culminates with a final exam. The course provides automatic feedback on quizzes and the final grade is also delivered immediately. A passing grade is 75%.

### Additional Assignments

The course includes several assignments which must be completed and submitted for grading in order to complete the course. These assignments are designed to reinforce the material, as well as being able to delve deeper into certain topics.

### Text

Students will receive an e-book which contains all course material. There is an option to purchase the print version of the course book as well.

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### Certification

The course is the second course of the three-part Certified Mortgage Advisor Program. Students can achieve certification by completing and passing all three courses. Loan officers and managers with a minimum of three years of experience that bypassed the World of Mortgages course by passing the competency test will start with the Advanced Mortgage Knowledge course. Upon passing, the student can take the final course to achieve certification. This class does not provide continuing education credit needed to retain your license.

### Author

Industry expert Dave Hershman is the author of the material presented in this course. Dave is the leading author in the industry with seven books and hundreds of articles published, including two by the Mortgage Bankers Association of America. As a loan officer, Dave closed over 550 loans in his first 18 months in the industry, including closing 60 in his 12th month. During his career, he has hired, trained and taught tens of thousands of loan officers and managers. In other words, Dave's material comes from the perspective of someone who has executed the expert differentiation model of success.

### Course Evaluation

The students are encouraged to give feedback regarding the course material, delivery and structure at the end of the course.

### Course Outline

#### Segment One: The Economic Reasons to Own a Home

- Real estate as an investment-the concept of leverage
- The concept of rental equivalency
- The mortgage payment as an inflation hedge
- Mortgages, Home Ownership and Taxes

#### Segment Two: Understanding Rates and the Secondary Markets

- Where mortgages come from-the secondary market
- What Happens When a Loan Is Sold?
- What determines Interest Rates?
- How Does a Mortgage Company Make Money?
- Putting It All Together: The Mortgage Banking Profit and Loss Picture

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### Segment Three: Comparing Mortgages

- Comparing mortgage payments over the life of the mortgage
- Comparing mortgage payments for different mortgage terms
- Comparing points or closing costs on mortgage programs
- Comparing mortgage combinations
- Comparing cash requirements for each mortgage
- Comparing qualification requirements for each mortgage source
- The Practice of Mortgage Planning

### Segment Five: Delivering Great Customer Service

- Why a Great Loan Application is the Key
- The Keys to a Great Application and Process
- Reviewing the Documentation

### Segment Four: Refinancing a Mortgage

- What is a refinance?
- Why would someone want to refinance a home?
- Mortgage sources and refinancing
- Other considerations regarding refinances
- How much is it going to cost?

### Segment Six: Qualification-Beyond Ratios and Residuals

- Eligibility of the applicant
- Income
- The credit of the applicant
- Assets
- Property