



## Welcome to the FHA Fundamentals Instructor-Led Web Course!

The purpose of this document is to give you an overview to the course. Below you will find some essential information about the course to get you started.

### Course Description

This course addresses the FHA 203(b) program for 1-4 family owner occupied loans. It covers the basic information for general eligibility criteria, maximum mortgage amount calculations for purchase and refinance transactions, and underwriting and appraisal requirements.

The goal of the FHA Fundamentals course is to educate participants in five primary areas of the FHA 203b loan program:

- General Program Requirements
- Purchase Transactions
- Underwriting The Borrower
- FHA Appraisal Basics
- Refinance Transactions

All five sections will be covered during the five weeks of instruction utilizing newly written materials from The Practical Guide to FHA Lending.

This course is designed for individuals who have basic knowledge of mortgage origination or processing.

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### How It Works

Participants will be provided with important reading material, homework, activities and discussion questions through the course site. Each week, students will be required to:

- Review the reading materials
- Submit homework assignments via email
- Participate in the discussion thread
- Complete a section quiz (self-graded by the computer)

Every student has the opportunity to:

- Send questions to the instructors at any time through the discussion boards and email.
- Work with the other students directly, if desired

The FHA Fundamentals instructors will:

- Lead the kick-off and wrap-up conference calls
- Review and respond to your questions

- Review homework, activity work, and discussion board postings and provide individual feedback
  - Provide guidance for completing the case study, quizzes, and final exam
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## **Course Overview/Outline**

Upon completion of this course you should be able to complete the objectives listed below.

### **Week One - General Criteria and Purchase Transactions**

- Understand what the statutory loan limit is
- Identify eligible borrow and property types
- Understand basic product description
- Calculate the maximum mortgage amount for purchase transactions
- Calculate the borrower's 3% minimum investment requirement
- Identify closing costs that can and can not be charged to the borrower
- Complete and review a GFE for accuracy

### **Week Two - Purchase Transactions**

- Calculate the seller's contribution to be within the 6% limitation
- Work effectively with lender premium pricing
- Review a loan for compliance with FHA anti-property flipping requirements
- Identify special circumstances for FHA purchase transactions
- Identify allowable sources of funds for down payment, closing costs, prepaid expenses and discount point
- identify unacceptable sources of funds for closing

### **Week Three - Underwriting Requirements**

- Identify whether credit history information appears to meet FHA guidelines
- Assess credit risk for bankruptcy chapter 7 and chapter 13
- Assess credit risk for borrower's with previous foreclosure
- Assess credit risk for borrowers in consumer credit counseling
- Understand acceptable non traditional credit references
- Obtain and understand CAIVRS/LDP and GSA information
- Determine acceptable stable monthly income for qualifying
- Calculate qualifying ratios and understand compensating factors

### **Week Four - FHA Forms and the Appraisal**

- Understand and complete FHA forms required at application and through basic processing
- Understand and complete FHA forms required for purchase transactions
- Understand and complete FHA requirements relevant to the appraisal
- Understand how to clear the appraisal requirements for final approval

### **Week Five - Refinance Transactions**

- Calculate maximum mortgage amount for a regular refinance

- Understand regular refinance transaction credit and documentation requirements
  - Calculate maximum mortgage amount for streamline refinances
  - Understand streamline refinance program requirements
  - Review and final essay case study assignment
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## Instructors and Staff

Contact information for the instructors and staff can be found in the Staff Information Area of the course.

**Teresa Ferman, John Gehrke, Sam Chrome, and Alice Alvey, CMB** will be your course instructors. At any time if you are unsure what to do and/or need assistance in any way you can email the instructors at [instructors@mortgage-u.com](mailto:instructors@mortgage-u.com).

**Andy Alvey** will be available to help with questions concerning receipt of assignments and coordination with the instructors.

For registration or technical issues, please contact CampusMBA at (800) 348-8653 or email [campuseducation@mortgagebankers.org](mailto:campuseducation@mortgagebankers.org).

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## Course Schedule

The course will begin with a kick-off conference call on **Wednesday, June 4**. The coursework officially begins on Monday, June 9th and ends on Friday, July 18th, by which time your assignments must be completed and the instructors will finish up the grades before the wrap up call. The final wrap-up call is set for the Wednesday *following* the course end date. The wrap up call is set for, **July 23<sup>rd</sup>**.

Course materials will become available as the course progresses according to the schedule posted below. The assignments are due by Friday of each week. The instructors' goal is to get feedback to the student within 48 hours of receiving the completed assignment. Instructor feedback will be provided on the discussion board comments.

### ***Week One***

Course documents and assignments will be posted the week prior to the official course start on 6/9. Course documents and assignments will be posted on 6/2  
Student assignment deadline: 6/13  
Instructor assignment deadline: 6/15

### ***Week Two***

Course documents and assignments will be posted on 6/9  
Student assignment deadline: 6/20  
Instructor assignment deadline: 6/22

### ***Week Three***

Course documents and assignments will be posted on 6/16

Student assignment deadline: 6/27  
Instructor assignment deadline: 6/29

#### ***Week Four***

Course documents and assignments will be posted on 6/23  
Student assignment deadline: 7/4  
Instructor assignment deadline: 7/6

#### ***Week Five***

Course documents and assignments will be posted on 6/30  
Student assignment and case study deadline: 7/11  
Instructor assignment and case study deadline: 7/13

#### ***Week Six***

As much as we would like you to adhere to the above schedule, we realize "life happens", this week is included to help all of us catch up on what we may have missed! Take time to review the course material to make sure you are comfortable applying what you have studied over the last five weeks. We are here to answer any questions you may have. Use this final week to finish up any missing assignments or to retake any of the weekly quizzes. **Course work should be completed by Friday, July, 18<sup>th</sup>**. The final wrap up call is scheduled for 12:00 noon (ET), July 23<sup>rd</sup>; call access information is noted below. (You may also refer to the "Announcement" screen for up-to-date course information.)

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### **Instructor-Led Conference Calls**

There will be course conference calls led by the instructors on the first day of class and the week after the course ends. Students are encouraged to be logged into the course during the calls. Access information is as follows;

#### ***Wednesday, June 4<sup>th</sup>, 2008***

Kick-Off Call

12:00 noon ET

To access the call, dial 1-866-846-3997, use passcode: 199434

#### ***Wednesday, July 23, 2008***

Course Wrap Up

12:00 noon ET

To access the call, dial 1-866-846-3997, use passcode: 675144

Both calls are expected to last about 45 minutes.

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### **Homework Assignments**

Please be sure to follow the instructions (found with each assignment) for submitting your course work. Please be sure to submit your completed assignments by the specified submission date; allow the instructors 48 business hours for feedback.

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## Assessments

Grading is based on participation in the discussion threads, completion of the homework assignments and quizzes.

The quizzes are graded automatically once the "Submit" button is clicked. Additional coursework include a set of essay questions and the final case study. The essay responses may be emailed to the instructor at [instructors@mortgage-u.com](mailto:instructors@mortgage-u.com) or faxed to (248) 290-2525.

Students who successfully complete the course will be sent a certificate of completion.

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## Grading

### *Discussion Boards*

Participation in discussion boards represents 30% of the grade. There are eight discussion threads to participate in. The student should participate with at least one response to each discussion thread. The following assessments will apply.

### **Points Earned    Grade**

- 8 = Excellent/passing grade
- 6-7 = Satisfactory/passing grade
- 5 or less = Did not meet minimum expectations/not a passing grade

The discussion thread grade is applied as follows:

<b>Week</b>	<b>Number of Required Threads</b>	<b>Points</b>
Week 1	1 required discussion thread	2 point
Week 2	1 required discussion thread	2 point
Week 3	2 required discussion threads	2 point each (4 total)
Week 4	3 required discussion threads	2 point each (6 total)
Week 5	1 required discussion thread	2 point
	Total points for discussion threads:	16 points

**You earn 1 point when you answer the discussion board question and 1 point when you respond to another student on a discussion thread.**

Note: Posting a question about an assignment does NOT count as participation in the discussion! Please use the designated "help sites" for questions which aren't related to the topic.

### *Quizzes*

Completion of the quizzes represents 40% of the grade. There are eleven quizzes to participate in:

1. Purchase Scenario #1
2. Purchase Scenario #2
3. Purchase Scenario #3
4. Closing Cost Matrix Quiz
5. Jackie Purchase Case Study Quiz
6. Secondary Financing
7. Document Matching
8. FHA Appraisal
9. Application Forms Quiz
10. Streamline Refinancing Quiz
11. Maximum Mortgage Amount for Refinances

The student receives credit for completing the quiz and is not graded based on the number right or wrong. The following assessments will apply based on the number of completed quizzes:

**Completed Quizzes    Grade**

- 10-11 =    Excellent/passing grade
- 8-9 =    Satisfactory/passing grade
- 7 or less =    Did not meet minimum expectations/not a passing grade

*Assignments*

Completion of the assignments represents 10% of the grade (not including the final case study). There are five assignments for the students to complete.

<b>Assignment</b>	<b>Points</b>
Property Flipping Essay	5 points
FHA Hot Topic Essay	5 points
Risk Analysis Essay	10 points
Total available points:	20 points

Total Points Earned Grade

**Points Earned    Grade**

- 19-20 =    Excellent/passing grade
- 15-18 =    Satisfactory/passing grade
- 14 or less =    Did not meet minimum expectations/not a passing grade

*Final Case Study*

Completion of the final case study represents 20% of the final grade. The final exam is 26 questions about the Barbara Buyer scenarios.

Total Points Earned Grade

**Points Earned    Grade**

24-26 =    Excellent/passing grade

20-23 =    Satisfactory/passing grade

19 or less =    Did not meet minimum expectations/not a passing grade

*SUMMARY*

The student must obtain a passing grade in 2 of the first 3 categories and must receive a passing grade in the final case study in order to receive a certificate.

An excellent rating in one does not offset 'did not meet minimum expectations' in another.

Late assignments will not be able to earn an excellent rating regardless of the points actually earned.

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**Professional Certificate and Professional Designation Programs**

CampusMBA's prestigious certificate programs and professional designations give you the opportunity to demonstrate your superior knowledge and commitment in real estate finance. From the Professional Certificate program to the prestigious Certified Mortgage Banker designation, CampusMBA has a program to match your interest and your level of experience. All CampusMBA courses, seminars and programs provide value towards industry designations. Designations are streamlined and integrated to maintain our long tradition of exemplary quality but also to allow a simplified and easily understandable path. For more information, visit <http://www.campusmba.org/IndustryDesignations>.

By completing this course, you will earn 5 points toward the **Residential Loan Production (RLP)** professional certificate and toward the **Certified Mortgage Banker (CMB)** and **Certified Mortgage Technologist (CMT)** designations.

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**What Next?**

To return to the Course Information area to read about navigation and technical information, click on the blue "Course Information" button on the left or click the "Course Information" link on the grey "breadcrumb" navigation trail above.

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This course is designed to present accurate and authoritative information on the subject matter covered. This information, however, cannot be guaranteed. This course should not be used as a substitute for referring to applicable rules and regulations and local laws and is sold with the understanding that the authors are not engaged in rendering legal, accounting or other personalized professional services. If legal or other expert assistance is required, the services of a competent professional should be sought.

