

## **Mortgage Lending**

**Duration – 16 hours**

### **Course content –**

- What are mortgages?
- Overview of US and European mortgage markets
- Players in US mortgage markets
  1. Federal Home Loan Mortgage Corporation
  2. Federal National Mortgage Association
  3. Government National Mortgage Association
- Players in European Mortgage Markets
- Channels of product distribution
- Mortgage Types (products)
- Loan porting
- Loan switching
- Different types of Fees
  1. Arrangement fees
  2. Service fees
  3. Booking fees
  4. Completion fees
  5. Exit free
  6. Legal fees
  7. Capitalization of fees
- Mortgage lending processes
  1. Pre-approval
  2. Application and documentation
    - Customer data
    - Property data
    - Credit Checking/Searches and Affordability to pay
    - Decision/Agreement in Principle

- Quotation
  - Loan Tenure/Term
  - Valuation/Surveys and types of valuations
  - Title Search
  - Solicitors and Legal Conveyance
- 3. Ratios (PITI, Expense Ratios, Coverage Ratios)
- 4. Underwriting
- 5. Closing, Offer Generation and Acceptance
- 6. Drawdown
- 7. Repayment/Early Repayment of Loan
- 8. Escrow
- Mortgage life-cycle events
  - 1. Disbursements
  - 2. Servicing and management
  - 3. Delinquent accounts/non-performing accounts
  - 4. Collection and recovery
  - 5. Bankruptcy and loss mitigation
- Other exit routes
  - 1. MBS/CMO/Securitization
- Regulation in USA/Europe
  - 1. Equal Credit Opportunities Act
  - 2. Home Mortgage Disclosure Act
  - 3. Fair Housing Act
  - 4. Community Reinvestment Act
- Mortgage insurance