



**The Office of the  
Indiana Secretary of State**  

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**Securities Division**

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***Candidate Guide***

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**2008**

**pan**<sup>®</sup>  
A TALX Company

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# Introduction

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## Overview

Effective July 1, 2007, individuals who desire to become registered as Principal Managers or Loan Originators must pass an assessment prior to a certificate of registration being issued, pursuant to Indiana Code § 23-2-5-5(d).

The Indiana Secretary of State, Securities Division (Division) has contracted with Performance Assessment Network (**pan**) to administer the Principal Manager and Loan Originator registration assessment program.

As an applicant, before scheduling an appointment to take the assessment, you should read this Candidate Guide in its entirety to ensure you completely understand the steps to successfully complete the registration process. This Guide contains assessment content outlines and important information regarding the testing process.

As an applicant for registration, you must demonstrate a minimum knowledge of the mortgage industry and both federal and state loan brokering statutes and regulations by passing the required assessment. Different assessments will be given to those applying for registration as a Principal Manager and those applying for registration as a Loan Originator.

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## Contact Information

For questions regarding applications or applying for a registration, contact:

Indiana Secretary of State, Securities Division  
302 W. Washington Street, E-111  
Indianapolis, IN 46204  
Phone: (317) 232-6681  
Toll Free: (800) 223-8791  
Email: [loanbrokerexam@sos.in.gov](mailto:loanbrokerexam@sos.in.gov)

Visit the Division's website at [www.sos.IN.gov/securities](http://www.sos.IN.gov/securities).

For questions related to the testing website, scheduling or testing, email:  
**[ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com)**.

# Registration

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## Process

To obtain a Registration as a Loan Originator or Principal Manager, complete the first three steps below **BEFORE** submitting an application for registration.

1. Complete the education requirements for an initial applicant or for a renewing applicant. See the Education Requirements section in this Guide for more information.
2. Obtain an FBI fingerprint card. See the Background Checks section in this Guide for more information.
3. Visit the testing website to register and pay for the assessment, select a location, and schedule an appointment to take the assessment. See the Examination Process section in this Guide for more information.
4. Pass the assessment.
5. Submit a properly completed application for registration as a Principal Manager or a Loan Originator (State Form 49718/Form LB 4) along with the appropriate application fee (Principal Managers pay \$200.00 and Loan Originators pay \$100.00) and all required supporting documentation to the Division.
6. Wait for notification of registration from the Division. All notifications, certificates of registration, and denials are mailed directly to your home address.

To view a copy of State Form 49718/Form LB 4 go to <http://www.in.gov/icpr/webfile/formsdiv/49718.pdf>.

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**Qualifications** The Division registers Principal Managers and Loan Originators in accordance with the Indiana Loan Broker Act and the Loan Broker Regulations.

### **Principal Manager**

A Principal Manager is responsible for the day-to-day supervision and management of the employees and business affairs of a licensed loan broker at a specific office location.

An individual applying for a Principal Manager registration must:

1. Complete the registration process explained in the Registration section of this Guide and include documentation evidencing three (3) years of experience in the loan brokerage business or financial services that is acceptable to the Securities Commissioner.
2. Act as a Principal Manager for only one (1) licensed loan broker upon issuance of a Certificate of Registration as a Principal Manager.
3. Manage the day-to-day operations at a specific office location of the licensed loan broker.
4. Complete six (6) hours of continuing education annually, after the year in which the registration was initially issued.

### **Loan Originator**

A Loan Originator is an employee of a licensed loan broker who communicates with or assists a borrower or prospective borrower in the selection of loan products or terms.

An individual applying for a Loan Originator registration must:

1. Complete the Registration process explained in the Registration section of this Guide.
2. Act as a Loan Originator for only one (1) licensed loan broker at any one time upon issuance of a Certificate of Registration as a Loan Originator.
3. Complete six (6) hours of continuing education annually, after the year in which the registration was initially issued.

Before submitting the application materials, be sure to answer all questions completely and accurately. Submit all required information and documentation including the appropriate fee made payable to the Indiana Secretary of State. For more detailed instructions on completing the application and a copy of the application go to <http://www.in.gov/icpr/webfile/formsdiv/49718.pdf>.



**Incomplete or inaccurate information will delay the processing of the application for registration.**

# *Education Requirements*

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## Requirements

The requirement for an initial applicant is twenty-four (24) hours of live classroom instruction of a course or program approved by the Division (**Note:** The initial twenty-four [24] hours of education must include at least one [1] hour of academic instruction on Indiana loan broker law and at least two [2] hours of academic instruction on federal loan broker law.)

The requirement for a renewing applicant is six (6) hours of approved academic instruction each calendar year following the year in which the registration was initially issued.

A list of approved course vendors and courses is located at [www.in.gov/sos/securities/public.html](http://www.in.gov/sos/securities/public.html).

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# Background Checks

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## Overview

Pursuant to Indiana Code § 23-2-5-5(k), Federal criminal background checks are required for each individual applying for registration as a Principal Manager or Loan Originator.

## All individuals

Complete the following steps:

1. Obtain an FBI fingerprint card (FD258) from a law enforcement agency, preferably a state police post.
2. Present a valid form of ID and get fingerprinted, making sure to avoid smudging or other means of rendering the fingerprints illegible. An illegible fingerprint will result in having to start the process over including paying the fee again.
3. Mail the fingerprint card along with your completed application and check or money order covering your appropriate application fee (including a \$32.25 fee for obtaining the background check) to the following address:

Indiana Secretary of State  
Securities Division  
302 W. Washington St., Room E-111  
Indianapolis, IN 46204

To view a copy of State Form 49718/Form LB 4 go to <http://www.in.gov/icpr/webfile/formsdiv/49718.pdf>.



**BE ADVISED:** Failure to submit the required complete fingerprint card issued by a law enforcement agency with the appropriate certification will delay the processing of your application. The Division will **NOT** issue a license or a certificate of registration without an FBI criminal background report.

# Examination Process

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## Register for an Account

As mentioned in the Overview section, The Indiana Secretary of State, Securities Division has contracted with Performance Assessment Network (**pan** – A TALX Company) to administer the Principal Manager and Loan Originator registration assessment program. Use the following URL to register for an account, select an assessment, and schedule an appointment:

**<https://secure.vitapowered.com/isos/login.screen>**

Create an account by clicking the [Applicant Registration](#) link in the top right corner. Complete the registration form and click the “Continue” button. Required fields are noted with a red asterisk.



**Be sure to remember your login ID, password and security answer! You will need this information when logging in to the testing website. You will also need your login ID and password when you arrive at the test center to take the exam.**

## Login

After completing the online registration, you will be directed back to the Login screen where you will enter the login ID and password you created during the registration process.

### Forget Your Password?

To retrieve a forgotten password, click the [Forget Your Password?](#) link on the Login screen.

1. Enter the Login ID and Security Answer you created during account registration.
2. Click the “Submit” button. A new password will be sent to the email address you provided during registration.

To retrieve a forgotten Login ID or Security Answer, please contact Technical Support at [ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com).

### Change Your Password

If you would like to change your password, click the [Profile](#) link in the upper right corner of the Console screen. You will be taken to the Profile screen where you can view your profile details. To change your password, click the [Change My Password](#) link. You will need to know your Security Answer to complete the process.

If you are changing your Password, please remember it is case sensitive and must include at least six characters. Those characters may be uppercase letters, lowercase letters, numbers and/or symbols (! @ # \$ ^ &).

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## Login

(cont.)

### Edit Profile Details

To edit your profile details provided during the applicant registration process, click the [Edit](#) link. Make the appropriate changes to your details and click the “Submit” button to return to the Profile screen.

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## Select Assessment

After you have logged in, you will be directed to the Console screen. From this screen you may select the assessment you wish to take, view your scheduled appointments and read any messages received.

### Select Assessment

Click the [Assessments](#) link to access the Assessments screen. Select the assessment title listed to view the Assessment Details screen.

√ Principal Manager

√ Loan Originator

From the Assessment Details screen, review the description of the assessment provided to determine if you wish to be registered with the Division for that position. If you wish to request an accommodation, check the box available on the Assessment Details screen. Once you have verified this information, click the “Submit” button to be directed to the Make Assessment Payment screen.



You **MUST** verify you have selected the appropriate assessment before submitting payment. There are **NO REFUNDS OR CHANGES** allowed once you have paid for an assessment.

### Special Assessment Accommodations

Before you click the “Submit” button, check the box on the Assessments Detail screen if you wish to request an accommodation under the Americans with Disabilities Act. Refer to the Special Assessment Accommodations section of this Guide for detailed information and instructions on requesting an accommodation.

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## Pay for the Assessment

The fees for the Principal Manager and the Loan Originator exams are each \$79.00. The only payment methods currently accepted are purchase codes and credit cards.



Before you pay for the assessment selected, you **MUST** verify you have selected the appropriate assessment. Remember, **NO REFUNDS OR CHANGES** are allowed once you have paid for an assessment. The exam period will expire twelve (12) months after purchase date.

Pay for the Assessment  
(cont.)

**Purchase Code**

To use a purchase code, click the radio button next to "Purchase Code" and enter the purchase code provided by your company. For more information about obtaining and creating purchase codes, see the Company Console User Guide.

**Credit Card**

Only Visa, MasterCard, and American Express are accepted. The credit card expiration date and security code, as shown below, are required to complete your payment.

**Payment**

If you are paying for your exam with a credit card, please enter your credit card information in the provided fields. However, if you are paying with a purchase code that your company provided, please click the circle next to "Purchase Code" and enter the purchase code.

**No refunds will be given for purchased exams, so please ensure you have selected the correct exam(s). All exams must also be taken within 12 months of this purchase. Purchases not used within this 12 month period will expire, and NO refunds will be given!**

Purchase Code  
 Credit Card

Assessment: Loan Originator Assessment

**Billing Information**

Name: Sean Earl  
 Address: 115 Main st  
 City: Carmel  
 State: IN  
 Zip Code: 46032

**Payment Information**

Amount: \$79.00  
 Credit Card Number:  
 Expiration Date:  
 Security Code:

This charge will show on your statement being from "PERFORMANCE ASMNT NT CARMEL IN" and NOT the Indiana Secretary of State.

**Where can I find my Security Code?**

\*Your account will not be charged until you review your payment on the next page.

1. Enter your credit card information in the required fields.
2. Click the "Continue" button.
3. Verify the billing and payment information you entered is correct.
4. Click the "Pay for Assessment" button.

The charge will appear on your statement as "PERFORMANCE ASMNT NT CARMEL IN" and NOT the Indiana Secretary of State.

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### Payment Receipt

After clicking the “Pay for Assessment” button, the system will display a receipt of the transaction. Use the [Print Receipt](#) link provided to print a copy of the receipt for your records. Click the “Continue” button.

It is recommended that you print a payment receipt for your records. A duplicate receipt for each payment will be accessible from the Console Screen.

### Exam Expiration

All exams must be taken **WITHIN** twelve (12) months of the purchase date. **NO REFUNDS** will be given.

### Refunds

Remember, **NO REFUNDS are permitted**, so do not pay until you are sure you have selected the right assessment and you will be able to complete the exam within the twelve (12) month expiration period.

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## Schedule the Assessment

### Proctored Assessment Scheduling Procedures

After you have paid for the assessment you wish to take, you will be directed to the Indiana Secretary of State - Securities Division Proctored Assessment Online Scheduling Procedures screen. Before scheduling your assessment, you will need to read these scheduling instructions and click the “I Agree” button. Information provided in the scheduling instructions includes the check-in process, identification requirements, and rescheduling instructions.

For questions regarding the scheduling procedure instructions, please email [ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com).

Schedule  
the  
Assessment  
(cont.)

**Schedule an Appointment**

After clicking the “I Agree” button, you will be directed to the Schedule Appointment screen. Select a date/time for the testing center of your choice. Centers within one-hundred (100) miles of your zip code are displayed with all available appointments for the next two (2) weeks.

The screenshot shows a 'Search Results' window with the following content:

Search results for any available time blocks within 100 miles of 46032 and during 9/20/2007 to 10/4/2007

**Indianapolis Ivy Tech (Lawrence Campus)**  
 10 miles  
 9301 E. 59th Street, EST TIME ZONE, INDIANAPOLIS , IN 46216

- Monday, September 24, 2007 10:00 AM to 12:00 PM
- Monday, September 24, 2007 12:00 PM to 2:00 PM
- Wednesday, September 26, 2007 8:00 AM to 10:00 AM
- Wednesday, September 26, 2007 10:00 AM to 12:00 PM
- Wednesday, September 26, 2007 12:00 PM to 2:00 PM
- Wednesday, September 26, 2007 2:00 PM to 4:00 PM
- Friday, September 28, 2007 8:30 AM to 10:30 AM
- Friday, September 28, 2007 10:30 AM to 12:30 PM
- Friday, September 28, 2007 12:30 PM to 2:30 PM
- Friday, September 28, 2007 2:30 PM to 4:30 PM

**Fort Wayne Ivy Tech**  
 95 miles  
 3800 North Anthony Blvd, EST TIME ZONE, FORT WAYNE , IN 46805  
[Request a seat at this location](#)

Buttons:

Search  
 If your search did not retrieve any results, you can try entering a greater distance and/or a different ZIP code  
 Enter Different ZIP Code:  Enter Mileage:

Click the radio button next to the appointment you would like to select and click the “Submit” button. Once the appointment has been scheduled, an email notification with the appointment details and instructions of what to bring will be sent to the email address you provided during the online registration process.

The duration listed in the appointment confirmation email is **NOT** the amount of time for the assessment; it represents the duration of the appointment, including check-in, taking the assessment and check-out.

**Locate Alternate Test Centers**

To locate an alternate test center, enter a different zip code or mileage greater than one-hundred (100) miles at the bottom of the Schedule Appointment screen and click the “Search” button. All available centers that meet your criteria will be displayed.

**Assessment Preparation**

The Principal Manager and Loan Originator Registration Assessment include questions that require knowledge of the specific topics listed in the examination content outlines provided in Appendix A.

These are closed-book exams. An individual must receive a minimum of 73% to pass the Loan Originator Assessment and a minimum raw score of 56\* to pass the Principal Manager Assessment.

*\*Effective for exams taken on or after February 22, 2008.*

## Schedule the Assessment (cont.)

### Request a Seat

If there are no available appointments at a test center within one-hundred (100) miles of your zip code, you may submit a request for an appointment by clicking the [Request a Seat](#) link. You will receive an email once a seat is available so you can log in and schedule the exam.

### Request a Closer Center

If there are no centers within one-hundred (100) miles of a zip code, a link will appear at the bottom of the screen to request a closer center. You will receive an email once a seat is available at a test center located within one-hundred (100) miles of your zip code.

### Schedule Later

You can schedule an appointment at a later time by clicking the "Schedule Later" button on the Schedule Appointment screen. Please see Exam Expiration in the Pay for the Assessment section of this Guide for further information about the expiration of exam fees.

### Cancel/Reschedule an Appointment

Appointments				
Appointment Time	Duration (min)	Location	Status	Description
<a href="#">Monday, September 24, 2007 - 10:00 AM</a>	120	<a href="#">Indianapolis Ivy Tech (Lawrence Campus)</a>	Scheduled	Loan Originator Assessment
If you need to cancel or reschedule your appointment, please click the link underneath the "Appointment Time" column (above). If you are within 24 hours of your appointment, you must email <a href="mailto:ISOS_Support@panpowered.com">ISOS_Support@panpowered.com</a> ; however, you will have to pay again to reschedule.				

Appointments can be cancelled or rescheduled by clicking the [Appointment Time](#) link on the Console screen. You will then be allowed to cancel and reschedule your appointment at the same time or cancel the appointment and reschedule at a later time.



Appointments can **ONLY** be cancelled and rescheduled more than 24 hours prior to the appointment. If you are within 24 hours of your appointment, you must email [ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com); however, you will have to pay again to reschedule. There are **NO REFUNDS**.

### Emergency Closings

In the case of severe weather or other emergencies (i.e., test center power outage), **pan** will automatically cancel your appointment so you can reschedule your appointment at no charge. You will receive an email if your appointment has been cancelled. For questions about the status of the test center you may contact **pan** at 877-449-8378 or email [ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com).

# Assessment Process

## Assessment Day

### Check-In Procedures

You will need to arrive at the test center fifteen (15) minutes prior to your appointment start time to allow time for the check-in process. The assessment is designed to be taken without interruptions or breaks. Please be sure to take care of any personal needs before appointment check-in.



**If you are more than thirty (30) minutes late for your assessment, you will not be permitted to take the assessment, and you will have to pay the full exam fee again to reschedule.**

Upon arrival, you will be required to present one official, valid piece of identification that meets the following requirements.

- √ Acceptable IDs are issued by the federal or state government and must be a driver's license, state issued ID card, U.S. passport, military ID, resident alien card, employment authorization card/document or government issued visa.
- √ All IDs listed above must bear a PHOTO to be accepted.
- √ The ID must be the original; no photocopies or faxes will be accepted.
- √ The ID must be current and legible.



**If you arrive for testing and do not present an ID meeting the stated requirements or forget your login information (login ID and password), you will **NOT** be permitted to take the assessment and you will have to pay the full exam fee again to reschedule.**

You will not be permitted to take any personal items into the testing room. Please do not bring any unnecessary personal items to your assessment appointment as storage may not be available. We also ask that you not have anyone accompany you into the test center as there is not adequate space for visitors.

### Materials Needed

A basic calculator, scrap paper, and pencil will be provided for you at the test center. You will need to bring the login ID and password you created at registration to the test center. Please note no breaks are permitted, and electronic devices are not allowed in the testing room.

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## Exit Survey

After completing the exam, an exit survey will be provided online to give you the opportunity to provide feedback regarding your testing experience.

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## Assessment Results

### Score Report

A score report will be provided by the proctor when you check out. Additional copies of the score report are available via a link on the Console screen.

### Passing the Assessment

If you have not already done so, please ensure you have completed all of the requirements as stated in the Registration section of this Guide before you submit your application for registration.

### Failing the Assessment

If you fail the assessment, you will have to log in to start the process again using the same login and password you previously created. (Select Assessment, Pay, Schedule, etc.) at

<https://secure.vitapowered.com/isos/login.screen>.

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## Special Assessment Accommodations

### Special Assessment Accommodations

We are committed to ensuring that no individual with a disability or *serious* medical condition is deprived of the opportunity to take the assessment solely by reason of that disability or medical condition. We comply fully with the provisions of the Americans with Disabilities Act and will attempt to provide reasonable accommodations for certain medical conditions.

Requests for reasonable accommodations will be evaluated on a case-by-case basis subject to the review of documentation from an appropriate professional (e.g., education professional, doctor, psychologist, or psychiatrist.)

### Requesting Accommodations

Please inform us of the need for special accommodations by checking the box on the Assessments Detail screen that says “Check this box if you wish to request an accommodation under the Americans with Disabilities Act.” Click the “Submit” button. All special arrangements will be made on an individual basis. Please note that it may take up to thirty (30) days to arrange for the appropriate accommodations.

After requesting an accommodation, the following message will appear on the Console screen: “You have requested an ADA accommodation. When a decision has been reached, an email will be sent to you and a new message will appear in this section.” That message will change to indicate either approval or denial of your request.

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## Special Assessment Accommodations

(cont.)

### **Documentation**

The Division may request/require documentation for an ADA request. If documentation is requested, please remit to the following address:

Indiana Secretary of State, Securities Division  
302 W. Washington Street, E-111  
Indianapolis, IN 46204  
Fax: 317-233-3675

### **Scheduling**

Certain accommodations may require that your appointment be scheduled by an administrator. If your request is such an accommodation, you will be contacted by an administrator to set your appointment.

### **Appeals**

All ADA appeals must be submitted in writing to:

Indiana Secretary of State, Securities Division  
302 W. Washington Street, E-111  
Indianapolis, IN 46204

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## Test Center Locations

### Indiana

√ Anderson	√ Lafayette
√ Batesville	√ Lawrenceburg
√ Bloomington	√ Madison
√ Columbus	√ Marion
√ East Chicago	√ Michigan City
√ Elkhart	√ Muncie
√ Evansville	√ Richmond
√ Fort Wayne	√ Sellersburg
√ Gary	√ South Bend
√ Greencastle	√ Terre Haute
√ Indianapolis	√ Valparaiso
√ Kokomo	√ Warsaw

### Outside of Indiana

Additional test center locations outside of Indiana will be made available upon request. See page fourteen (14) for further instructions on requesting a closer center.

**Note:** Test center locations are subject to change. You can view a specific test center address during the registration process. After scheduling your test, you will still be able to see the test center address by returning to:

**<https://secure.vitapowered.com/isos/login.screen>**

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# Appendix A

## Introduction

The Principal Manager and Loan Originator Registration Examinations include questions that require knowledge of the specific topics listed in the following outlines.

These are closed-book exams; it is recommended that you prepare carefully for the exam, using the content outline as a study guide. An individual must receive a minimum of 73% to pass the Loan Originator Assessment and a minimum raw score of 56\* to pass the Principal Manager Assessment.

*\*Effective for exams taken on or after February 22, 2008.*

## Principal Manager Content Outline

### Principal Manager Content Outline

- I. Fundamental Knowledge and Skills
  - a. Basic loan calculations
    - i. Loan to Value (LTV)
    - ii. Housing and Debt to Income Ratio
    - iii. Gross Monthly Income
    - iv. Funds required
    - v. Mortgage Insurance (MI)
    - vi. Net Proceeds from sale of present home
  - b. State and federal loan origination laws and regulations
    - i. Program specific disclosures
    - ii. State loan origination laws and regulations
      1. Loan Broker Act and Regulations
      2. Home Owner Protection Act
    - iii. Federal loan origination laws and regulations
      1. Equal Credit Opportunity Act (ECOA)
      2. Real Estate Settlement Procedures Act (RESPA)
      3. Fair Lending / Housing Act
      4. Truth – In – Lending Act (TILA)
      5. Graham – Leach – Bliley Act (GLBA)
      6. Home Mortgage Disclosure Act (HMDA)
      7. Home Owner Equity Protection Act (HOEPA)
      8. Fair and Accurate Credit Transactions Act (FACTA)
      9. Fair Credit Reporting Act (FCRA)
      10. Patriot Act
  - c. Loan origination, processing, underwriting and closing processing flow
    - i. Stages of the loan process
      1. Pre-qualification
      2. Origination of the loan
      3. Processing
      4. Underwriting
      5. Closing

## Principal Manager Content Outline

(cont.)

- 
- ii. Entities and/or individuals and the roles of those involved in the loan process.
        - 1. Borrower
        - 2. Processor
        - 3. Referral source
        - 4. Underwriter
        - 5. Loan officer
        - 6. Account Executive
        - 7. Title Company
        - 8. Appraisers
        - 9. Credit Reporting Bureaus
        - 10. Closers
        - 11. Lenders
        - 12. Hazard Insurance Companies
        - 13. Mortgage Insurance Companies
      - iii. Rate locks
      - iv. General loan products
        - 1. Fannie Mae
        - 2. Freddie Mac
        - 3. Veteran Affairs and Federal Housing Authority Government Loan Programs
        - 4. ALT-A
          - a. No-Doc
          - b. Stated
          - c. No Ratio
          - d. Other
        - 5. Sub-Prime
        - 6. Adjustable Rate Mortgage (ARM)
        - 7. Fixed
        - 8. Balloon loans
        - 9. Exotic loans
          - a. Option ARM
          - b. Reverse
          - c. Interest only
      - d. Identification of fraud
        - i. Borrower fraud
        - ii. Industry fraud
- II. Conduct Pre-Application Interview (PQ)
  - a. Needs and objectives of a prospective borrower
  - b. Interpretation of the credit report information
    - i. Restrictions and regulations of credit report privacy
      - 1. FCRA
      - 2. GLBA
      - 3. FACTA
      - 4. Other
    - ii. Credit report components
-

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Principal  
Manager  
Content  
Outline  
(cont.)

- III. Properly and thoroughly complete loan application
    - a. Accurately complete the Uniform Residential Loan Application (1003)
    - b. Supporting documentation and third-party fees
      - i. Documents to be ordered
        - 1. Appraisals
        - 2. Credit Report
        - 3. Title Work
        - 4. Flood Certification
      - ii. Federal documentation photocopy regulations
      - iii. Privacy regulations regarding borrower information
      - iv. Third party fees
        - 1. Appraiser
        - 2. Credit report
        - 3. Title report
        - 4. Other third party vendors
    - c. Validate and analyze documentation and loan data to determine if the loan will meet the initial loan product requirements.
      - i. Underwriting guidelines for loan products
      - ii. Validation of financial information
        - 1. Income
        - 2. Liquid Assets
        - 3. Liabilities
        - 4. Retirement
      - iii. Appraisal standards
      - iv. Components of Schedule A and B of Title
  - IV. Assemble loan package and submit to underwriting
    - a. Loan submission requirements
    - b. Steps required to fulfill an approved, suspended or rejected loan file
  - V. Loan Closing
    - a. Facilitate timely closing
      - i. Parties involved
        - 1. Title company
        - 2. Real estate agents
        - 3. Lender
        - 4. Borrower
        - 5. Insurance company
      - ii. HUD-1/Settlement Statement
      - iii. Regulations
      - iv. Lender requirements
-

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Principal  
Manager  
Content  
Outline  
(cont.)

- VI. Operations Management
    - a. State and Federal employment compliance
      - i. Independent contractors
      - ii. Department of Labor Guidelines
        - 1. Salaried employees
        - 2. Hourly employees
        - 3. Overtime compensation
        - 4. Minimum wage
        - 5. Employment agreements
        - 6. At Will status
    - b. Staff training
    - c. Compliance with state and federal loan laws and regulations and best business practices
      - i. Consumer privacy laws and regulations
        - 1. Fax Act
        - 2. Spam Rules
        - 3. Do Not Call list
        - 4. Telemarketing
        - 5. Advertising (TILA disclosures)
        - 6. Lead generation
      - ii. State and federal record retention/proper disposal laws
        - 1. Graham – Leach – Bliley Act (GLBA)
        - 2. Truth – In – Lending Act (TILA)
        - 3. Indiana Loan Broker Act & Regulations
        - 4. Home Loan Practices Act
      - iii. Accounting for funds received and disbursed
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**Loan  
Originator  
Content  
Outline**

**Loan Originator Content Outline**

- I. Fundamental Knowledge and Skills.
  - a. Basic loan calculations
    - i. Loan to Value (LTV)
    - ii. Housing and Debt to Income Ratio
    - iii. Gross Monthly Income
    - iv. Funds required
    - v. Mortgage Insurance (MI)
    - vi. Net Proceeds from sale of present home
  - b. State and federal loan origination laws and regulations
    - i. Program specific disclosures
    - ii. State loan origination laws and regulations
      1. Loan Broker Act and Regulations
      2. Home Loan Practices Act
    - iii. Federal loan origination laws and regulations
      1. Equal Credit Opportunity Act (ECOA)
      2. Real Estate Settlement Procedures Act (RESPA)
      3. Fair Lending / Housing Act
      4. Truth – In – Lending Act (TILA)
      5. Graham – Leach – Bliley Act (GLBA)
      6. Home Mortgage Disclosure Act (HMDA)
      7. Home Owner Equity Protection Act (HOEPA)
      8. Fair and Accurate Credit Transactions Act (FACTA)
      9. Fair Credit Reporting Act (FCRA)
      10. Patriot Act
  - c. Loan origination, processing, underwriting and closing processing flow
    - i. Stages of the loan process
      1. Pre-qualification
      2. Origination of the loan
      3. Processing
      4. Underwriting
      5. Closing

## Loan Originator Content Outline

(cont.)

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- ii. Entities and/or individuals and the roles of those involved in the loan process.
        - 1. Borrower
        - 2. Processor
        - 3. Referral source
        - 4. Underwriter
        - 5. Loan officer
        - 6. Account Executive
        - 7. Title Company
        - 8. Appraisers
        - 9. Credit Reporting Bureaus
        - 10. Closers
        - 11. Lenders
        - 12. Hazard Insurance Companies
        - 13. Mortgage Insurance Companies
      - iii. Rate locks
      - iv. General loan products
        - 1. Fannie Mae
        - 2. Freddie Mac
        - 3. Veteran Affairs and Federal Housing Authority Government Loan Programs
        - 4. ALT-A
          - a. No-Doc
          - b. Stated
          - c. No Ratio
          - d. Other
        - 5. Sub-Prime
        - 6. Adjustable Rate Mortgage (ARM)
        - 7. Fixed
        - 8. Balloon loans
        - 9. Exotic loans
          - a. Option ARM
          - b. Reverse
          - c. Interest only
      - d. Identification of fraud
        - i. Borrower fraud
        - ii. Industry fraud
  - II. Conduct Pre-Application Interview (PQ)
    - a. Needs and objectives of a prospective borrower
    - b. Interpretation of the credit report information
      - i. Restrictions and regulations of credit report privacy
        - 1. FCRA
        - 2. GLBA
        - 3. FACTA
        - 4. Other
      - ii. Credit report components
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Loan  
Originator  
Content  
Outline  
(cont.)

- III. Properly and thoroughly complete loan application
    - a. Accurately complete the Uniform Residential Loan Application (1003)
    - b. Supporting documentation and third-party fees
      - i. Documents to be ordered
        - 1. Appraisals
        - 2. Credit Report
        - 3. Title Work
        - 4. Flood Certification
      - ii. Federal documentation photocopy regulations
      - iii. Privacy regulations regarding borrower information
      - iv. Third party fees
        - 1. Appraiser
        - 2. Credit report
        - 3. Title report
        - 4. Other third party vendors
    - c. Validate and analyze documentation and loan data to determine if the loan will meet the initial loan product requirements.
      - i. Underwriting guidelines for loan products
      - ii. Validation of financial information
        - 1. Income
        - 2. Liquid Assets
        - 3. Liabilities
        - 4. Retirement
      - iii. Appraisal standards
      - iv. Components of Schedule A and B of Title
  - IV. Assemble loan package and submit to underwriting
    - a. Loan submission requirements
    - b. Steps required to fulfill an approved, suspended or rejected loan file
  - V. Loan Closing
    - a. Facilitate timely closing
      - i. Parties involved
        - 1. Title company
        - 2. Real estate agents
        - 3. Lender
        - 4. Borrower
        - 5. Insurance company
      - ii. HUD-1/Settlement Statement
      - iii. Regulations
      - iv. Lender requirements
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# Appendix B

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## Frequently Asked Questions

### **When will I get my results?**

After you have completed your assessment, the proctor will print your results at the testing center.

### **Whom do I contact if I am unable to schedule or log on to the scheduling website?**

Should you need any assistance, please email [ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com).

### **Can I pay with cash or check?**

No. Only Visa, MasterCard, American Express, or a purchase code provided by an employer are acceptable forms of payment.

### **What if I need to reschedule my appointment?**

If you need to reschedule your appointment, you will need to do so immediately. You will not be permitted to reschedule your appointment via the scheduling website within twenty-four (24) hours of your appointment. If you are within twenty-four (24) hours of your scheduled appointment and are unable to attend, you must email [ISOS\\_Support@panpowered.com](mailto:ISOS_Support@panpowered.com); however, you will have to pay the full exam amount again in order to reschedule.

### **Can I take multiple assessments at the same time?**

No. You can only register and apply for one assessment at a time. Once you have completed an assessment, you can log back in and apply for an additional assessment.

### **Can I schedule my assessment prior to paying?**

No. You must pay before you can schedule your appointment.

### **What if I forget my password?**

If you forget your password, click the "[Forget your Password?](#)" link on the Login Screen. You will need to enter your Login ID, select your Security Question, and enter your Security Answer. If your Security Question and Answer match the information you entered during registration, a new password will be emailed to you.

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### **How do I get a refund?**

There are no refunds. You will need to be sure to select the correct assessment, bring the proper identification and login information (login ID and password) with you to the test center and take the exam within twelve (12) months of purchase. If you arrive at the test center more than thirty (30) minutes late or do not come with the proper information, you will have to pay again and reschedule.

### **How do I take the assessment again?**

If you were unsuccessful in passing the assessment, you will need to log back into your online account and click the [Assessments](#) link. Another registration fee is required for each attempt. There are no limits to the number of times you can take the assessment.

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