

Table of Contents

Table of Contents i

Introduction xi

SAFE Act Curriculum Syllabus - Nationwide Licensing System..... xiii

 Test Preparation xiii

 National Test Preparation Source Reference xiii

Chapter 1 – Mortgage Math 1

 Decimals and Fractions 1

 Understanding the Mortgage Business..... 2

 Types of Lenders/Primary Originators 2

 Retail Lending..... 3

 Reading the Rate Sheet 3

 Points..... 4

 The "Purchase Price" Format 5

 The Origination Fee/Discount Points 5

 The Mortgage Broker Business 6

 Originator Compensation and its Impact on Pricing..... 7

 What is a BP? 7

 Understanding Interest Rate Lock-in Terms 7

 Reading the Pricing Sheet 8

 Principal and Interest or Interest Only - Amortization..... 8

 Solving for X - Mortgage Math and the Financial Calculator..... 9

 Choosing a Financial Calculator 11

 “What is the Payment?” 12

 What is the Balance over Time? 12

 What is the Maximum Loan Amount I Qualify For?..... 13

 “I Know How Much I Need to Borrow. What is the Maximum Rate?” 13

 How Much Income is Required for a Certain House? 13

 What is the Maximum Loan Term with a Specific Payment? 14

 Understanding Ratios – Loan to Value - LTV..... 15

 Understanding Ratios – Qualifying Ratios 15

 The Effect of Computer Automation on Qualifying Practices 15

 "Pre" and "Re" Qualifying - Doing the Math 16

 Using a Pre-Qualification Worksheet..... 16

 Qualifying and Pre-Qualification – Two Different Things..... 17

 Advanced Concepts - The Concept of Leverage 18

 Advanced Concepts - The Concept of Taxable Equivalency 18

 Tax Deduction – The Mortgage Payment and Rental Equivalent 19

Chapter 2 - Major Loan Types 23

 Choosing a Fixed Rate Mortgage 23

 Interest-Only (Non-Traditional Loan Type)..... 24

 Prepayment as an Interest Savings Tool 24

 Other Prepayment Strategies - The Bi-Weekly Mortgage 25

 Other "Fixed Rate" Mortgages..... 25

 Balloon Mortgages..... 25

 The Two-Step ARM 26

 Buydowns - The Low Down on Interest Rate Reduction..... 26

 Primary Reason for Buydowns – Qualify for More 27

 Using Discount Points to Create Beneficial Programs 28

 ADJUSTABLE RATE MORTGAGES (Non-Traditional Loan Types) 29

 ARM Components - The Basic Four 30

 The Role of the Index in the Interest Rate Change 31

 The Margin – The Spread Over Market 32

 Interest Rate Caps & Payment Caps – Limiting the Change 33

 Initial Adjustment Cap..... 33

 The “Option” ARM – The Ultimate Non-Traditional Loan 34

 Comparing ARMS 37

 Conversion Options 38

 Second Mortgages..... 39

Piggybacks or Blends (Non-Traditional Loan Type).....	39
Computing the Blended Rate.....	40
Bridge Loans and Reverse Bridge Loans - 2 Strategies	40
Seller held Mortgages, Assumptions and Wraps	41
Reverse Mortgages for Seniors	41
Chapter 3 - Loan Plan Specifications	43
Program Specifications - Understanding Guidelines	43
Conventional Loans - What is Conforming?	45
"Generic Jumbo" Non-Conforming.....	49
Automated Underwriting – Electronic Decision Engines.....	49
Simple Troubleshooting Strategies	49
Variance Tolerance.....	50
Common Problems with AU (Automated Underwriting)	50
DU or LP?	50
First Time Homebuyer Programs.....	52
Private Mortgage Insurance (PMI).....	52
Mortgage Insurance Coverage Requirements	53
Mortgage Insurance Premium Plans.....	53
Choosing the Right Plan - Premium Plan Options	54
PMI Underwriting Guidelines	55
HOPA and PMI Cancellation.....	55
The Federal Housing Administration (FHA).....	56
The Direct Endorsement Program (DE).....	58
Transitional Issues with FHA	59
Risk-Based Insurance Premiums – No Longer in Effect	59
Financing Mortgage Insurance	59
Documented Underwriting "Compensating Factors"	60
The Department of Veteran's Affairs (VA)	60
Entitlement and the Maximum Loan Amount	61
Loan Level Price Adjustments – You May See Them or Not	64
Chapter 4 - QUALIFYING -Ratios and Credit History	67
Understanding Guidelines	67
Owner Occupancy and Qualifying	68
The Mathematics of Qualifying Ratios	69
The Housing Expense Ratio	70
The Total Debt Ratio.....	72
Regular Business Expenses/Self Employed Borrowers.....	76
Credit History	77
Credit Bureaus vs. Credit Repositories.....	77
Obtaining a Credit Report	80
Understanding the Ratings - What is "Bad"	80
Sub-Prime Lending	83
High-Rate, High-Fee Loans (HOEPA/Section 32 Mortgages).....	84
Credit Counselors/Agencies	85
Understanding Credit Scoring.....	85
Risk Grading.....	87
Consider the Impact.....	89
Income Fraud Alerts/Red Flags	89
Understanding Income.....	91
Chapter 5 – QUALIFYING: Income & Other Restrictions	91
"Stable" Income	91
Base Income with Enhancements.....	92
Getting the most of Overtime, Bonus, & Commissions	92
Bonus, Tips and Commission	93
Future Raises	94
Dividends & Interest.....	95
Self-Employment	95
Who is Self-Employed?.....	96
Analyzing Self-Employment Income and Required Documentation.....	97
Income Analysis - Start With the Personal Returns	98

Income Sources & "Add-backs"	99
Partnership and S Corporation Tax Returns and Income Analysis	99
Analyzing the US Corporation Income Tax Return	100
The Profit and Loss Statement	101
No Income Verification Loans	102
Documentation Types and Their Meanings	103
What is a Compensating Factor?	103
Co-borrowers	103
Income "Red Flags"	104
Eligible Borrowers	105
Resident Aliens	106
Non-Immigrant Visas	106
Chapter 6 – QUALIFYING: Assets, Down-Payment and Closing Costs.....	109
Understanding Asset Qualifying	109
Understanding Closing Costs	109
The Components of a Buyer's Closing Costs	109
1.) Loan Fees and "Points"	110
2.) "Hard" Closing Costs	110
Title Insurance	111
3.) Government/Municipal Title Related Charges	111
4.) Prepaid Items	112
Interim Interest	112
Insurance Escrow	113
Real Estate Tax Escrows	114
Estimating Closing Costs – Qualifying for Cash	115
Preparing a Closing Cost Worksheet (NOT LE/GFE)	115
Seller Contributions	119
Avoiding Problems with Seller Contributions	119
Structuring Seller Paid Closing Costs	120
Sources of Assets for Down Payment, Closing Costs and Reserves	120
Borrower's Own Funds	121
Reserves.....	122
Lender Credits for "Above Par" Pricing Towards Closing Costs	122
Tips for Using Gifts	122
Shared Equity	123
"Red Flags" for Assets and Deposits	123
Chapter 7 - The Home Financing Process	125
Understanding the Home Buying Process.....	125
The Loan Application Process	126
Why You Should Use a Pre-Application Kit	126
The Application Interview- Completing the Application Form	127
Loan File Set Up	135
Red Flags in the Application Process	135
Understanding APR	136
The APR Formula	137
Determining the Amount Financed - What are Finance Charges?.....	137
Emergency Processing Procedures	139
The Approval Process - Who is the Underwriter?.....	140
Desktop Underwriter and Loan Prospector	142
Conducting Weekly Status Reviews	143
The Closing and Requirements	145
Settlement Agent	145
Lender Sends Loan Instructions to Settlement Agent	147
Closing "Red Flags"	148
The Closing Disclosure.....	148
Closing Documents.....	149
Promissory Note	149
The Mortgage or Deed of Trust.....	149
The Right of Rescission - Refinances	150
Loan Officer and Processor Time Management Techniques	150

System 1 - The Complete Application System for Loan Officers	150
Pipeline Review	150
Chapter 8 – Property Types.....	153
Understanding Property Types	153
Why Condos are Hard to Finance.....	154
Conforming Guidelines	154
Private Mortgage Insurance and Projects	156
Documentation Required for Project Approval.....	157
PUD/Classifications & Requirements	158
New Construction Projects - Construction Permanent Financing	159
Financing Investment Property	160
Cash Flow.....	161
What Must the Rent Be?.....	161
Investment Property Pre-Qualification	162
Property Documentation Requirements for Investment Property Financing	163
2 to 4 Unit Properties	163
Cooperatives.....	164
Manufactured /Mobile, Modular and “Kit” Homes.....	164
Commercial Loan Guidelines.....	165
Commercial Property Types and Basic Guidelines.....	165
Appraisals	165
Appraisal Basics	166
Simple Approaches to Resolving Valuation Problems	166
Fraud Alert.....	167
Chapter 9 –.....	169
REFINANCING	169
Where to Start - Determining “Value”	169
“Seasoning”	169
Rate Reduction.....	170
Term Reduction Refinances	171
Refinancing to “Cash Out” - Recapture Equity in Your Property.....	172
Reasons to Take “Cash Out”	173
Low Cost of Cash	173
Cash Out for Debt Consolidation	173
Cash out for Investment.....	175
Cash Out to Purchase Investment Property.....	175
Cash Out for Retirement.....	176
Refinance to eliminate Private Mortgage Insurance	177
Using a 1st and 2nd Mortgage to Solve Equity Problems.....	178
Refinancing a 1st and 2nd Mortgage	179
Refinancing an FHA Loan.....	179
Refinancing a VA Loan	180
Important Facts With Regard to Refinancing	181
Escrow Accounts and Prepaid - Understanding Costs of Refinancing	181
Problems with Existing Financing	182
Chapter 10 – The Secondary Market.....	183
Selling Loans – The Basis of our Industry.....	183
Lock or Float	183
Seasonality Patterns.....	184
Immediate Delivery	184
The Secondary Market	184
Who’s Who in the Secondary Market.....	185
Par is not a Golf Score.....	186
How Lenders Make Money	187
Interest Rate Drivers.....	189
Playing the Market.....	190
Chapter 11 – Practical Compliance - Understanding Federal Laws.....	191
Test Preparation	191
Regulators – The Consumer Financial Protection Bureau	192

The Rules.....	192
The Housing and Economic Recovery Act of 2008 (HERA)	193
Regulator – Federal Housing Finance Agency	193
Secure and Fair Enforcement for Mortgage Licensing (SAFE Act).....	194
The Dodd/Frank Act – Originator Compensation (Anti-Steering).....	195
Process.....	195
The Qualified Mortgage Rule (QM) and Steering.....	195
RESPA – The Real Estate Settlement Procedures Act	197
Purpose of the Law	197
Exempt Transactions	197
The Anti-Kickback Rule - Payment or Receipt of Non-Approved Fees	198
Prohibited - Kickbacks and Referral Fees.....	198
Prohibited Payment – “Anything of Value”	198
Prohibited - Fee Splitting.....	198
Permitted – Approved Affiliated and Controlled Business Arrangements	198
Approval Required - Desk Rental Arrangements	199
Approval Required – Joint Marketing Arrangements	199
Required Disclosures.....	199
Operating Areas Affected.....	199
Penalties for Non-Compliance	199
Application Disclosures - The Closing Cost Worksheet	200
The Loan Estimate Form	200
Timing.....	200
Costs Cannot Change.....	200
Changed Circumstances.....	201
Application Disclosures – Home Buyer’s Tool Kit	201
HELOC/HECM Disclosures – Good Faith Estimate and Settlement Costs Booklet.....	202
HELOC/HECM Application Disclosures - Notice of Transfer of Servicing.....	202
HELOC/HECM Disclosures - at Closing - HUD-1 Settlement Statement.....	202
Home Equity Lines and Open-Ended Credit (HELOC)	202
Transfer of Servicing Act.....	202
The Truth-in-Lending Act (TILA) - Regulation Z	203
Purposes of Truth-in-Lending Act	203
Corrective APR Disclosures Exceeding Tolerance	203
APR Tolerance	204
Notice of Right to Cancel (Right to Rescind).....	204
Waiver of Right to Rescind	204
Right to Rescind in Open-end Transactions	204
Three Day Right to Cancel.....	205
Truth-in-Lending - Advertising.....	205
Advertising – Trigger Terms.....	205
Homeownership Counseling Disclosure	205
High Cost Loans - Section 32 of Truth-in-Lending Act.....	205
Average Prime Offered Rate.....	205
Loans Subject to Section 32	205
Points and Fees Trigger.....	205
Section 32 Disclosures	206
Section 32 Prohibitions	206
Penalties for HOEPA Violations	206
“Higher Priced Mortgage Loans” - Section 35.....	206
The Equal Credit Opportunity Act (“ECOA” or “Fair Lending”)	207
Unlawful Inquiries	208
Prohibitions	208
Notification Requirements.....	208
Penalties	208
ECOA Related Consumer Protection Laws	208
Fair Housing Act	208
Fair Credit Reporting Act (“FCRA”).....	209
The Fair and Accurate Credit Transactions Act (FACTA)	209
Home Mortgage Disclosure Act (“HMDA”)	209
Depository Institutions Subject to the Act.....	210

Community Reinvestment Act (CRA)	210
Common Consumer Protection Laws Relating to Mortgages	211
Home Owner's Protection Act.....	211
PMI Cancellation.....	211
Gramm-Leach-Bliley Act.....	211
Flood Disaster Protection Act (FDPA).....	212
USA PATRIOT Act.....	212
Appraiser Independence Rules	213
History of the Appraiser Independence Rule	213
Chapter 12 – The Real Estate Settlement Procedures Act (RESPA).....	215
Key Concepts	215
Introduction to RESPA.....	215
Transactions Subject to the Law.....	216
Issues Relating to Business Practices – Kickbacks	216
Prohibition on Kickbacks, Fee-Splitting and Unearned Fees	217
Compensable Settlement Services – What the Borrower can Pay For.....	217
Controlled and Affiliated Business Arrangements (ABA).....	218
Why an ABA is not a RESPA Violation.....	218
Mortgage Brokers are Controlled Business Arrangements.....	219
Other Controlled Business Arrangements.....	219
Sample Cases – Is it a Controlled Business Arrangement?.....	222
Enforcement of Section 8.....	225
TRID - TILA and RESPA Integrated Disclosures	226
Loan Estimate and Closing Disclosure or Good Faith Estimate, TIL and HUD-1?	226
Application Process to Comply with Loan Estimate Rules	226
Application Paths and Requirements.....	229
Transaction Type - Know Before you Owe OR GFE 2010.....	231
Loan Estimate and Closing Disclosure Timing Procedure.....	232
Completing the Loan Estimate.....	233
HELOC, HECM and Mobile Homes - Timing and Delivery of the GFE	236
RESPA Reform and the Good Faith Estimate	236
HELOC, HECM and Mobile Homes - Preparing the Good Faith Estimate.....	236
HELOC, HECM and Mobile Homes - Preparing the 2010 GFE	237
HELOC, HECM and Mobile Home Loans - The Special Information Booklet – HUD Guide to Settlement Costs.....	237
HELOC, HECM and Mobile Homes- Preparing the “Adjusted Origination Charge” Section of the 2010 GFE	238
HELOC, HECM and Mobile Homes - “No Cost Loans”.....	239
HECM, HELOC and Mobile Homes - The Good Faith Estimate (GFE) and Settlement Statement HUD-1/HUD-1A.....	239
HELOC, HECM and Mobile Homes HUD – 1 Revision - Comparability.....	240
Loan Estimate/GFE - Limits on changes –The Issue of Tolerance	241
Circumstances in Which the Loan Estimate/GFE Can Be Revised	242
Timing and Requirements for Delivery of LE/GFE.....	242
Average Cost Pricing and Negotiated Discounts – Kickback Violations	246
Methodology for Average Cost Pricing.....	246
Transfer of Servicing and Servicing Practices Act.....	246
Transfer of Servicing.....	247
Aggregate Escrow Accounting.....	249
Prohibition against Excessive Escrow.....	249
Aggregate Escrow Accounting Disclosure	250
HELOC, HECM and Mobile Homes - HUD-1 Settlement Statement	251
Chapter 13 - Truth-In-Lending Act – “Regulation Z”	255
Introduction.....	255
Purposes of Truth-in-Lending Act.....	255
Disclosures - At Application - The APR (Annual Percentage Rate) Disclosure	256
Calculating the APR Formula	258
Third Party Fees “Generally” Included in the Finance Charge.....	259
Errors in Calculating the APR	261
Using APR to Compare Loan Fee Options	261
Disclosures at Application – Adjustable Rate Mortgage Terms	261

The Consumer Handbook on Adjustable Rate Mortgages.....	263
Home Equity Lines and Open-Ended Credit.....	263
Specific Disclosures for Home Equity Lines of Credit.....	263
When Your Home is on the Line.....	264
Notice of Right to Cancel (Right to Rescind).....	265
Effects of Rescission.....	266
Advertising and Truth-in-Lending.....	268
Trigger Terms.....	268
Rules of Advertising for Open-End Credit and Closed-End Credit.....	269
Rules of Advertising for Home Equity Loans.....	270
The Challenge of Compliance.....	270
FTC Actions for Advertising Violations.....	270
Penalties.....	271
Section 32 of the Truth-in-Lending Act.....	271
Section 32 Disclosures.....	272
Section 32 Prohibitions – “Flipping”.....	272
Section 32 Prohibitions - Lending Without Regard to Repayment Abili.....	272
Section 32 Prohibitions - Direct Payments to Contractors.....	273
Section 32 Prohibitions - Documenting Closed-end Loans as Open-End Credit.....	273
Other Section 32 Prohibitions.....	273
Penalties for HOEPA Violations.....	273
“Higher Cost” Loans- Section 35.....	273
Advertising Practices.....	274
Chapter 14 - Understanding Federal Credit-Granting Related Laws.....	277
The CFPB and Secondary Regulators.....	278
Equal Credit Opportunity Act – Federal Reserve Regulation B - 12 CFR Part 202.....	279
General Rules for Compliance §202.4.....	279
Definitions - §202.2.....	279
What information can be Requested – Section 202.5.....	280
How Applications are Evaluated – Section 202.6/202.7.....	281
What is a “Statistically Sound Credit Scoring System?”.....	282
Adverse Action.....	282
Other General Requirements.....	284
Right to Receive a Copy of the Appraisal.....	284
Lenders May Not Discourage the Filing of an Application.....	285
The ECOA Code – Who Is Responsible For the Account?.....	285
Lender Do’s and Don’ts.....	286
Borrower’s Recourse for Inaccurate Credit Information.....	286
If the Loan is “Counter-Offered”.....	287
What Recourse Does the Borrower Have.....	288
The Fair Credit Reporting Act.....	288
FCRA Features.....	288
Penalties.....	289
Procedure for Correcting Errors.....	289
Borrowers Copy of Report.....	289
“Imposter” Free Credit Report Sites.....	290
Seven-Year Reporting Period.....	290
Permissible Purpose for Ordering a Credit Report.....	291
Lender’s Reporting Duties (Section 623).....	291
Fair and Accurate Credit Transactions Act (FACTA).....	292
Disposing of Consumer Report Information.....	292
Identity Theft “Red Flag” Programs.....	292
FACTA and Identity Theft.....	293
FACTA and the Credit Score Disclosure.....	293
FACTA and the Risk Based Pricing Notice.....	294
The Gramm-Leach Bliley Act.....	294
Defining the Customer.....	295
The Privacy Notice.....	296
Opting Out.....	296
The Safeguards Rule.....	296
Receiving Nonpublic Personal Information.....	297

Fair Credit Billing Act (FCBA)	297
While the Bill is in Dispute.....	298
Fair Debt Collection Practices Act	298
Rules Regarding Contact with Borrowers	299
Electronic Funds Transfer Act (EFTA).....	300
Credit Repair Organizations Act (90-321, 82 Stat. 164)	301
The Fair Housing Act	302
Covered Transactions.....	302
Unlawful Lending Practices.....	302
Violations and Enforcement.....	304
Advertising.....	304
Limitations Extended to 3 rd Parties	305
Allegations of Discrimination.....	305
Filing Complaints	305
The Credit Report.....	306
The Home Mortgage Disclosure Act (HMDA) – Regulation C.....	306
The Loan Application Register (LAR)	307
Interest Rate Data.....	307
COMMUNITY REINVESTMENT ACT (CRA)	308
Evaluation of CRA Performance	308
Home Owners Protection Act (HOPA).....	308
FTC's Telemarketing Sales Rule (TSR) – DO NOT CALL.....	309
Rules for Telemarketers.....	310
The USA PATRIOT ACT	311
Bankruptcy Abuse Prevention and Consumer Protection Act.....	311
Chapter 15 – Fraud.....	313
Types of Fraud.....	314
Fraud for Housing	314
Exigent Fraud	314
Perpetrators.....	314
Real Estate Brokers.....	314
Real Estate Attorney	315
Appraisers.....	315
Borrowers	315
Loan Officer	315
Fraud Schemes.....	315
New Schemes – Short Sale Fraud	316
New Schemes – Foreclosure “Rescue”	316
Appraisal Fraud	316
Appraisal Review.....	318
Builder Bailout Scheme	319
Occupancy Fraud	319
Flips	320
Foreclosure or Deed-in-Lieu	321
Fraudulent Legal Documentation.....	321
Straw Buyers	322
Straw Sellers	323
Mortgage Application Documentation Fraud	323
Falsified Applications and Documentation	323
Borrower Identity Fraud	323
Social Security Numbers.....	324
Credit Score Improvement Scheme.....	325
Identity Theft	325
File Segregation.....	325
Income Documentation Fraud.....	325
Self-Employed Borrowers	326
Tax Return Authenticity Verification.....	327
Asset Documentation Fraud	327
Validating “Cash on Hand”.....	328
Asset/Deposit Verification Scheme.....	328

Pending Rental Scheme	328
Punishment.....	328
Federal Laws that Address Mortgage Fraud.....	328
Mail Fraud (18 USC Section 1341)	329
Frauds by Wire, Radio, and Television (18 USC Section 1343)	329
Bank Fraud (18 USC Section 1344)	329
Attempt and Conspiracy (18 USC Section 1349).....	329
Making False Statements to the Government (18 USC Section 1014)	330
Conspiracy (18 USC Section 371)	330
Laundering of Monetary Instruments	330
Federal Sentencing Guidelines.....	331
Industry Actions to Combat Fraud	331
Prevention.....	332
Common Sense is the Loan Officer's Best Defense	332
Chapter 16 – Predatory Lending Practices	335
The Sub-Prime Market as a Catalyst for Predatory Lending.....	335
Predatory Lending Practices.....	336
High Cost Loans	336
“Higher Cost Loans” and Anti-Predatory Lending (APL) Policies.....	337
Loan Flipping- No Financial Benefit – Equity Stripping.....	337
Excessive Fees – Fee Packing.....	339
Lending Without Regard for the Borrower's Ability to Pay	339
Fraud	340
Negative Amortization.....	341
Payments in Advance	341
Prepayment Penalties.....	341
Payments to Contractors	342
Mandatory Arbitration Agreements	342
Due on Demand Clauses - Acceleration	342
Balloon Payments.....	343
Predatory Servicing Practices.....	343
Deceptive Practices	344
Encouraging Default	344
The Federal High Cost Loan Law	344
High Cost Loans	345
Disclosures	345
Prohibited Loan Features on Section 32 Loans	345
Additional Legislative Solutions and Impacts.....	346
Counseling.....	346
Inclusion of Assignees in the Prohibition.....	346
Effect on Neighborhoods	346
Best Practices – Internal Training Program	347
Potential Federal Regulatory Cures.....	347
Penalties and Enforcement.....	347
State Predatory Lending Laws.....	348
National Bank Exemption.....	348
Blaming Brokers	349
Chapter 17 – Ethics in the Mortgage Industry	351
Pressure to Compromise.....	351
A Code of Ethics	351
Principle 1 – Put the Borrower's Interests First.....	352
Ethical Quandaries	353
Pricing Issues – Rate Lock-in	353
Pricing Issues – Opportunistic Pricing.....	353
Approval Issues – Pre-Qualified vs. Pre-Approved.....	354
Approval Issues – Loan Denial	355
Approval Issues – The Counter-Offer	356
Processing Issues – Financial Privacy.....	356
Pricing Issues – Hide the Origination/Doc/Broker Fee.....	356
Processing Issues – Undisclosed Loan Terms	357
Approval Issues – Insufficient Income.....	357

Approval Issues – Low Appraisal.....	358
Business Practices – Kickbacks and Referral Fees.....	358
Business Practices – Advertising.....	359
Origination Issues – Buyer Over-Reaching.....	359
Origination Issues – Documents Signed in Blank	359
Origination Issues - The Unsigned Document	360
Other Ethical Behaviors	360
Harassment/Sexual Harassment	360
Business Courtesies	360
Compliance with the Letter, Not the Spirit.....	360
Truth-in-Lending	361
Unethical Treatment of the APR Disclosure.....	361
The Real Estate Settlement Procedures Act.....	361
Unethical Treatment of RESPA Rules	361
The Equal Credit Opportunity Act and the Fair Housing Act.....	363
Unethical Treatment of the ECOA/FHA	363
Ethics - When in Doubt.....	363
Conclusion.....	363
Mortgage Terminology	365