Real Estate Council Alberta

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PRACTICE OF MORTGAGE BROKERAGE COMPETENCY EXAMINATION BLUEPRINT

COMPETENCY			SUBJECT LEARNING OUTCOME	SUBJECT L.O. BLOOM'S LEVEL		SPECIFIC LEARNING OUTCOME	SPECIFIC L.O. BLOOM'S LEVEL	EXAM WEIGHT
1	**COMMUNICATE EFFECTIVELY**	1.1	Assess active listening principles.	Evaluate	1.1.1	Determine the listening technique(s) required for different mortgage brokering situations.	Evaluate	4.5
		1.2	Assess circumstances that may require the use of an interpreter.	Evaluate	1.2.1	Determine situations that require an interpreter.	Analyse	1.0
					1.2.2	Describe processes licensees may employ to ensure the legitimacy of the interpreter and that they are not unduly impacting the transaction or manipulating a "straw buyer" scheme.	Analyse	
						COMPETENCY 1. COMMUNICATE EFFECTIVELY	**TOTAL WT.**	**5.5**
2	**KNOW THE MORTGAGE BROKERAGE FRAMEWORK**	2.1	Outline mortgage fundamentals.	Analyse	2.1.1	Determine appropriate client and situation specific mortgage product alternatives using a mortgage insurance product sheet, a lender product sheet, and a creditor insurance product sheet.	Evaluate	5.0
		2.2	Assess commercial mortgage services, and client profiles.	Evaluate	2.2.1	Compare and contrast major types of commercial clients (new businesses, small businesses, experienced investors, partnerships, joint ventures, corporations, REITs, REOCs, and high net worth individuals).	Analyse	1.3
					2.2.2	Explain risk as it relates to a commercial mortgage client's investment/ownership objectives.	Analyse	
					2.2.3	Outline the 4 levels of risk (asset, enterprise/entity, non-systematic, and systematic).	Analyse	
					2.2.4	Assess client investment/ownership objectives.	Evaluate	
		2.3	Assess lender and borrower security.	Evaluate	2.3.1	Define mortgage default insurance.	Remember	5.0
					2.3.2	List the main providers of mortgage default insurance.	Remember	
					2.3.3	Describe the two types of title insurance that are relevant to mortgage transactions.	Understand	
					2.3.4	Explain two reasons why a lender might require title insurance on a deal.	Understand	
					2.3.5	Explain the purpose of a mortgage insurance product sheet as it relates to lender and borrower security.	Understand	
					2.3.6	Explain the purpose of a lender product sheet as it relates to lender and borrower security.	Understand	
					2.3.7	Explain the purpose of a creditor insurance product sheet as it relates to lender and borrower security.	Understand	
					2.3.8	Outline automated risk evaluation as it relates to the application process.	Analyse	

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					2.3.9	Differentiate between mortgage default insurance, mortgage life insurance, term life insurance, and other types of creditor insurance (e.g. life, critical illness, and disability).	Analyse	
					2.3.10	Distinguish between offering and selling insurance.	Analyse	
					2.3.11	Outline the purpose and coverage of homeowner's insurance.	Analyse	
					2.3.12	Determine the purpose of homeowner's insurance.	Evaluate	
					2.3.13	Assess the value and purpose of a new home warranty certificate.	Evaluate	
					2.3.14	Explain the benefits of mortgage default insurance.	Analyze	
		2.4	Determine the use of mortgage interest calculations.	Evaluate	2.4.1	Outline the seven variables from which mortgage loans are created (credit score, home location, home price and loan amount, down payment, loan term, interest rate type, and loan type).	Analyse	4.8
					2.4.2	Calculate simple interest.	Analyse	
					2.4.3	Calculate compound interest.	Analyse	
					2.4.4	Compare and contrast nominal interest rate and effective annual interest rate.	Analyse	
					2.4.5	Outline how to calculate payment streams (interest and principal).	Analyse	
					2.4.6	Calculate payment streams (interest and principal) in a given scenario.	Analyse	
					2.4.7	Outline the impact of loan variables on a mortgage.	Analyse	
					2.4.8	Determine the effects of compounding frequency on interest rate.	Evaluate	
		2.5	Assess interest concepts and loan variables.	Evaluate	2.5.1	Describe factors that affect interest rates.	Understand	4.8
					2.5.2	Calculate interim financing interest.	Apply	
					2.5.3	Outline three effects of compounding on interest.	Analyse	
					2.5.4	Outline how monthly blended payments work.	Analyse	
					2.5.5	Outline the use of an amortization schedule.	Analyse	
					2.5.6	Outline common payment frequency options and potential benefits to borrowers.	Analyse	
					2.5.7	Outline situations where prepayment penalities may apply (partial and full prepayment).	Analyse	
					2.5.8	Outline three effects of increasing the size of the down payment.	Analyse	

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					2.5.9	Outline the effect of manipulating loan variables.	Analyse	
					2.5.10	Outline interim financing requirements.	Analyse	
					2.5.11	Determine the effects of changing the length of the amortization period.	Evaluate	
					2.5.12	Determine the overall effects of making prepayments on amortization and interest costs.	Evaluate	
					2.5.13	Compare and contrast options related to assumed and second mortgages.	Evaluate	
					2.5.14	Compare and contrast taking equity out of a property by refinancing and by obtaining a second mortgage.	Evaluate	
					2.5.15	Determine alternative strategies to achieve goals in various borrowing scenarios.	Evaluate	
		2.6	Assess renewal, switch, and refinance transaction calculations.	Evaluate	2.6.1	Perform interest combining calculations.	Apply	4.8
					2.6.2	Determine (approximate) outstanding balances.	Evaluate	
					2.6.3	Determine total principal and interest paid.	Evaluate	
					2.6.4	Determine payout and claw back penalties.	Evaluate	
					2.6.5	Determine mortgage payments on renewals and refinances.	Evaluate	
					2.6.6	Determine the effect of different payment frequencies and amounts.	Evaluate	
					2.6.7	Determine which prepayment options produce the best borrower outcomes.	Evaluate	
					2.6.8	Determine options for refinancing at a lower interest rate.	Evaluate	
		2.7	Assess the concepts of property valuation and market influences.	Evaluate	2.7.1	Define return as it relates to commercial mortgages.	Remember	3.5
					2.7.2	Define supply as it relates to commercial real estate.	Remember	
					2.7.3	Define demand as it relates to commercial real estate.	Remember	
					2.7.4	Define vacancy rate as it relates to commercial real estate.	Remember	
					2.7.5	Describe two useful market trend indicators.	Understand	
					2.7.6	Describe characteristics of real property as a product.	Understand	
					2.7.7	Describe data collection and appraisal methods.	Understand	

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					2.7.8	Describe the commercial property subtypes: - Office: Class, location - Retail: ICSC shopping centre type - Multi-family: high rise, low rise; Industrial: Warehouse, Office Warehouse - Special Purpose: Hotels, Restaurants, Recreational Facilities, Storage, etc.	Understand	
					2.7.9	Describe external factors related to commercial property.	Understand	
					2.7.10	Describe the inelastic supply of commercial properties.	Understand	
					2.7.11	Explain market identification and delineation as they relate to commercial real estate.	Understand	
					2.7.12	Explain how return is measured in commercial real estate (periodic income, capital appreciation, and capital depreciation).	Analyse	
					2.7.13	Compare and contrast the different types of commercial properties.	Analyse	
					2.7.14	Compare and contrast the different uses of commercial properties.	Analyse	
					2.7.15	Outline the commercial real estate market cycle and the 4 phases of this cycle.	Analyse	
					2.7.16	Outline the macro-economic factors that impact commercial properties and mortgages (GDP, unemployment rate, employment data, population growth, capital market conditions, and basic industry markets).	Analyse	
					2.7.17	Outline the micro-economic factors that impact commercial properties and mortgages.	Analyse	
					2.7.18	Compare and contrast market inventory and new supply as they relate to commercial real estate.	Analyse	
					2.7.19	Outline the factors and related processes that cause commercial vacancy rates to increase or decrease.	Analyse	
					2.7.20	Outline the impact of commercial real estate vacancy rates on commercial mortgages.	Analyse	
					2.7.21	Determine a property's loan security using property documents and appraisal information.	Evaluate	
					2.7.22	Assess the quality of an appraisal report.	Evaluate	
					2.7.23	Assess an appraisal report for red flags.	Evaluate	

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					2.7.24	Determine property condition.	Evaluate	
					2.7.25	Determine property-related factors that may discourage lenders.	Evaluate	
					2.7.26	Determine whether a commercial vacancy rate is high or low.	Evaluate	
		2.8	Assess market value of an enterprise.	Evaluate	2.8.1	Explain the purpose of a proforma analysis.	Understand	1.5
					2.8.2	Outline the information and calculations required to assess the market value of an enterprise.	Analyse	
					2.8.3	Outline the relationship between the market value of an enterprise and a commercial mortgage.	Analyse	
					2.8.4	Differentiate between gross and net leases.	Analyse	
					2.8.5	Compare and contrast net operating income, adjusted net operating income, and stabilized net operating income.	Analyse	
					2.8.6	Assess a pro forma analysis.	Evaluate	
					2.8.7	Calculate potential gross income.	Evaluate	
					2.8.8	Calculate vacancy and collection allowance.	Evaluate	
					2.8.9	Calculate effective gross income.	Evaluate	
					2.8.10	Calculate operating expenses.	Evaluate	
					2.8.11	Determine when to use gross or net lease data in calculations.	Evaluate	
					2.8.12	Assess the impact of net operating income, adjusted net operating income, and stabilized net operating income on commercial mortgages.	Evaluate	
					2.8.13	Calculate net operating income.	Evaluate	
		2.9	Outline the capitalization of income approach to value.	Analyse	2.9.1	Outline the underlying premise of the capitalization of income approach to value.	Analyse	1.3
					2.9.2	Calculate net operating income.	Evaluate	
					2.9.3	Calculate capitalization rate.	Evaluate	
		2.10	Outline the relationship between time value of money and commercial mortgages.	Analyse	2.10.1	Define time value of money.	Remember	0.8
					2.10.2	Explain the 5 variables involved in time value of money calculations.	Understand	
					2.10.3	Outline the processes used in time value of money calculations (compounding and discounting).	Analyse	
		2.11	Assess annuity calculations.	Evaluate	2.11.1	Define annuity.	Remember	0.3

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					2.11.2	Compare and contrast ordinary annuity and annuity due.	Analyse	
					2.11.3	Calculate the future value of a sinking fund.	Evaluate	
					2.11.4	Calculate the payment amount for a sinking fund.	Evaluate	
					2.11.5	Calculate the present value of a mortgage.	Evaluate	
					2.11.6	Calculate the annual payment amount for a mortgage.	Evaluate	
		2.12	Determine how to prepare unleveraged pro forma statements.	Evaluate	2.12.1	Define holding period.	Remember	0.5
					2.12.2	Describe the information and documentation used to prepare pro forma statements.	Understand	
					2.12.3	Outline the elements of a pro forma statement used to forecast net annual cash flows for a commercial property.	Analyse	
					2.12.4	Outline assumptions that may be required to prepare pro forma statements.	Analyse	
					2.12.5	Outline how to determine the value of the initial investment.	Analyse	
					2.12.6	Outline how to determine the reversionary value.	Analyse	
					2.12.7	Outline the information needed to create a pro forma statement that includes debt servicing requirements.	Evaluate	
					2.12.8	Determine the value of an initial equity investment.	Evaluate	
					2.12.9	Determine the revisionary equity value of a commercial real estate property.	Evaluate	
					2.12.10	Calculate the annual debt service.	Evaluate	
		2.13	Assess the relationship between financial position, capital stack, and available financing.	Evaluate	2.13.1	Define capital stack.	Remember	0.8
					2.13.2	Identify the 2 types of capital that comprise the capital stack (equity and debt).	Remember	
					2.13.3	Calculate the impact of the capital stack on a commercial real estate mortgage.	Evaluate	
		2.14	Assess situations for highest and best use.	Evaluate	2.14.1	Outline the Principle of Highest and Best Use.	Analyse	1.0
					2.14.2	Determine highest and best use.	Evaluate	
		2.15	Assess costs, land use, demand, net absorption, capitalization rate, net absorption, and net operating income.	Evaluate	2.15.1	Define net absorption.	Remember	1.0
					2.15.2	Calculate net absorption.	Apply	
					2.15.3	Calculate net operating income.	Apply	

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					2.15.4	Outline the impact of demand drivers on a commercial mortgage.	Analyse	
					2.15.5	Determine the capitalization rate.	Analyse	
					2.15.6	Outline different methods that may be used to determine capitalization rates (comparables, market data, and build-up method).	Analyse	
					2.15.7	Determine the impact of costs on a commercial property.	Evaluate	
					2.15.8	Determine the impact of land use on a commercial property.	Evaluate	
					2.15.9	Determine the impact of demand on a commercial mortgage.	Evaluate	
					2.15.10	Determine demand drivers for different types of commercial property.	Evaluate	
					2.15.11	Estimate the value of a commerical property.	Evaluate	
		2.16	Assess the impact of using leverage.	Evaluate	2.16.1	Explain the impact leverage has on return on equity.	Understand	1.3
					2.16.2	Outline the concept of leverage.	Analyse	
					2.16.3	Explain what is meant by effective annual interest rate of a mortgage.	Analyse	
					2.16.4	Outline leverage options.	Analyse	
					2.16.5	Outline how leverage may be used to finance commercial property acquisitions.	Analyse	
					2.16.6	Compare and contrast the 2 types of leverage (positive and negative).	Analyse	
					2.16.7	Outline the benefits of using leverage to finance a commercial property purchase to an equity investor.	Analyse	
					2.16.8	Outline the drawbacks of using leverage to finance a commercial property purchase to an equity investor.	Analyse	
					2.16.9	Calculate the effective annual interest rate of a mortgage.	Evaluate	
					2.16.10	Calculate the cost of using leverage.	Evaluate	
		2.17	Determine mortgage expenses and balances.	Evaluate	2.17.1	Calculate the equivalent nominal interest rate of a mortgage.	Evaluate	3.3
					2.17.2	Calculate the monthly mortgage payment using the equivalent nominal interest rate.	Evaluate	
					2.17.3	Calculate the outstanding balance of a mortgage.	Evaluate	
					2.17.4	Use an amortization schedule to calculate the outstanding balance of a mortage at any time during the amortization period.	Evaluate	

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					2.17.5	Calculate the interest expense of a monthly mortgage payment.	Evaluate	
					2.17.6	Calculate the principal portion of a monthly mortgage payment.	Evaluate	
					2.17.7	Use present value to calculate the outstanding balance on a mortgage.	Evaluate	
					2.17.8	Use future value to calculate the outstanding balance on a mortgage.	Evaluate	
		2.18	Assess loan-to-value and debt coverage ratio.	Evaluate	2.18.1	Outline how lenders use the loan-to-value ratio to make lending decisions.	Analyse	5.5
					2.18.2	Calculate the loan-to-value ratio.	Evaluate	
					2.18.3	Calculate the debt coverage ratio.	Evaluate	
		2.19	Determine the impact of the debt coverage ratio on a commercial mortgage.	Evaluate	2.19.1	Outline the impact of the debt coverage ratio on commercial mortgages.	Analyse	1.0
					2.19.2	Outline how lenders use the debt coverage ratio to make lending decisions.	Analyse	
					2.19.3	Calculate the debt coverage ratio.	Evaluate	
		2.20	Assess uneven cash flows.		2.20.1	Outline the relationship between uneven cash flows, property values, and commercial mortgages.	Analyse	1.0
					2.20.2	Calculate the present value of uneven cash flows.	Evaluate	
					2.20.3	Calculate the net present value of uneven cash flows.	Evaluate	
					2.20.4	Calculate the internal rate of return of uneven cash flows.	Evaluate	
						COMPETENCY 2.0 KNOW THE MORTGAGE BROKERAGE FRAMEWORK	**TOTAL WT.**	**48.2**
3	**PROCESS MORTGAGE TRANSACTIONS**	3.1	Determine how to implement mortgage transaction procedures.	Evaluate	3.1.1	Identify the documents needed for the mortgage process.	Remember	6.0
					3.1.2	Describe conditions that may cause an application to be rejected or referred elsewhere.	Understand	
					3.1.3	Interpret industry print communication such as product manuals, publications, and rate sheets.	Understand	
					3.1.4	Describe the major sources of commercial mortgages (chartered banks, credit unions, insurance companies, pension funds, CMBS, private lenders, crowdfunding, mortgage brokers).	Understand	
					3.1.5	Demonstrate how to complete the mortgage application process.	Apply	
					3.1.6	Perform the calculations required to qualify a borrower.	Apply	

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					3.1.7	Outline the mortgage application process.	Analyse	
					3.1.8	Outline the financing options available to borrowers: lenders, mortgage types, and payment options.	Analyse	
					3.1.9	Outline regulatory requirements.	Analyse	
					3.1.10	Outline relationship requirements.	Analyse	
					3.1.11	Outline disclosure requirements.	Analyse	
					3.1.12	Explain the application process to the borrower.	Analyse	
					3.1.13	Differentiate between the amortization period and the mortgage term.	Analyse	
					3.1.14	Outline the ten common types of commercial loans (FRM, VRM, participation loans, mezzanine loan, bridge loan, interest only, balloon loan, stand-by loan, assumable mortgage, CMHC insured multi-family loan).	Analyse	
					3.1.15	Outline the commercial mortgage underwriting process from the lender's perspective (application, security valuation, cash flow analysis).	Analyse	
					3.1.16	Outline the commercial lender underwriting report requirements that are unique to commercial mortgages (includes: corporate structure report, commercial appraisal report, engineering report, and environmental assessment).	Analyse	
					3.1.17	Outline the impact of origination points on a loan.	Analyse	
					3.1.18	Determine the appropriate financing options for different borrowers.	Evaluate	
					3.1.19	Determine the borrower’s needs based on their circumstances.	Evaluate	
					3.1.20	Determine suitable mortgage product options specific to the borrower's situation.	Evaluate	
		3.2	Compare and contrast the application of underwriting guidelines for lenders and insurers (if applicable).	Analyse	3.2.1	Define loan underwriting.	Remember	5.8
					3.2.2	Summarize the purpose of each mortgage application related document.	Understand	
					3.2.3	Outline how to review an appraisal.	Understand	
					3.2.4	Interpret the impact of an appraisal.	Understand	
					3.2.5	Describe the purpose and content of the borrower and lender disclosure forms.	Understand	

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					3.2.6	Define automated mortgage insurance default insurance.	Understand	
					3.2.7	Summarize key issues related to automated mortgage insurance.	Understand	
					3.2.8	Describe the different types of mortgage brokerage level computer software options.	Understand	
					3.2.9	Demonstrate how to underwrite a loan for a lender.	Apply	
					3.2.10	Complete all documentation accurately and completely.	Apply	
					3.2.11	Outline the mortgage underwriting process.	Analyse	
					3.2.12	Compare and contrast underwriting for a lender and for an insurer.	Analyse	
					3.2.13	Compare and contrast submitting applications to private and institutional lenders.	Analyse	
					3.2.14	Outline strategies for completing an application that facilitates informed lender decision-making.	Analyse	
					3.2.15	Determine the documents required for underwriting (application, credit report, employment, income, purchase contract, appraisal, and other relevant documents).	Analyse	
					3.2.16	Outline the content of each document related to the mortgage application process.	Analyse	
					3.2.17	Outline the document analysis process undertaken by lenders.	Analyse	
					3.2.18	Outline how to order a credit report.	Analyse	
					3.2.19	Outline how to review a credit report.	Analyse	
					3.2.20	Outline how to order an appraisal.	Analyse	
					3.2.21	Outline application tracking and monitoring methods.	Analyse	
					3.2.22	Determine the impact of a credit report on an application.	Evaluate	
					3.2.23	Determine electronic document signing requirements.	Evaluate	
					3.2.24	Outline the affordability guidelines used to qualify a borrower.	Analyse	
		3.3	Outline a mortgage commitment to a borrower.	Analyse	3.3.1	Define “fulfilling the condition(s) of approval”.	Remember	6.0

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					3.3.2	List the documents required to fulfill the condition(s) of approval: - Verification of income - Verification of down payment/equity - Property type -Property value - Credit history	Remember	
					3.3.3	Define closing costs.	Remember	
					3.3.4	List the items included in closing costs.	Remember	
					3.3.5	Explain the need for and implications of accurate and appropriately dated document signatures to the borrower.	Understand	
					3.3.6	Describe the terms and conditions that must be fulfilled by the associate within lender timeframes.	Understand	
					3.3.7	Complete a Cost of Borrowing / Cost of Credit disclosure.	Apply	
					3.3.8	Complete the document requirements to fulfill the condition(s) of approval.	Apply	
					3.3.9	Estimate closing costs.	Apply	
					3.3.10	Outline mortgage lending and servicing procedures to a borrower: - Timelines - Documents - Features and Options - Restrictions	Analyse	
					3.3.11	Compare and contrast a traditional lender and a private lender commitment letter.	Analyse	
					3.3.12	Explain the mortgage commitment and conditions to a borrower.	Analyse	
					3.3.13	Explain the Cost of Borrowing disclosure to the borrower.	Analyse	
					3.3.14	Outline how to fulfill the condition of approval, including how the required documentation is used.	Analyse	
					3.3.15	Determine required communication with the lawyer.	Analyse	
					3.3.16	Determine required follow up communication with the borrower.	Analyse	
					3.3.17	Explain how to calculate closing costs.	Analyse	

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					3.3.18	Assess consistency and accuracy of lender and borrower documents.	Evaluate	
		3.4	Outline mortgage application process related record keeping requirements.	Analyse	3.4.1	Describe mortgage record keeping and file management requirements: - Records - Processes - Security - Retention periods - Regulatory and legislative requirements	Understand	5.3
					3.4.2	Summarize the benefits of and concerns related to electronic document management systems.	Understand	
					3.4.3	Explain the impact of regulation and legislation on the mortgage industry.	Analyse	
					3.4.4	Explain the consequences of failing to comply with applicable legislation and the Regulations, in a given scenario.	Analyse	
					3.4.5	Outline compliance requirements to obtain compensation from the brokerage.	Analyse	
					3.4.6	Outline appropriate long-term follow-up to the borrower.	Analyse	
					3.4.7	Outline application tracking and monitoring methods.	Analyse	
					3.4.8	Assess mortgage industry transactions based on compliance and consumer protection criteria.	Evaluate	
		3.5	Assess private lending processes.	Evaluate	3.5.1	Explain the difference between private lenders and financial institution lenders.	Understand	2.8
					3.5.2	Compare and contrast private lending structures and financial institutions.	Analyse	
					3.5.3	Outline the legal and regulatory framework that applies to private mortgages.	Analyse	
					3.5.4	Outline private lending structures.	Analyse	
					3.5.5	Outline the regulatory framework that applies to the different private lending entities.	Analyse	

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					3.5.6	Outline the private mortgage transaction process. - Qualify the lead (e.g., confirm who referred the lead, that the lead is seeking a mortgage, etc.)Gather required information - Assess required information - Establish the service relationship - Select the lender and prepare the application - Submit the application, with required disclosures, to the lender - Receive response from lender and negotiate items, as needed - Provide/explain commitment and appropriate disclosures to the borrower - Fulfill conditions - Support closing of transaction/file - Refer administration of mortgage, as required - Continuation of duty as applicable	Analyse	
					3.5.7	Outline the lender/investor's risks associated with each private lending entity.	Analyse	
					3.5.8	Outline required private lending specific information and documents for a prospective private lender.	Analyse	
					3.5.9	Distinguish licensee and brokerage duties when representing an individual private lender.	Analyse	
					3.5.10	Assess private lending transactions for potential fraud.	Evaluate	
					3.5.11	Determine the borrower's risks associated with each type of private lending entity.	Evaluate	
					3.5.12	Determine the borrower's needs, circumstances, and preferences as well as the appropriateness of private mortgage options.	Evaluate	
					3.5.13	Determine the appropriateness of private mortgage options for a specific borrower.	Evaluate	
					3.5.14	Determine how private mortgage terms and conditions impact a borrower (e.g. Origination fees, other fees during the term, renewal fees, options, and an individual private lender's inability or refusal to renew).	Evaluate	

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COMPETENCY			SUBJECT LEARNING OUTCOME	SUBJECT L.O. BLOOM'S LEVEL		SPECIFIC LEARNING OUTCOME	SPECIFIC L.O. BLOOM'S LEVEL	EXAM WEIGHT
					3.5.15	Assess private mortgage options that may assist in credit recovery.	Evaluate	
					3.5.16	Assess potential conflicts of interest when arranging a mortgage on behalf of a private lender.	Evaluate	
					3.5.17	Determine relevant borrower, property, or project information that may assist lender decision making.	Evaluate	
					3.5.18	Determine a prospective individual private lender's needs, circumstances, objectives, and risk appetite.	Evaluate	
					3.5.19	Determine the appropriateness of private mortgage opportunities for an individual private lender.	Evaluate	
					3.5.20	Determine the impact of mortgage default or foreclosure on proceses when representing a private lender.	Evaluate	
		3.6	Assess mortgage administration processes.	Evaluate	3.6.1	Describe common software used to provide mortgage statements.	Understand	3.0
					3.6.2	Outline the licensing requirements for administering mortgages (e.g.: written service agreement, trust account, E&O, etc.).	Analyse	
					3.6.3	Outline the content required in a mortgage adminstration agreement to clearly outline the property management services to be fulfilled by the mortgage brokerage including the various decision making powers to be fulfilled by the licensee including the principles that govern these decisions.	Analyse	
					3.6.4	Outline the mortgage administration process and requirements.	Analyse	
					3.6.5	Outline receipt, deposit, safekeeping, disbursement, and oversight processes for managing trust funds receieved from mortgage administration activiites.	Analyse	
					3.6.6	Outline private lending mortgage reporting requirements (including mortgage statement provision).	Analyse	
					3.6.7	Outline the mortgage statement provision process.	Analyse	
					3.6.8	Outline a mortgage default collection process.	Analyse	
					3.6.9	Outline a mortgage recovery process (e.g.: legal action and ultimate sale).	Analyse	
					3.6.10	Outline the borrower payment collection and subsequent disbursment to lender process.	Analyse	
					3.6.11	Outline methods to ensure property taxes are paid.	Analyse	

MORTGAGE BROKERAGE PRACTICE

COMPETENCY			SUBJECT LEARNING OUTCOME	SUBJECT L.O. BLOOM'S LEVEL		SPECIFIC LEARNING OUTCOME	SPECIFIC L.O. BLOOM'S LEVEL	EXAM WEIGHT
					3.6.12	Outline methods to ensure property insurance is maintained.	Analyse	
					3.6.13	Outline how to manage renewals.	Analyse	
						COMPETENCY 3. PROCESS MORTGAGE TRANSACTIONS	**TOTAL WT.**	**28.9**
4	**DETECT AND PREVENT MORTGAGE FRAUD**	4.1	Determine the nature of mortgage fraud and its ramifications.	Analyse	4.1.1	Define mortgage fraud.	Understand	4.5
					4.1.2	Provide examples of mortgage fraud in Alberta and other parts of Canada.	Understand	
					4.1.3	Describe the impact of mortgage fraud on society, law enforcement, and individuals.	Understand	
					4.1.4	Compare and contrast mortgage fraud schemes: - Fraud for housing - Fraud for profit - Money laundering - Other mortgage fraud schemes	Analyse	
					4.1.5	Determine the regulatory consequence of participating in mortgage fraud.	Evaluate	
		4.2	Assess mortgage transactions for mortgage fraud indicators (red flags).	Evaluate	4.2.1	Describe mortgage fraud prevention methods.	Understand	5.5
					4.2.2	Summarize the requirements to verify a borrower’s identity as a fraud prevention strategy.	Understand	
					4.2.3	Summarize lender identity verification requirements as a fraud prevention strategy.	Understand	
					4.2.4	Summarize investor identity verification requirements as a fraud prevention strategy.	Understand	
					4.2.5	Summarize the requirements to verify the accuracy of mortgage document information as a fraud prevention strategy.	Understand	
					4.2.6	Explain the importance of knowing your borrower.	Understand	
					4.2.7	Explain the importance of knowing your referral source.	Understand	
					4.2.8	Explain the importance of mortgage documentation knowledge.	Understand	
					4.2.9	Summarize mortgage fraud detection red flags.	Understand	
					4.2.10	Describe potential red flags related to the borrower.	Understand	
					4.2.11	Describe potential red flags related to mortgage transactions.	Understand	

MORTGAGE BROKERAGE PRACTICE

COMPETENCY			SUBJECT LEARNING OUTCOME	SUBJECT L.O. BLOOM'S LEVEL		SPECIFIC LEARNING OUTCOME	SPECIFIC L.O. BLOOM'S LEVEL	EXAM WEIGHT
					4.2.12	Describe potential red flags related to real estate properties.	Understand	
					4.2.13	Describe potential red flags related to industry members.	Understand	
					4.2.14	Describe potential red flags related to the mortgage brokerage.	Understand	
					4.2.15	Summarize the guidelines for mortgage broker originated applications.	Understand	
					4.2.16	Describe mortgage fraud trends.	Understand	
					4.2.17	Complete a mortgage broker originated application that meets the guidelines.	Apply	
					4.2.18	Outline how to recognize mortgage fraud.	Analyse	
					4.2.19	Compare and contrast various mortgage fraud scenarios.	Analyse	
					4.2.20	Detect mortgage fraud indicators (red flags).	Evaluate	
					4.2.21	Detect borrower identity verification red flags.	Evaluate	
					4.2.22	Detect lender identity verification red flags.	Evaluate	
					4.2.23	Detect investor identity verification red flags.	Evaluate	
					4.2.24	Detect potential fraud related mortgage document inaccuracies.	Evaluate	
					4.2.25	Determine if a mortgage broker originated application meets the guidelines.	Evaluate	
		4.3	Determine when to report suspicious activities or transactions.	Evaluate	4.3.1	List Alberta and Canada-wide resources available in the fight against mortgage fraud.	Remember	3.8
					4.3.2	Outline RECA's role in suppressing mortgage fraud.	Analyse	
					4.3.3	Outline the role of other agencies in suppressing mortgage fraud.	Analyse	
		4.4	Explain the relationship between reporting suspicious indicators and supressing mortgage fraud.	Evaluate	4.4.1	Identify who to contact if mortgage fraud is suspected.	Remember	3.5
					4.4.2	Explain a mortgage broker’s responsibility in suppressing mortgage fraud.	Understand	
					4.4.3	Explain a mortgage brokerage’s responsibility in supressing mortgage fraud.	Understand	
					4.4.4	Determine if activities or transactions meet suspicious indicator criteria that should be reported.	Evaluate	
						COMPETENCY 6. DETECT AND PREVENT MORTGAGE FRAUD	**TOTAL WT.**	**17.3**

MORTGAGE BROKERAGE PRACTICE

COMPETENCY			SUBJECT LEARNING OUTCOME	SUBJECT L.O. BLOOM'S LEVEL		SPECIFIC LEARNING OUTCOME	SPECIFIC L.O. BLOOM'S LEVEL	EXAM WEIGHT
						ALL MB PRACTICE COMPETENCIES	TOTAL WT.	100