Beware of Loser Loans

It is important to understand some of the traps of predatory lenders.

by Natalie Danielson

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Beware of Loser Loans

This 3 clockhour class is an introduction to different types of loan programs that could be abusive and take advantage of the consumer. Some consumers with less than perfect credit may pay higher rates and fees. Predatory lending practices take advantage of consumers that do not necessarily have to pay higher fees.

Course Objectives

As a result of taking this class the agent shall be able to:

- Identify different types of predatory lending practices
- Know rights of borrowers with regards to lending
- Know how lenders are regulated.
- Know what resources are available.

It is important for the agent to go to a website listed at the end for resources to learn more about Loser Loans!

Beware of Loser Loans

Section 1 1/2 hour	Learn definition of predatory lending Understand what hard money loans are. Know what are signs of predatory lending
Section 2 2 hours	List the different types of predatory lending practices
Section 3 1/2 hour	Know what rights the consumer has. Know how lenders are regulated.

Predatory Lending

Predatory lending is done by lenders to take advantage of consumers with bad or perceived bad credit.

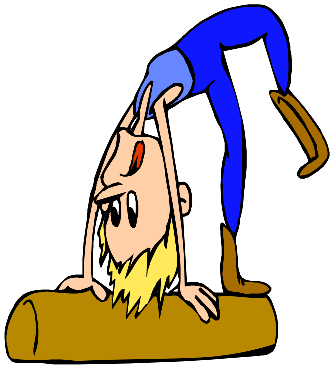
Hard money loans are typically used for borrowers who cannot qualify. Investors can use hard money loans as the property is what the lender evaluates, typically. Most hard money loans are expensive for a borrower. There are times that they can take advantage of the borrower.

Predatory lenders apply rates and fees that are over and above what is necessary to cover their risk of losing money.

Predatory lenders have been known to take advantage of consumers by often not disclosing the true terms of the loans.
Think of a "predator."

With all lenders having licensing requirements, the number of lenders has decreased dramatically, and the lenders have tightened their requirements for loans.

Flipping and Flopping



Frequent refinancing of a loan can be considered "flipping"."

The borrower pays more and more fees and interest and end up with a higher loan balance and higher payments.

Flipping continues to occur even in a market with the large number of short sales and foreclosures. As the market heads upwards and interest rates stay low, this can become a trend.

Some buyers or "investors" purchase homes in a short sale and attempt to flip them before closing. Sometimes this is referred to as "flopping." This would require a double escrow… in other words there would be a simultaneous closing of both transactions without the bank having knowledge. It could even occur in less than 90 days. This is fraudulent because of the intent to deceive.
There are many people that flip houses… buy and fix them up for a fast turn-a-round. But, his kind of flipping, called flopping, involves reselling a house before the sale closes.

Yield Spread Premiums

The lender can receive rebates for higher interest rate loans. Sometimes these can be excessive taking advantage of the borrower!!!
They are not obvious on the HUD statement. With the current HUD closing statements and the CFPB changes, these are not an issue as they were in the mid 2000's. They were not always disclosed.
The world of lender rebates and yield spread premiums has gone away. The closing statements and escrow has changed over the years. There are still lenders that charge costs that are not fully openly disclosed to the borrowers. There is no reason to think they won't come back.

Charging High Rates

Some lenders are predatory charging excessive interest rates or fees to borrowers that can qualify for better rates. Most predatory lenders do not disclose the true terms and rates of the loan including the prepayment penalties and the loan fees. Read the Closing Statement right away. It should match the original Loan Estimate!

As the banks tighten up their requirements, private lending and portfolio lenders will enter the marketplace again. Real the terms carefully.

Payments too high

Approving a loan with payments higher than the borrower can afford to pay. Sometimes lenders "fudge" on the borrower's income. Sometimes they quote payments that are interest-only to borrower until they see the HUD.

What were commonly referred to as "liar loans" were low or no documented loans. The borrower would "state" his and/or her income without documenting the source. This would result in a borrower getting a loan for much higher than he/she could actually qualify for. If a loan requires only limited documentation, the borrower is still required to be honest on the application as to source and amount of income.
Sometimes loans had prepayment penalties or ARM readjustments requiring the borrower refinance in 3 or 5 years because the terms of the loan would change and payments would go up to amounts that the borrower could not afford. This is all to be disclosed with the lender.

Pressuring to Sign

Pressuring or confusing a borrower to sign without understanding the terms of the loan.
It is difficult enough for a well educated borrower to understand all the papers required at the closing of a transaction. There have been times where the buyer was completely in the fog trying to figure out what the actual terms were on the paperwork.

HUD did create a new good faith estimate form a few years ago and requirements for how certain fees and charges must be in a range of what was quoted on the estimate in an attempt to have better disclosure to borrowers. In the future, we may see all the closing documents start to change again.

Prepayment Penalties

Prepayment penalties can trap borrowers into remaining in high cost loans for long periods of time.

For example, a loan may have a prepayment clause so that a borrower must come up with a certain amount of money, let's say in 3 to 5 years. The lender encourages the borrower to get the loan because of the initial lower fees. The borrower is often not able to come up with the pre payment fees and will have to refinance.

Then the original lender will refinance the loan, if possible and charge more fees.

This can happen with seller financing. The seller should make sure that the buyer is qualified to be able to refinance if they require a balloon payment in 3-5-10 years.

Targeting

Targeting borrowers for high cost loans…. Including people of color or different national origin sometimes taking advantage of their language difficulties… Or , the elderly who don't understand. There have been lenders that targeted people that attend the same church, for example. There is a trust issue.

This is more common in any market. People rely on a mortgage lender and trust them when it is only based on something like a similar background.

Unscrupulous lenders have been known to take advantage of people that may not understand the terms of loans or that trust them because of a previous affiliation.

Stripping Equity

Stripping equity from a home with fraudulent sales price was done regularly with the help of appraisers who valued the property for more than the actual market value.

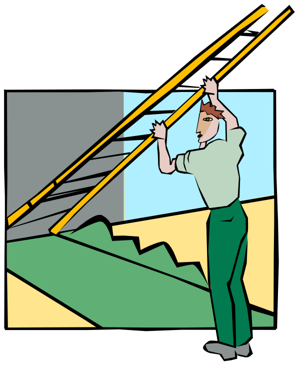
When the property was written up with a much higher sales than list price and then the borrower took out money from the loan at closing the intent was to deceive the lender as to the value of the property. Taking cash back at closing on a purchase mortgage has not been legal.

Most real estate brokers are familiar with a "carpet allowance." The escrow holds back funds to pay for new carpeting, for example. When that "carpet allowance is 10 to 20 times more than the cost of the carpet, then this becomes a serous scam with an intent to deceive the bank.

The appraiser was often inflating value to deceive lender so the house was not the collateral for the loan!

That is one of the main reasons many homes went "under water" when the market settled down. They were purchased with an inflated price leaving the borrower with a loan higher than the market value. The buyers might have taken out lets say… $50,000 and bought an SUV that sits in the driveway with the cash that was given out from the mortgage. The home might have had a market value of $350,000 but the borrower and appraiser led the bank to believe it was worth $450,000 and the borrower took the "fake" equity out to spend on things like an SUV.

Home Improvement scams



Contractors have been known to steer a homeowner to a high cost lender to finance repairs.

Because so many people will be unable to sell their home and move there will be more home improvement business in the future. But this could lead to more contractor scams on the horizon. Sometimes contractors ask homeowners to pay them over time … but beware of the contracts.

Homeowners must beware of schemes that sound too good to be true.

Be careful of contractors that might trade equity for construction or have homeowners sign agreements tying up equity.

Bait and Switch

Using bait and switch tactics to lure a consumer and then changing the terms of the loan at closing.

That does happen as much because of the new requirements with lenders using the federal HUD Closing Statement and the Loan Estimate forms.

The fees and terms must be clearly disclosed on both forms.

Packing

Packing a loan with single premium credit insurance products such as credit life insurance and not disclosing the inclusion, cost or additional fees. There are even “FAKE” foreclosure insurance companies on the internet!

This may become more common as lenders try to find ways to make additional money on loans.

Promises to Fix Loans with Future Refinances

A lender that promises to fix a borrower's loan with a future refinance is a sure sign of a predatory lender. The lender is basically selling the borrower two loans with the promise to get paid on both. The lender may put the borrower in loan with low monthly payments that will inflate or "explode." Then the lender promises that it will be worth it to refinance to another loan prior to that happening.

After the slow down in the market ten years ago, there were many homeowners who wanted to refinance to get out of a "bad" loan situation but the market will not allow it. Either they cannot qualify for a refinance or the property does not have any equity and does not qualify.

Check Cashing or Pay Day Loans or "private lenders"

This is about as close to predatory lending as possible. The minute you walk in the door to a lender on a corner willing to lend you on future earnings you are stepping into very hot water…. Actually quick sand. Real estate agents have been known to use future commissions as collateral for a loan. You will find yourself owing more than you can possibly imagine with basically unregulated rates. Even the PayDay loans.org website has an article about avoiding bankruptcy. Are they encouraging consumers to avoid it by taking out another loan?
There are private lenders in the market. The most well known is called the "shark" and was featured on the front page of the Seattle Times in the fall of 2010. They are completely unregulated.

Short Sale Transactions

There are many buyers and investors in the market that are attempting to purchase a property in a Short Sale and resell or "flip" the property prior to closing. They may negotiate with the bank a short sale amount while advertising the property for more on the internet like on CraigsList. Then have a simultaneous closing… where they don't actually "purchase" the property… they just pocket thousands as the buyer pays more than what the bank agreed in the short sale. So the buyer/investor doesn't actually get a mortgage loan. This is fraudulent with an attempt to deceive the bank as to the actual sale.

Mortgage Relief Program in CA shut down.

The FTC and The CA financial Protection and innovation bureau took down several companies for operating a sham mortgage relief operation that misled consumers and cost them millions starting in 2018. They would charge consumers thousands of dollars with false promises that they would negotiate with consumers' mortgage lenders to alter their loans, at time even representing they were affiliated with government COVID_19 relief programs.

The investigation found that the defendants targeted distressed homeowners with their deceptive claims in telemarketing calls, text messages and online ads, often promising that in just 3 months they can get consumers' mortgages modified. In many cases they claimed they were part of covid-19 assistance programs. When homeowners paid for their services, they basically didn't get the promised modifications, and instead were harmed in numerous ways.

Consumers received documents with bogus claims about changes to their mortgage including lowerd interest rates or payments

They told consumers not to pay their mortgage while using their "services," leading to many consumer facing late fees and significatnly lower credit scores. They probably did that so the consumers could pay the fraudsters!

The consumers were to sign "cease and desist" letters sent to mortgage companies to only communicate with the fraudsters. This put some of the consumers into foreclosure.

Debt Relief and Credit Repair Scams

According to the Federal Trade Commission debt relief and credit repair scams are active. Debt relief scams target consumer with significant credit card debt by falsely promising to negotiate with their creditors to settle or otherwise reduce consumers repayment obligations. Often they sell their "services" using robocalls.

Credit repair scammers targe financially distressed consumers who are having credit problems or want to "fix" their credit so they can qualify for a mortgage. The falsely claim that they will remove negative informaiont from consumers credit reports even if that information is accurate. The FTC has brought scores of actions s against these credit related services and is working with states to bring hundreds of additional lawsuits.

Consumers who want to eventually purchase a home with a mortgage get caught up in the idea that they can eliminate old debt.

Suze Orman's take on interest only Loser Loans

Let me explain exactly how interest-only loans make it so much more likely that an individual investor will default.

Let's begin with this basic truth: interest-only loans were invented by mortgage lenders who know that fewer and fewer folks can afford homes in the hottest locations using a standard 30-year fixed rate mortgage, but who, with all the money being made in these boom markets, are desperate to hook people into mortgages any way they can. So they came up with a loan to make you feel as if you can afford to buy, by requiring that you pay only the interest in the early years of the mortgage. The catch, of course, is obvious. In a way, it sort of reminds me of the tobacco industry: selling glamour and gratification up front, at the heavy risk of dire problems down the road.

With interest-only mortgages, the risk is to your financial health. Look at the most conservative of all interest-only loans, the fixed rate interest-only mortgage where you pay interest-only in the first five years (or whatever term you decide on) of a 30-year mortgage. All that means is that you get an easy ride for five years, then are required to get all the principal paid off in the remaining 25 years of the loan. Your payments are smaller than normal for five years, then larger than normal for the next 25.

Oh sure, a lender who is pushing the interest-only mortgage will tell you not to worry. You'll be making more in five years (or whenever your principal payments are set to begin) so you'll be able to afford the hike. Excuse me? Where is it written in today's economy that you are guaranteed to be making more? And don't fall into the "you'll just refinance" trap either. How can you be sure you will be able to refinance? What if home prices tread water for a few years, so you don't have a lot of built-up equity? Or what if interest rates are 7 percent or 7.5 percent rather than today's 5.8 percent? You get my point.

But the above example is just one kind of interest-only loan; they come in many shapes and forms. One of the most popular of all interest-only loans, according to Barry Habib of the Mortgage Market Guide, is the "Adjustable Rate Mortgage" (ARM). With adjustable rate mortgages, the start rate is lower than on a fixed rate mortgage, but the rate can change and payments may increase over time. An interest-only adjustable rate mortgage makes the short-term payment savings even greater, but has an additional element of rate change risk.

Another type of interest-only loan is commonly called the "Option ARM." This loan gives you the option to make a regular payment covering principle and interest, an interest-only payment, or even a payment that does not cover the full amount of interest due. In this case, the unpaid interest is tacked on to the loan balance, which actually increases the outstanding loan amount over time. This is known as "negative amortization." For example, a $200,000 loan could have a minimum payment due of only $333, which is a whopping $867 monthly payment reduction compared to a normal loan! It's little wonder that these loans have become so popular. But the attractive low payment comes with a vicious kicker, since you are adding tens of thousands of dollars to the balance you owe on your mortgage. Meanwhile, you have to hope that you can keep your loan balance neck-and-neck with home appreciation rates so you don't end up "upside down" on your home, owing more than it is worth. You're living on borrowed time….It's almost like treating your home as a credit card!

The moral is that there is no free lunch here, my friends. All that happens with interest-only loans is you put off when the real bill arrives. And when it does come—when the principal payments kick in—you are going to be hit with a big hike in your mortgage bill. Interest-only mortgages truly require some massive leaps of faith—an optimism that often turns out to be misplaced, and sometimes even ruinous.

Lender Targets Seniors with predatory loans

LawTimesNews 2023

Just over the border in Ontario, a license of a lawer was suspended for allegedly participating in or facilitating a predatory mortgage loan scheme involving vulnerable senior citizens. The lawyer was essentially running the firms residential real esttae practice and used a trust acccount as a sole practitioner. The investigation looked at allegations including mortgage transactions that included a 25% usurious annual interest rates.

The investigation alleges that door-to-door salespeople induced senior homeowners to sign contracts for home equipment such as HVAC systems and renovations with monthly payments secured by a notice of security interest registered on title to the properties, often without their homeowners' knowledge. In some cases, the senior citizens were also induced to take out small mortgage loans to pay for further home renovations and services.

More door-to-door salespeople subsequently are alleged to have approached the senior citizens to sign further home renovation contracts financed by a large mortgage (between $100,000-$550,000) on their property.

There are several features in common with these mortgages:

- the senior homeowners were on low fixed incomes;
- they had substantial equity in their homes;
- multiple Notice of Security Interests (NOSIs) were registered on title to the properties within a short period;
- large principal amounts compared to the borrowers' apparent needs;
- interest rate of 25 percent;
- the interest for the year was pre-paid and deducted from the mortgage advance;
- apparent inability of the senior homeowners to repay the mortgages.

The decision noted: "Many older adults live on a fixed income, which does not allow them the flexibility to overcome unforeseen emergencies. In contrast to their often-limited prospects to earn income, many older adults have built up substantial equity in their homes. This can make them tempting targets for predatory lenders."

Details in the ruling for one complaint indicate that the lawyer acted for "JC" on a $550,000 mortgage from CCI at 25 percent interest. JC was retired, single and born in 1951, with a yearly fixed income of $49,000 and a $100,000 secured line of credit.

The panel looking at the allegations also found that the mortgage transactions exhibited many "red flags" of predatory lending schemes, including a 25 percent "usurious" annual interest rate imposed on elderly borrowers living on modest fixed incomes.

Between May 11, 2016, and July 13, 2021, nine NOSIs were registered on title to JC's property totaling approximately $86,000, along with two micro-mortgages totaling $75,795. The JC mortgage was originally $400,000, later revised to $550,000.

The terms included:

- 25 percent interest; a one-year fixed term at with the principal became due; interest to be repaid from mortgage proceeds;
- a lender fee of $27,000 and broker fee of $11,000;
- no major or minor renovations without consent;
- a renewal clause which would renew the mortgage at the lender's discretion with a lender fee of 10 percent and broker fee of three percent of the outstanding balance

The cost of borrowing was $177,999.96 with an effective annual percentage rate of 32.364 percent.

The tribunal also ruled the lawyer failed to advise her borrower clients of the "very concerning terms" of these often-unnecessary mortgages, which would likely lead to default.

Lifetime Listings costing homeowners limited by WA legislature in Spring 2023

The biggest potential scam is happening now. It was on "Get Jesse" 3 times on TV, been reported to the Attorney General, and lawyers are reviewing it. The WA legislature had emergency meetings in January and February to write out a law to stop it. It is happening across the country.

Call centers are set up to target areas where homeowners have equity. The victims are offered money in exchange for signing documents that will bind them into listing their property in the future with the firm. If they agree, a notary is sent to their house sometimes within hours to sign the paperwork. Though this is not a mortgage loan, it is like getting money for your property because you have so much equity. Or the homeowners find the website and proceed on their own.

Homeowners type their address into a licensed real estate firm website. They are offered sometimes $2000 cash in exchange for signing a "lifetime listing." They cannot sell their house using another broker and if they do they owe the listing company 6% of the value of their home. That 6% is based on the "lifetime listings" own appraisal... not the current market value. Oh, and the lifetime listing extends beyond their life... binds the estate! It is like a twisted loan.... $2000 in exchange for 6% of the value of the house. High interest! It might come up as you try to close on a sale of a seller who didn't realize what they signed.

The "Lifetime Listing" is not actually a listing in the MLS. It is recorded on the title often as a "memorandum." This becomes a cloud on the title so that the homeowner and even an expensive experienced attorney cannot seem to get off the title so that the homeowner can list with a reputable broker, refinance, sell their house with their own broker, or give the equity to their heirs when they pass away up to 40 years later.

The attorney and law firm representing the company with their "lifetime listings" the legislature is trying to stop in WA is the attorney who is the legal counsel to the NWMLS .He is the principal author of the residential and commercial real estate forms in the state! AND he is representing this listing company that is having consumers sign documents that they don't understand, without agency representation, are not clear listing agreements, and they are recorded as memorandums that cause a cloud on title so the homeowner cannot sell the property, in many cases, unless they pay tens of thousands of dollars. It makes it impossible for homeowners in our marketplace to list their house with a broker in the MLS.

The WA legislature did pass SB5399 the Consumer "Right to List" bill which limits agreements that obligate the owner of residential real estate to a future real estate listing agreement to a term no longer than two years and makes future listing right purchase contracts subject to the consumer protection act.

Summary of First Substitute Bill: The term "future listing right purchase contract" is defined as a contract obligating an owner of residential real estate to enter into a real estate listing agreement in the future relating to the sale of the real estate.
These agreements cannot last for more than two years. An owner has ten days after entering into one of these contracts to provide a notice of cancellation which allows the owner to get out of the contract without a penalty or further obligation.

Testimony about the bill.
Only recently have their been some bad actors in this space. No one should tie up their home for 40 years. This bill sets it up so that these agreements cannot last longer than 5 years—some will think that even this is too long. This also makes it difficult to refinance or pull equity out of your home. Banks think it is too much of a headache to work through the liens that these agreements create. People don't know what they are giving up when entering into these purchase agreements. This acts as a lien that impairs the owner's ability to unlock capital from their home. This bill addresses the length of the agreement. The freedom of contracts is paramount, but there are times where the Legislature has to protect people from unfair contracts.

According to the bill, the duration of future listing right purchase contracts is five years.
Language is added to prohibit these types of contracts from being used as a lien against real property.

The Washington Real Estate Commission is directed to convene a workgroup to examine how real estate brokerages market, establish, and enforce future listing right purchase contracts. The definition of "future listing right purchase contract" is clarified to grant an exclusive right to list residential real estate for sale in the future.

This is technically not a mortgage it falls into fraud with an attempt to take equity from homes with uninformed homeowners even more than the 30 years of a mortgage loan.

Borrowers Rights

The borrower has rights when they apply and close on mortgage loans.

Disclosures to Borrowers

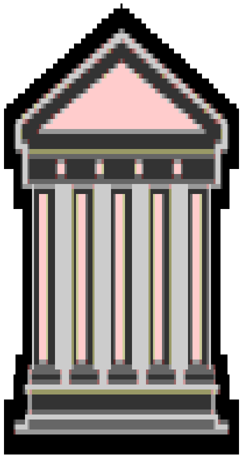
- Good Faith Estimate
- Truth in Lending Disclosure Statement
- Rate lock disclosure form
- Disclosure that money held for appraisal and credit will be in trust account.
- Disclosure that you have the right to transfer certain reports to another lender such as appraisal.
- ARM disclosure
- Right to know if lender is licensed and bonded
- Right to stop doing business with lender
- Right to know costs, rate, type of loan and loan amount within THREE days of application date
- Right to have a lender that is not misleading or deceiving
- Right to file a complaint

Choosing a Lender

It is important when choosing a lender to look for the following:

- Lender is licensed and bonded in Washington State
- Lender has license number on all correspondence.
- Disclosure… lender provides a good faith estimate within 3 days and it is close to the actual rates and fees on the HUD statement
- The lender explains the terms of the loan.
- Lender returns calls

Regulation of Lenders and Agents



Mortgage brokers are under the Department of Financial Institutions in Washington State. Even though the market has changed, there are still fraudulent lenders.

Washington State has passed the Mortgage Broker Practices Act. It is the law that governs mortgage lenders in this state. Lenders must take a test, take continuing education and be fingerprinted. Real estate agents can also be lenders but they must meet the requirements and have full disclosure with prospective borrowers.

Department of Financial Institutions www.dfi.wa.gov
Real Estate agents are regulated by the Department of Licensing www.dol.wa.gov. A real estate agent could be violating license law if found to be misrepresenting information on a transaction.

Resources

Don't borrow Trouble Hotline www.ci.seattle.wa.us/housing/predatorylending
Community Home Ownership Center (206) 587-5641
Mortgage Default Counseling Services
Fremont Public Association (206) 694-6766
The Urban League of Seattle (206) 461-3792
The Center for Responsible Lending has brochures http://www.responsiblelending.org/
Legal assistance King County Neighborhood Legal Clinics (206) 624-9365
Department of Financial Institutions (800) 372-8303 www.dfi.wa.gov
U.S. Housing and Urban Development (800) 877-0246 http://portal.hud.gov/portal/page/portal/HUD
There is also a website to help homeowners . www.wahomeowners.com

Beware of Loser Loans Quiz

Use the answer sheet at the end of the quiz! Thanks

1. *Subprime loans are typically for borrowers that cannot qualify for a prime loan due to ________________.*
2. *A predatory lender often applies rates and fees to take advantage of _____________________________.*
3. *There **IS / IS NOT** a difference between sub-prime and predatory lending.*
4. *Frequent refinancing of a loan can be considered _______________.*
5. *Some investors are buying short sales and attempting to "flip" before closing which is considered ________________.*
6. *In Washington State, a buyer purchasing a fixer to sell in a short time is required to have a _____________________.*
7. *When a lender receives a rebate for higher interest loans it is called a ____________ ___________ __________.*
8. *Some lenders do not disclose the true terms and rates of a loan including a _______________ ______________ .*
9. *Some lenders "fudged" on the buyers income on loans commonly referred to as ___________ __________.*
10. *Just because a loan required limited or no documentation, it is considered fraud if a borrower lies on the application.* ***T or F***
11. *Some loans have had ARM readjustments that would cause payments to be too high to afford.* ***T or F***
12. *Some lenders were known to _________________ borrowers into signing loan documents without understanding the terms.*
13. *There is a new Good Faith Estimate form that requires that the estimates are in line with the HUD form at closing.* ***T or F***
14. *It is illegal to _________ borrowers that attend the same church using the affiliation to build false trust.*
15. *Selling a property higher than the true market value using an inflated ______________ is fraudulent.*
16. *Getting cash back at closing on a purchase mortgage has not been legal even though "everyone" was doing it.*
17. *A property with a higher loan than the market value is commonly referred to as __________________*
18. *Some _____________ have been known to steer a homeowner to a high cost lender for construction loans.*
19. *Because many homeowners do not have equity to sell, the _______________ ________________ business may grow.*
20. *______________ ______ ____________ tactics should go down because of the new HUD and Good Faith Forms.*
21. *When a lender adds other products like credit life insurance to a loan that can be called _____________.*
22. *Foreclosure insurance is _____________. It is not a credible investment.*
23. *The borrower has the right to have a _____________ _____________ ___________ /*
24. *The Good Faith estimate must be provided within ________days of applying for a loan.*
25. *The Borrower has the right to receive an ________ disclosure when getting an Adjustable Rate Mortgage.*
26. *The Borrower has the right to have all moneys held in a ________ _______________.*
27. *The lender must have the _____________ number on all cards and correspondence.*
28. *Lenders must be _________in Washington State.*

29. *When a lender locks an interest rate the borrower should have a ___________ ___________ disclosure form.*
30. *Mortgage lenders are under the Department of _____________ _________________.*
31. *Complaints against lenders are filed with the Department of _________________ _____________.*
32. *The website for the Dept of Financial Institutions is ____________________*
33. *The Law that governs mortgage loans in Washington State is the ______________ ____________ __________ ____*
34. *Name one mortgage default counseling service __________________________________*
35. *Real estate agents are regulated by the _______________ of ____________.*
36. *Even though the mortgage market has changed dramatically with the economic slump, there are still _______ lenders.*
37. *Real estate agents can be lenders but they must meet all requirements and have full _______________.*
38. *The documents on short sale transactions can be found at the Department of Licensing website and NWMLS* **T / F**
39. *Beware of lenders that are unregulated like "private lenders" and those with little regulation known as ______ ______*
40. *I have gone to the following links to learn more about predatory lending or Short sales _______________________*

Use the Answer sheet below if you want for your answers to the quiz! You must include the quiz or answer sheet with the evaluation to get clockhours. Thanks

PROFESSIONAL Direction INC

Answer Sheet Beware of Loser Loans

I attest that I have read the materials and have answered the questions.

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Comments you want to add regarding the discussion questions.			

Date Course Started ________ Date Course Completed

____

Print Name________________Company

____

Signature________________________

PROFESSIONAL Direction, clockhours@gmail.com

PROFESSIONAL Direction INC

Mandatory Evaluation

Did you read the material in the booklet on this date? YES / NO
Did you complete the quiz and attach answer sheet? YES / NO
Did you pay Tuition ($30 for 3 hrs) on website? YES / NO
Did you fill out and sign this form? YES / NO
Why did you choose to take this course? Topic? Time? Cost? Ease? Other? ______________________
A “clock hour” is 50 minutes. This 3 hour class should take about 2 hrs 30 min. How long did it take you to complete the course? __

Will the material you learned improve your performance?	
Were the course materials easy to follow?	
Were the course materials relevant to your profession?	
Were your objectives met by attending the class?	

What are 3 things that you learned from the course?
1. ________________________ 2. ________________________________ 3. ______________________________________

Beware of Loser Loans		
Print Name CLEARLY	Signature	Company
Address	City Zip Code	Phone
	Email	
License Renewal Date		Date class taken

Thanks for taking this class! I really appreciate the agents that take clockhours from my school! I am always working on my classes and writing new ones! Thanks, Natalie

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