



By **Alice Alvey**
President and co-founder
Mortgage U Inc.

Chalking Up a Plan for Continuing Education

Before fulfilling your annual credits, know the benefits of in-person versus online training

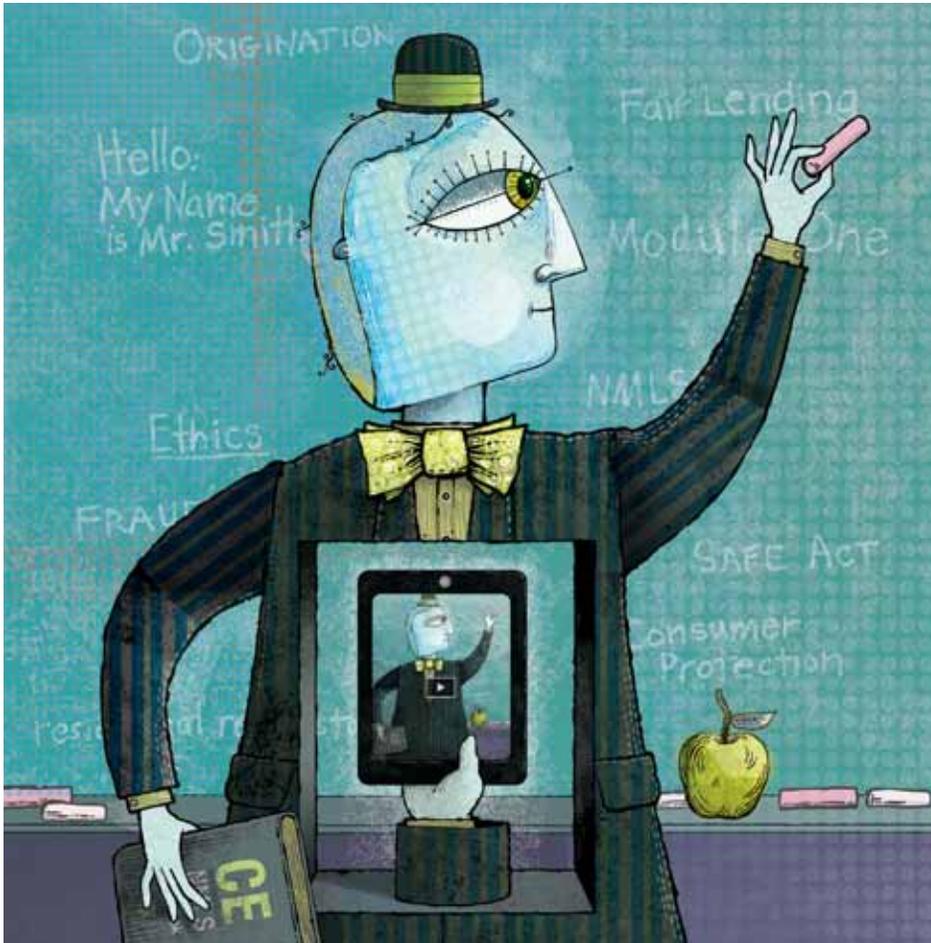


Illustration: Dennis Wunsch

In today's mortgage industry, staying abreast of changing regulations and shifting markets is critical. And although continuing education is an important component of any originator's success, it's also the law.

Across the country, mortgage brokers and originators are gearing up to fulfill their annual continuing-education credits

as required for state-licensed originators by the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act). Having spent the money to get licensed by the end of 2010, many originators decided to spread out their costs by waiting until the end of last year to fulfill their continuing-education credits. Now, with the year quickly coming to a close once again, many

mortgage professionals have yet to draw up a plan for satisfying this requirement.

With a multitude of options available for originators — both online and in-person — here's what you need to know to maximize your educational efforts.

The National Mortgage Licensing System (NMLS) administers the process for completing continuing-education requirements, and all courses must be approved by the NMLS to receive credit. That said, there are a variety of ways to meet the continuing-education requirement.

Ideally, training should be as fun as it is valuable — and, thanks to the Internet, industry education has become increasingly flexible, as well. When faced with the choice of pursuing online instruction or live instruction, however, there are several important considerations to bear in mind. Selecting the right course format and topics will ensure that your time and money are well spent.

Online education

In trying to determine the benefits of self-paced online education versus in-person classroom education, mortgage brokers and originators first should understand

continued >>

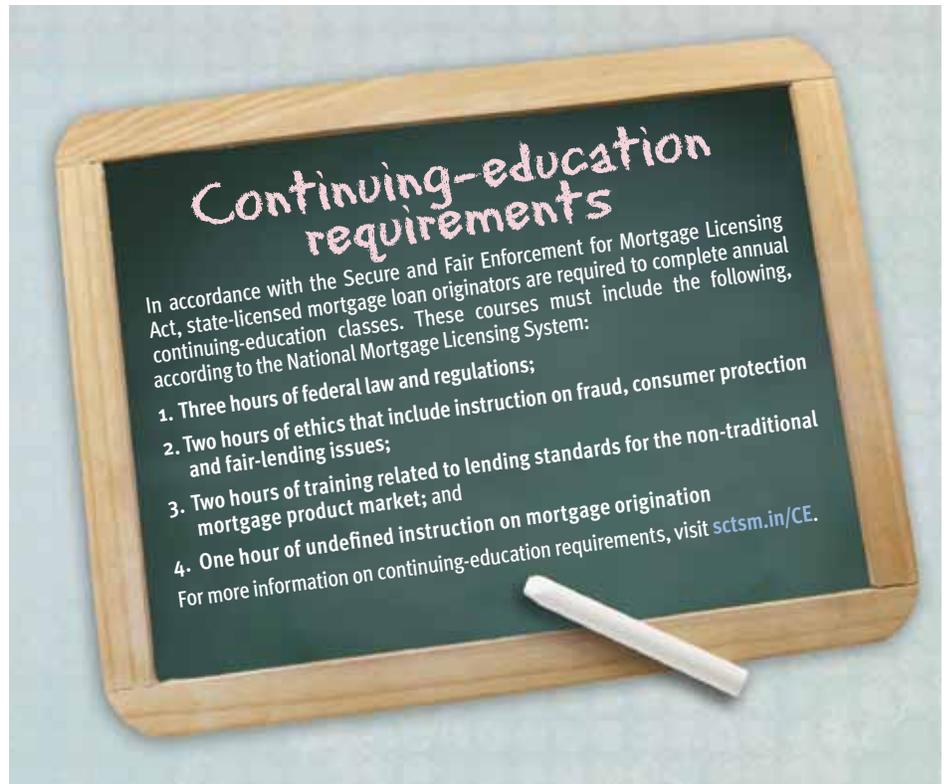
Alice Alvey is president of Mortgage U Inc., which she co-founded with Jan Wetzel in 1996. An industry expert with experience from application through servicing since 1982, Alvey previously served as senior vice president of operations for a national bank holding company that included retail and wholesale lending. She's designed hundreds of education programs, is author of the FHA and VA Practical Guides, and is a compliance adviser and operations consultant. Reach Alvey at aalvey@mortgage-u.com.

<< continued

how the NMLS controls their online self-study courses and how these courses function. Here are some of the most significant course-related requirements that may affect the way you conduct and plan for your training:

- **Courses trigger a mandatory logout after six minutes of inactivity.** If and when this occurs, you'll have to re-enter your password and user ID. It's a good idea to keep this information on hand, just in case a logout occurs.
- **A course's modules are locked together and must be taken in a linear fashion.** In other words, you aren't able to move freely through a course's content and focus only on the modules that pique your interest.
- **Programming prevents users from moving through a course's material too quickly.** Breezing through a course simply isn't an option — and it shouldn't be.
- **Each course has enough content to ensure at least 50 minutes of seat time for every hour.** Well-designed courses provide a good balance between information and supplemental tools. This allows experienced brokers and originators to learn something new with each course, while also ensuring that professionals with less than three years in the business don't get lost among too much information.
- **Programming prevents the speed of audio content from being altered.** That is, you won't be able to speed up an audio-driven course. With any luck, the idea of doing so won't even cross your mind, however. Courses with professional voice work and well-written content should be anything but tedious.
- **Similarly, video content can't be altered.** As is the case with audio content, videos must be watched in their entirety; hitting the fast-forward button isn't an option.
- **The time it takes to complete a given course is decided by the fastest 10 percent of learners.** This means that, if you're a slightly slower reader, an online course likely will take more than eight hours to complete.

Although some of this information may make it seem as though online courses are overly restrictive, mortgage professionals



should know that online education doesn't have to be taken all at one time. You're free to log out at any time and then log back in wherever you left off.

That said, if you leave in the middle of a module, you must start that section from the beginning again. Considering that, be sure to complete a given module before taking any breaks.

Live education

Ultimately, online education may be best suited for individuals who have the discipline to work independently and aren't afraid to answer test questions. Even live classes are required to administer tests, however — a new requirement for 2012 — but, in a live classroom, there isn't the same pressure to complete a timed exam to earn the continuing-education credit at stake.

Although online training does have its advantages, there also are many benefits to live training — benefits that aid individuals and their companies. Sheer efficiency, for instance, may make live training particularly appealing. Many originators and sales managers like

live training because it allows them to complete their continuing education in just one day. Depending on the circumstances, online training also can be prone to technical problems, making live training more cost-efficient in comparison.

Further, live training often trumps online training when the instructor is an expert in multiple areas of mortgage lending. A skilled instructor can elevate thinking and interaction, making lessons and information stick. Live training also typically provides students with manuals or other printed material for future reference. Most online courses offer a printing function, but the layout of these pages may be inferior to professionally published materials.

Webinars and instructor-guided online courses are designed to combine the benefits of a live instructor with the cost savings of remote access to information. The pros and cons of these courses are similar to those of self-paced courses versus live courses. The bottom line ultimately is balancing a course's upsides and downsides in terms of time, cost and the level of retention

continued >>

<< continued

you expect as the learner. If you're an employer paying for your staff's continuing education, it's also important to see a return on investment through improved performance, such as higher-quality Federal Housing Administration applications or fewer good-faith estimate errors.

Additional considerations

Whether you prefer live courses or online courses, make sure that you're bearing in mind the S.A.F.E. Act's so-called no-repeat rule, which stipulates that a mortgage loan originator cannot take the same course two years in a row. Watch for certain words in course headings that may suggest their content is the same as that of courses you took previously. It may be a different course provider or format, but if the content is

largely the same, you could be in trouble.

On a related note, brokers and originators should be wary of continuing-education providers grouping multiple module topics into one eight-hour block that uses only a single NMLS identification number. In that scenario, if just one hour of the eight-hour course overlaps with another course you've taken in the past, then you won't be able to use any of the course's hours for credit. Because of this, it's vital for brokers and originators to check not only a course's title but also the subtitles of its modules, thus ensuring that all components of an eight-hour program are new topics for them.

The no-repeat rule may force some brokers and originators to divide their training regime throughout the year. To complicate matters, because the NMLS

only approves courses that meet the full requirement of a particular category — such as three hours for federal compliance or two hours for ethics — brokers and originators typically can't manage their requirements one credit at a time.

• • •

Regardless of its intricacies, ongoing education is an unavoidable — and all-important — aspect of the mortgage industry. With the influx of business that low interest rates have created for many mortgage professionals, it may seem difficult for some to fit continuing education into their busy schedules. However difficult it may seem, originators should remember that ongoing industry education is not only required, but also is at the heart of their professional success. ●