

# Mortgage underwriting

Dates to be arranged (subject to demand) | BSA, London WC2

In recent years the recognised career path to mortgage underwriter has changed substantially, partly due to the changing nature of mortgage advice. This brand new intensive two-day course has been designed to fully equip underwriters with the knowledge required to carry out their role effectively.

On completion of this programme delegates will be fully conversant with the full range of skills to underwrite mortgages effectively, while ensuring that customers' needs are met.

## DAY ONE

Learn how to interpret financial documents and valuation reports and understand the regulatory and legal requirements of the mortgage market and the risks involved.

## DAY TWO

Develop the judgement needed to make sound lending decisions, manage risk and identify fraud.

## DESIGNED FOR

Trainee underwriters, mortgage advisers that wish to broaden their skillset and those employed in a product development or risk capacity.

# £895

VAT EXEMPT  
BSA MEMBERS  
& ASSOCIATES

*Refunds cannot be given for cancellations received one calendar month before the event, unless we're able to re-sell the place.*

REGISTER YOUR  
INTEREST:

EMAIL  
[christie.sharp@bsa.org.uk](mailto:christie.sharp@bsa.org.uk)

## DAY ONE

Learn how to interpret financial documents and valuation reports and understand the regulatory and legal requirements of the mortgage market.

- Know the structure and main features of the residential mortgage market.
- Understand the house (and leasehold flat) buying process and all of its components including costs, the conveyancing process and the legal aspects of home ownership including the nature of searches, covenants etc., and Joint Tenants and Tenants in Common.
- Appreciate the nature and main features of conduct and prudential risk within the mortgage environment.
- Understand the main features of a mortgage (both residential and buy to let).
- Learn the role of interest only and repayment vehicles.
- Recognise the main regulatory and legal requirements applicable to the provision of mortgage lending, including:
  - the content and purpose of the legal documentation. Offer Document, Mortgage T&Cs, and Mortgage Deed/Charge
  - the impact of Unfair Contract Terms and anti-money laundering legislation
- Understand the features and differences between basic valuation reports, homebuyer reports and structural surveys, encompassing:
  - the value and limitations of automated valuation models (AVM)
  - how to interpret mortgage valuations
  - use of audit valuations
  - use of websites to assess a property's attributes
  - the role and responsibilities of surveyors in respect of each
  - the nature of house price movements
  - lenders' requirements in respect of property insurance.
- Understand the FCA principles of treating customers fairly.
- Know the rules governing data protection.
- Appreciate the basics of property construction, types and the acceptability of different types of construction as security.
- Different types of security, including Mortgage Charge, lien over cash, Mortgage Indemnity Guarantee policy etc.

### TIMINGS

09.30 - 16.30

*Both days will start promptly at 09.30.*

*Refreshments and a cold buffet lunch will be provided.*

***"The training was very informative and Ian made the course very enjoyable. Would highly recommend colleagues to join these courses"***

*(Delegate feedback from 5 & 6 September 2018)*

***"Well delivered. Thoroughly enjoyed. Took a lot of information in without knowing. Great course."***

*(Delegate feedback from 11 & 12 June 2019)*

## DAY TWO

# Develop the judgement needed to make sound lending decisions, manage risk and identify fraud.

- **Understand and assess customers' needs and circumstances**
  - Using case studies to examine the customers' needs and circumstances – consider questions to find out further areas / more information to be able to more clearly understand and better assess an application.
  - What information do you need to have about the customer to enable you to provide suitable advice as part of a regulated sales process?
  - Rules covering execution only transactions and documentation required to justify this method of mortgage applications.
  - Helping customers when their needs can be met under "Transitional Arrangements" and knowing the rules that apply.
- **Know how to assess and mitigate the risk features of a given set of circumstances**
  - Gain an understanding of risk features of a given set of circumstances e.g. high LTV, borrowing for the deposit, self-employed assessments, excessive lending on one project or development, fraudulent transactions, poor credit history, flying freeholds, high rise apartments, lending into retirement, use of guarantors, flooding risk, debt consolidation, new build and self builds and mortgage packagers.
  - Lending case law, e.g. RBS v Etridge.
- **Understand the assessment of affordability and its key components (inc. stress tests)**
  - How does the stress test strengthen an affordability assessment?
  - Classification of different categories of expenditure e.g. essential.
  - Use of statistics / modelling in assessment of expenditure based on postcode and size of property.
- **Interpret basic payslips, self-assessment tax returns and self-employed business accounts (appreciate anticipated future income and outgoings)**
  - Breakdown of information – basic pay, gross and net, overtime, bonuses, P60. The benefits and drawbacks of using payslips vs P60.
  - Analysis of company accounts and dividends.
  - Key points to consider in business accounts and seeing trends over a period of years.
  - Review of balance sheets and profit and loss accounts.
- Use of accountancy ratios when examining business / corporate accounts.
- Distributed profit and retained reserves.
- Use of guarantors, including lenders and guarantor's responsibilities.
- Lending into retirement.
- Percentage of ownership by applicant(s) of the business entity.
- **Understand the role of credit reference agency reports and be able to interpret them**
  - Consider o/s borrowing – total and spread.
  - Missed payments – lender's policy.
  - Treatment of CCJs – satisfied and outstanding.
  - IVAs and Bankruptcy.
  - Does the credit report reflect the information given by the applicant on the application form?  
Is the client being open and honest? Fraudulent?
- **Know how to identify unusual application attributes that may lead to mortgage fraud**
  - Different types of mortgage fraud
  - Anti Bribery and Corruption considerations
  - Using solicitors with sufficient regulated principals to reduce the risk of fraud
  - Higher risk associated with mortgage applications from Third Party Introducers
  - What to do when you suspect mortgage fraud
  - Examples of mortgage fraud and consequences for the lender
- **The rights and redress of the lender**
  - Getting the underwriting process wrong can lead to a higher than expected percentage of those in arrears and those cases resulting in repossession
  - An overview of the arrears and possession proceedings
  - What are the associated costs of relaxing underwriting processes with the potential increase in arrears and repossessions.
- **Understanding issues relating to insolvency and bankruptcy**
  - Action required by lender when considering an application – company policy and legal requirements
  - Action required when an existing borrower is declared bankrupt

## TRAINER

### Ian Bruce



Ian started working as a self-employed consultant eleven years ago, bringing with him a range of experience as a salesman, sales manager, trainer, training manager, management developer and coach with experience at senior management level both in the UK and internationally. He worked for NatWest and Coutts & Co for 23 years.

*Ian has a unique mix of skills in that he is equally capable of delivering interactive courses on both soft skills and technical subjects. He has a track record as a successful practitioner in the following areas: Sales, Customer Service, Wealth Management and Private Banking,*

*Communication Skills, Negotiating, Coaching, Management Development, Managing Performance, Change Management, Call Centres, Banking, Financial Services and Mortgages.*

*Ian is noted for his infectious energy and enthusiasm. He delivers fun and interactive training sessions and possesses a keen sense of humour. He also feels it is important to be a successful practitioner in all the areas in which he provides training and coaching. His career history enables him to share his experiences from the workplace, which delegates feel demonstrates the value of any tools, techniques or theoretical knowledge included within his training programmes.*

*Ian has an extensive list of qualifications and is qualified to Degree Level in Banking and Financial Services and Diploma Level in Learning and Development. He has achieved the following Professional Memberships by examination:*

- *Fellow of the London Institute of Banking & Finance*
- *Fellow of the Personal Finance Society*
- *Fellow of the Institute of Training and Occupational Learning*
- *Member of the Society of Mortgage Professionals*
- *He is also qualified at Level 4 in Mortgages*

*We have designed this course in partnership with the Chartered Insurance Institute (CII), the leading professional body for the global financial services profession*



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