



The Institute of Banking and Finance of Trinidad and Tobago

## **A – Z Mortgage Financing Training Workshop Outline**

Financing via a mortgage loan is considered to be one of the more secure avenues of retail lending from the lender's perspective. The following topics will be covered in detail over two (2) days.

### **DAY 1 BANKING PERSPECTIVE**

#### **OVERVIEW**

This Banking Perspective Mortgage Training Workshop segment is specifically tailored to Credit Officers and other related Customer Service Officers in the Financial Services Sector who on a daily basis interact with clients requiring mortgage services.

The program covers the qualification requirements and the documentation necessary for mortgage loan processing. Participants will have the opportunity to assess those credit risk elements necessary for good lending decisions. They will also have exposure to those red flags and negative behaviours that lead to mortgage loan delinquency and the measures necessary in such management.

Matters such as Bridge Financing, other mortgage refinancing purposes, the Mortgage Market Reference Rate (MMRR) and its application will also be addressed.

#### **TOPICS**

- Types / Purposes of Mortgages.
- Required Documentation for Processing Mortgage Applications.
- Qualifying Requirements and Credit Risk Considerations.
- Post Loan Administration and Delinquency Management.
- Special Consideration – Staff Mortgage Lending
- Case Study Exercise and Discussion.



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## DAY 2

### VALUER / SURVEYOR PERSPECTIVE

Understanding a valuation report of a property is critical to the job of sales, loans and lending officers. The presentation will cover the following:

- Explain the necessity of having a valuation.
- List the documents required when ordering a valuation report.
- Look at a checklist for ordering a Valuation Report.
- Examine some of the factors that affect the value of a property and three (3) common approaches used to arrive at an opinion of value.
- Delve into the information contained in a typical valuation and explains the importance of such information.
- Explore when a Quantity Surveyor is needed and the role played by the Quantity Surveyor.
- Demonstrate the difference between Cost and Value.

#### **Upon completion of this session participants will:**

- ✓ Have a better understanding of the information contained in a Valuation Report.
- ✓ Know some of the steps that are involved in preparing a valuation.
- ✓ Appreciate what factors influence value and why.
- ✓ Understand the importance of the Valuer and the Quantity Surveyor.



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## **DAY 2 LEGAL FRAMEWORK OF PROPERTY PURCHASE & MORTGAGE FINANCING**

The A - Z Legal Framework segment of the workshop prepares participants for active engagement in understanding the legal ramifications for obtaining mortgage finance.

As a banker, you ought to have a thorough understanding of the legal and procedural aspects of a mortgage. With your added knowledge, you will be better armed to guide potential purchasers with confidence through one of their most important and daunting financial commitments, which they will enter into in their lifetime.

This program aims to assist the banks, their officers and customers with avoiding the common pitfalls which arise in these types of transactions. Topics will focus on the following areas:

### **AGREEMENTS FOR SALE**

- Deposit, Stakeholder, 90 Days

### **THE LEGAL FRAMEWORK FOR PURCHASE/MORTGAGE TRANSACTIONS**

- Two existing systems of registration (Old Law / RPO)
- Root – 20 years – searches / Certificates of Title / Judgments
- Lispendens / Joint Tenancy -v-Tenancy in Common
- Tenure – Freehold -v- Leasehold / Town and Country Planning Approvals

### **FEES AND STAMP DUTY**

### **DEEDS OF TRANSFER / ASSIGNMENT – “THE SWITCH MORTGAGE”**

### **FOREIGN INVESTMENT ACT**

- Its scope, the impact on lending to CARICOM Nationals and its effect on Tobago.

### **A COMPARISON OF AGREEMENTS FOR SALE AND SHARE SALE AGREEMENTS**

- Vesting properties in and lending to “Holding” Companies with a consideration of the Income Tax implications.

### **REQUISITIONS**



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## **THE ANATOMY OF A DEED OF MORTGAGE**

- Mortgage vs. Amortized Mortgages Upstamps vs. Second Mortgages.

## **COMPLETION AND EXECUTION OF DEEDS**

- (Practical challenges at closing)

## **POWERS OF ATTORNEY**

- **UNDUE INFLUENCE / INDEPENDENT LEGAL ADVICE**
- **DEFAULT AND MORTGAGE REMEDIES**
- **RELEASE OF MORTGAGES**