Completing the Uniform Residential Loan Application (URLA)

Rise 360 eLearning Course Outline

Audience: Loan Officers, Mortgage Professionals, Real Estate Agents

Bloom's Level: Apply **Target Runtime:** 20-30 Minutes **Delivery:** Articulate Rise 360

Source Documents: Fannie Mae Form 1003 (Effective 1/2021) · URLA Instructions (Revised 10/2022)

PRE-ANALYSIS · DOCUMENT REVIEW FINDINGS

Critical Sections

Based on the official form and instructions, these five sections carry the highest consequence for accuracy, underwriting integrity, and compliance:

Section	Title	Why It's Critical
1b-1e	Employment & Income	Foundation of qualification; errors directly affect underwriting outcomes.
2a-2c	Assets, Liabilities & Gift Rule	Must distinguish asset types, handle gifts/grants, and disclose all debts including those being paid off at closing.
4a, 4c, 4d	Loan & Property Information	Loan purpose selection (Purchase vs. Refinance vs. Other) and gift documentation are high-error areas with underwriting consequences.
5a-5b	Declarations	Legal exposure if misunderstood; conditional logic in 5a.A and undisclosed-funds question in 5a.C are especially high-risk.
Form Config	URLA vs. Additional Borrower	A process-level error that occurs before the form opens; wrong configuration affects AUS submission.

Commonly Misunderstood or Error-Prone Fields

These fields are flagged based on the specificity or conditional complexity of their instructions:

Field / Section	Risk Description
1a - No Primary Housing Expense	Learners may incorrectly select for borrowers who own free and clear - instructions explicitly say do not select in that case.
1a - Dependents	Definition varies by loan type (FHA, VA, USDA, Conventional); instructions defer to lender - professionals must know this nuance.
1b - Military Entitlements vs. Base Pay	Two distinct fields; BAS/BAH go under Military Entitlements, not Base - a common conflation.
1b - Business Ownership Threshold	<25% vs. >=25% ownership triggers different income treatment; often overlooked in self-employment scenarios.
1d - Previous Employment	Instructions require at least 2 years of employment history; often skipped if current employment seems established.

Field / Section	Risk Description
2a - Gifts Deposited in Accounts	Deposited gifts must appear in account balance AND be itemized in Section 4d - the double-entry requirement is easy to miss.
2b - Earnest Money	Must NOT be entered if already reflected in a 2a account balance - a common duplication error.
2c - Liabilities	Must include deferred debts, co-signed debts, and debts being paid off at/before closing - all commonly omitted.
3a - Status Field	Retained covers multiple scenarios (refinance subject, investment property, listed but not under contract) - often confused with Sold or Pending Sale.
3a - Monthly Insurance/Taxes/HOA	Should NOT be included in mortgage payment amount if entered separately - risk of double-counting.
4a - Loan Purpose: Refinance	Applies even when borrower owns free and clear and is taking out equity - commonly assumed to be Other.
4a - FHA Secondary Residence	Separate checkbox from Second Home occupancy; frequently missed on FHA applications.
4a - Manufactured Home	Modular homes do NOT qualify - a distinction critical in certain markets.
5a.A - Primary Residence + 3-Year History	Conditional logic requires two follow-up questions; learners often stop at the first Yes/No.
5a.C - Undisclosed Funds	Includes seller/agent rebates and guaranteed cash payments - not always perceived as borrowing by clients.
5a.D.1 - Concurrent Mortgage Applications	Requires disclosure of applications with other lenders during the process - often unknown to borrowers.
5a.E - Energy Liens (PACE)	Highly specific; many professionals are unfamiliar with Property Assessed Clean Energy liens.
5b.J - Deed in Lieu (7-Year Rule)	Applies even if borrower was on title but not responsible for the mortgage - a nuance borrowers frequently get wrong.

What the Instructions Imply but Do Not State Explicitly

These are professional obligations or procedural realities the documents assume but never directly state:

- **The loan officer's role is active, not passive.** The form says "to be completed by the Borrower," but instructions repeatedly say "ask your Lender." In practice, professionals guide and often enter this data - training must acknowledge that reality.
- **Section 9 is completed by the lender, not the borrower.** This is stated once, at the end of the instructions, and is easily overlooked in a full walkthrough.
- **The URLA-Continuation Sheet is optional but may be needed for manual completion.** No guidance is given on when manual completion is likely in modern practice - worth flagging for context.
- **Joint assets must appear in the AUS submission file only once.** Even if duplicated across multiple URLAs, joint data is submitted once. This has a technology/workflow implication the paper form alone cannot convey.
- **The form does not define 'income' for qualification purposes.** It instructs borrowers to include what they "want considered" - but defers to the lender on eligibility. A significant gap for real estate agents helping clients prepare.

⚠ SME Review Required

The Supplemental Consumer Information Form (SCIF / Form 1103) is mandatory for loans sold to the GSEs with application dates on or after March 1, 2023. This requirement is not mentioned in either source document. Verify with a subject matter expert before including this in course content. Remove all mention of this from course.

COURSE GOAL

Loan officers, mortgage professionals, and real estate agents will be able to accurately complete or guide a borrower through the Uniform Residential Loan Application by correctly identifying the right form configuration, entering income, assets, liabilities, and property data without common errors, and completing all Declarations with the legal precision the form requires.

COURSE MODULES

Module 01 | **Setting Up the Application Correctly** | ~4 min

Before a single field is filled in, the right form configuration must be chosen.

Learning Objectives

1. **Given** a client scenario with one or more borrowers and varying financial arrangements, **loan officers** will **select** the correct combination of URLA, URLA-Additional Borrower, and separate URLA forms in accordance with Fannie Mae/Freddie Mac guidelines.
2. **Given** a multi-borrower scenario with joint assets and liabilities, **mortgage professionals** will **demonstrate** how to report shared financial information to avoid duplication in the AUS submission file, following the URLA instructions for joint vs. separate reporting.

Updated Suggested Assessment

Scenario-Based Branching

Present 3 client situations (single borrower; two borrowers with joint finances; three borrowers with mixed arrangements). Learner selects the correct form combination from a visual menu. Feedback explains why each choice matters, not just correct/incorrect.

Present 2 client situations with shared financial information (joint borrowers and three borrowers). Learner sorts the information into which application each financial item belongs. Feedback explains the reasoning behind where each item belongs.

Module 02 | **Borrower Information — Income and Employment** | ~6 min

Qualifying income starts with accurate, complete employment data - two years of it.

Learning Objectives

3. **Given** a borrower profile that includes current employment, a side business with 30% ownership, and an employment gap three years prior, **loan officers** will **complete** Sections 1b through 1d, correctly categorizing income types (Base, Military Entitlements, Self-Employment, Other Sources) and flagging the ownership threshold that triggers different income treatment.
4. **Given** a borrower with income from retirement, alimony, and a part-time job, **mortgage professionals** will **guide** the borrower to accurately enter non-employment income in Section 1e, distinguishing it from employment income and combining amounts of the same type from different sources per the form instructions.

Suggested Assessment

Drag-and-Drop Income Sorter

Present 8-10 income line items (e.g., 'BAH allowance,' 'Rental income from owned property,' 'Freelance income - 40% ownership,' 'Alimony,' 'Military base pay'). Learners sort them into the correct form sections (1b, 1c, 1d, 1e) and specific line items.

Multiple Selection Item

Present 5 income items (3 with different income treatment flags and 2 without). Learners select the items that should be flagged. Feedback explains why each item was flagged.

Module 03

Financial Information — Assets, Liabilities, and the Gift Rule

~6 min

What you list, where you list it, and what you cannot list twice.

Learning Objectives

5. **Given** a borrower who received a $15,000 cash gift (already deposited) and has earnest money drawn from their checking account, **loan officers** will **complete** Sections 2a, 2b, and 4d without duplicating funds, correctly applying the deposited/not-deposited distinction and the earnest money exclusion rule.
6. **Given** a borrower with a car loan, a deferred student loan, a personal loan being paid off at closing, and a co-signed debt not on the credit report, **mortgage professionals** will **complete** Section 2c by including all required liabilities per the instructions' definition of what must be disclosed regardless of credit report status or payoff timing.

Suggested Assessment

Catch the Error Review

Show a partially completed Sections 2a-2c with 4-5 planted errors (e.g., earnest money double-entered, deferred loan omitted, gift not listed in 4d). Learners identify and correct each error. Immediate feedback ties each correction to the specific instruction rule.

Module 04

Loan and Property Information

~5 min

Loan purpose, occupancy, and property type are not always obvious.

Learning Objectives

7. **Given** four property scenarios (standard purchase; cash-out refinance on a free-and-clear property; FHA secondary residence; manufactured home transaction), **loan officers** will **select** the correct Loan Purpose, Occupancy type, and applicable checkboxes in Section 4a, applying the definitions provided in the URLA instructions.
8. **Given** a client purchasing a 3-unit property where one unit will generate rental income and the client has received a $10,000 family gift not yet deposited, **mortgage professionals** will **complete** Sections 4c and 4d accurately, entering gross rental income and documenting the gift with the correct deposited/not-deposited status.

Suggested Assessment

Decision-Matrix Simulation

Present a property description and have learners click through a simulated Section 4a, selecting Loan Purpose, Occupancy, and checkboxes. The activity highlights correct/incorrect choices with reference to instruction language. Works well as a Rise 360 labeled graphic or scenario block.

Module 05

Declarations — Legal Precision in Yes/No Questions

~6 min

These questions are not optional, and 'I didn't understand it' is not a defense.

Learning Objectives

9. **Given** five client statements (e.g., 'The seller offered to cover my closing costs,' 'I'm also applying at another bank for a vacation home,' 'I owned a rental property six years ago but sold it'), **loan officers** will **complete** the relevant questions in Sections 5a and 5b correctly, including required follow-up questions triggered by the conditional logic in 5a.A.
10. **Given** a client who had a deed in lieu of foreclosure five years ago (on title but not the primary borrower) and a client with a delinquent federal student loan, **mortgage professionals** will **guide** each client to accurately answer Declarations 5b.J and 5b.H, applying the 7-year rule and the federal debt definition from the URLA instructions.

Suggested Assessment

Scenario + Short Answer Hybrid

Present a detailed client narrative. Learners work through Section 5 question by question, selecting Yes/No and completing conditional follow-ups. For 5a.C and 5b.J, learners write a one-sentence explanation of why the answer is what it is - reinforcing legal reasoning, not just pattern-matching.

OPTIONAL CAPSTONE ASSESSMENT

Simulated Full-Application Review

Present a completed URLA for a fictitious borrower containing 6-8 realistic errors drawn from the flagged fields above. Learners identify each error, select the correct fix, and receive a score with item-level feedback - mirroring the real-world task of reviewing a client-submitted form before submission.

Suggested format: Rise 360 scenario block or annotated PDF annotation activity.

DESIGN & DEVELOPMENT NOTES FOR RISE 360

Note	Detail
Runtime Allocation	Module 1: ~4 min / Module 2: ~6 min / Module 3: ~6 min / Module 4: ~5 min / Module 5: ~6 min / Capstone: ~5 min = ~32 min total. Trim Module 3 or 4 activities to hit 25-28 min if needed.
Visuals	Use annotated images of the actual URLA form in each module; reference specific section numbers so learners can cross-reference their own copy.
Tone	Frame each module around a realistic client type or situation, not abstract form fields.

Note	Detail
Rise 360 Interactions	Prioritize scenario blocks, drag-and-drop, and labeled graphics over basic multiple-choice.
⚠ SCIF / Form 1103	Mandatory use (post-March 1, 2023) not addressed in source documents. Confirm with SME before including in Module 4 content. Remove this content.
⚠ Loan Type Variation	Section 1a Dependents definition varies by loan type. Flagging as 'ask your lender' in the course.
Accessibility	All annotated form images must include alt text; labeled graphic interactions must be keyboard-navigable.

Outline prepared from: Fannie Mae Form 1003 (Effective 1/2021) and Instructions for Completing the Uniform Residential Loan Application (Revised 10/2022). All flags represent gaps or ambiguities in the source documents that should be resolved with a subject matter expert prior to content development.