

## New Federal Law Updates Quiz

- Sometimes referred to as Title V, the SAFE Act stands for
  - Safe And Full Enforcement, Mortgage Licensing Act
  - Secure And Fair Enforcement, Mortgage Licensing Act
  - Sound And Fundamental Education, Mortgage Licensing Act
  - Security And Fraud Enforcement, Mortgage Licensing Act
- NMLS & R is the National licensing database. What do the letters stand for?
  - Nationwide Mortgage Licensing System and Registry
  - Nationwide Mortgage Lending Systems and Roster
  - Nationwide Mortgage Lending Security and Registration
  - Nationwide Mortgage Licensing, Security and Registration
- NMLS, short for the NMLS & R sets forth procedures and requirements for
  - education
  - testing
  - mandatory registration
  - all of the above
- There are two different categories of Mortgage Loan Originators (MLO's) defined for the NMLS. One is the "Registered MLO" and two is the \_\_\_\_\_ Mortgage Loan Originator.
  - Fully Licensed (MLO)
  - Nationally Licensed (MLO)
  - State Licensed (MLO)
  - Registered and Licensed (MLO)
- Congress intended to establish a nationwide system for registering and licensing MLO's in order to
  - increase uniformity and reduce the regulatory burden for multi-state lenders
  - enhance consumer protections by raising standards
  - reduce fraud through better tracking of MLO activity
  - all of the above
- The CSBS is one of the regulatory bodies that maintain the NMLS. What is the full name of this authority?
  - Committee of State Bank Supervisors
  - Community of State Bank Superintendents
  - Conference of State Bank Supervisors
  - Committee of Supervising Bank Superintendents
- An MLO is an individual who "assists a consumer in obtaining or applying to obtain a residential mortgage loan" by among others things
  - distributing information common for processing and underwriting
  - advising on loan terms including rates, fees and other costs
  - any activity that involves offering real estate brokerage activity
  - all of the above

8. The term “state licensed loan originator” means any individual who is a loan originator and is not
- a also licensed as a real estate broker or agent
  - b an employee of a depository institution**
  - c also licensed nationally
  - d all of the above
9. Pre-Licensing Education (PE) may only be completed in one of the following three education formats
- a classroom, video or online
  - b live classroom, correspondence or live broadcast
  - c live classroom, live equivalent or instructor led online**
  - d live classroom, live web cast or online
10. Every MLO license expires annually and must be renewed by December 31<sup>st</sup>. State licensed MLO’s shall meet the following standards
- a file for renewal and pay annual fees
  - b continue to maintain the standards met for license issuance
  - c satisfy the annual Continuing Education (CE) requirements
  - d all of the above**
11. An MLO will only receive CE credits for a course in the year in which it is taken and
- a may not take a course in the same year or in successive year**
  - b may only repeat the same course once every three years
  - c may not repeat a course but once every fourth year
  - d may not take self-paced online CE if the licensee has renewed their license less than two successive years.
12. HUD promulgated rules to implement RESPA known as Regulation X in 1974 to fulfill the intent of Congress that the purpose of RESPA was to
- a create advanced disclosures to help consumers become better shoppers
  - b eliminate kickbacks and referral fees that unnecessarily increased closing costs
  - c Reduce the amount homebuyers are required to place in escrow accounts
  - d all of the above**
13. HUD’s stated purpose of the latest RESPA rule changes that expanded the GFE to three pages, which are effective January 1, 2010, were to
- a simplify the GFE and put brokers at a disadvantage
  - b to disclose the true cost of credit and ensure fairness for the emerging markets
  - c help borrowers better understand their loan offer and re-characterize YSP**
  - d appease the banks by giving them an unfair market advantage
14. The RESPA final rules define a set of six different data elements that automatically trigger a GFE. Which of the following are NOT a part of the six “triggers”?
- a name and social security number of applicant (s)
  - b employment history and job description**
  - c property address and monthly income
  - d property value and loan amount requested

15. As part of the GFE process, a lender is not permitted to require verification of the GFE data triggers before providing the GFE to the consumer. RESPA limits the upfront cost for the GFE, to the cost of
- a the application fee only
  - b the appraisal and credit report only
  - c the credit report only
  - d the appraisal only
16. A situation in which a person's access to some distinct service, property, discount or other economic incentive, or the person's ability to avoid an economic disincentive, is contingent upon using a referred settlement service provider, is called
- a manipulation
  - b coercion
  - c affiliate service incentive
  - d required use
17. All the estimates of charges listed on the new GFE must be available for a minimum of 10 days, except the following
- a yield spread premium
  - b the interest rate and charges dependent upon the interest rate
  - c transfer taxes
  - d none of the above is exempt from binding
18. Unless the originator provides a revised GFE for cause, the originating party is bound within certain tolerances, to the terms listed on the GFE provided to the borrower. All the following charges have a zero tolerance and cannot exceed amounts stated on the GFE except
- a per diem interest
  - b the origination charge
  - c the interest rate chosen, if locked in
  - d the adjusted origination charges, while rate is locked
19. How many years must documentation of any reasons for providing a new or revised GFE be retained after settlement?
- a one
  - b three
  - c five
  - d None of the above
20. If the originator discovers charges at settlement that exceed the charges on the GFE by more than the permitted tolerances, the originator must cure this violation within \_\_\_\_ calendar days after settlement.
- a three
  - b seven
  - c ten
  - d thirty

21. There are three distinct pages to the new GFE. The first page is referred to as the “Summary” page. The second is the “Adjusted Origination Charges” page and page three is the
- a “Tolerance” page
  - b “Shopping Comparison” page
  - c “Instructions” page
  - d “Trade-Off Table” page
22. On July 30, 2008 Congress enacted HERA, which further amended TILA. This amending act is known as MDIA, which stands for
- a Mortgage Data Information Act
  - b Mortgage Data Investment Act
  - c Mortgage Disclosure Improvement Act
  - d Mortgage Disclosure Information Act
23. On October 3, 2008 Congress amended MDIA to broaden its consumer protections by requiring
- a early disclosure for properties other than the borrower’s principal dwelling
  - b a waiting period of seven business days between early disclosure and closing
  - c on its effective date of July 30, 2009, that any APR that exceeds the 1/8% tolerance requires re-disclosure and a 3 business day waiting period
  - d all of the above
24. The new “Higher Priced Mortgage Loan” rules that are effective October 1, 2009 cover any mortgage on a principal dwelling, which define a new subprime threshold. On a 1<sup>st</sup> mortgage, this “Higher Priced Loan” threshold uses a 1.5% margin over what index?
- a 10-year treasury securities
  - b the average prime offer rate index
  - c Federal Reserve statistical release H-15
  - d the prime rate index
25. When originating a Higher Priced Mortgage Loan, a creditor would be prohibited from
- a relying on collateral without regard for ability to repay
  - b originating without establishing an escrow account
  - c imposing a prepayment penalty if the payment can adjust
  - d all of the above