

**SAFE Mortgage Loan Originator Test
North Carolina State Component**

Content Outline

September 3, 2009

55 scored test questions; 10 unscored test questions

I. North Carolina Banking Commission (5%)

Ref: Article 19B

A. North Carolina Banking Commission

II. State Law and Regulation Definitions (15%)

A. Predatory Lending laws - NC Gen. Stat. §24-1.1A(c)(1)a.-f., 24-1.1E, and 24-1.1F.

B. Residential Mortgage Fraud Act

III. License Law and Regulation (15%)

Ref: Article 19B

A. Persons required to be licensed

1. Non-exempt - MLO's must be licensed and employed by a licensee

2. Exempt, if working for exempt company may be required to be registered or licensed LO

B. License qualifications and application process

1. Financial responsibility and good character, background check, and fingerprinting (criminal check; credit report; public records)

2. Pre-licensing education and experience

3. Testing and retesting

C. Grounds for denying license

1. Criminal convictions

2. Previous revocation

3. Lack of demonstrated financial responsibility or good character

D. License maintenance

1. Continuing education

2. Personal information updates and required notifications

3. Renewal

4. Record keeping and reporting

5. Suspension and reinstatement

IV. Compliance (53%)

A. Required conduct - broker duties in NC Gen. Stat. §53-244.109

B. Prohibited Acts - NC Gen. Stat. §53-244.111

C. Fees and charges - NC Gen. Stat. §24-1.1A, 24-10(g) and 24-1.1E

D. Disclosures - NC Notice of Amortization

E. Advertising

V. Disciplinary Action (10%)

Ref: Article 19B

- A. Notifications, hearings, and appeals
- B. Denial, suspension, or revocation of licenses
- C. Civil Money Penalties and/or restitution
- D. Civil and criminal liability

VI. Unique State Test Areas (2%)

- A. Reverse Mortgage Act
 - 1. Face to face counseling for HECM loan or Reverse Mortgage
- B. Closings - Attorney supervised closing
- C. Regulation of Mortgage Servicing (HB 2463)

Revised 09.03.09