

5 Year Test Expiration Policy & FAQ

Section 1505(d) of the S.A.F.E. Mortgage Licensing Act states, ““...[a] state licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a registered loan originator.”

Therefore, if mortgage loan originators leave the mortgage industry, or pass any component of the SAFE MLO Test but don't obtain a license or active federal registration, for a period of five consecutive years, their previously passed test results will expire, and they will be required to retake the test in order to obtain licensure.

The policy assumes the following definitions:

Valid License –For the purposes of this policy, the term “valid license” is defined as an approved renewable license issued or maintained through NMLS.

Mortgage Loan Originator - There are two types of MLOs that must be taken into consideration:

- **State Licensed Loan Originator:** An individual with an approved renewable license subject to compliance with SAFE testing and education requirements in any state.
- **Registered Loan Originator:** An individual with an active registration in the Federal Registry. Such individuals may include those working for a subsidiary of a depository institution.

Test – Test is defined as the National Component of the MLO SAFE test (with or without the Uniform State Test component) or any applicable state test component.

Fail to Maintain – Definition based upon the three conditions:

- State Licensed MLO: License is expired and/or is in any status other than renewable.
- Federal Registrant: Does not have a registration in an active status.
- Individual never holds a license in a renewable status or a registration in an active status.

Five Year Period – The amount of consecutive years an individual can be without a valid license or active federal registration before his or her passed test result will expire.

FAQ

Question: Will my test result expire?

Answer: It could, but only if you leave the mortgage industry for five consecutive years. Passed test results will only expire if an individual:

- Fails to obtain or maintain a valid license in any state for a period of five or more consecutive years

- Fails to maintain an active federal registration for a period of five or more consecutive years

Will I be notified if my test result is going to expire?

Answer: NMLS will send notifications to individuals and companies with access to those individuals 180, 60 and 30 days before the test results expire.

My test result expired. What do I do now?

Answer: You would have to retake the test or tests that have expired if you want to meet the state testing requirements for licensure. You can enroll in the test(s) in NMLS the same way you did before. The NMLS Call Center can assist you with enrolling and scheduling your test(s) at 855-665-7123.

Question: I passed the National test December 1, 2009, but never obtained a license. When would my test result expire?

Answer: Since you failed to obtain a license for five consecutive years, your passed test result would expire on or around December 1, 2014.

Question: I passed the National and state tests on October 1, 2009 and obtained a state license shortly thereafter. My state license was terminated on December 1, 2009. When would my test results expire?

Answer: Since you failed to maintain an active license or active registration for five consecutive years after your license was terminated, your test results would expire on or around December 1, 2014.

Question: I passed the National and state tests and obtained a license in August 2009, but left the industry in December of that year. By December of 2014, I will have been out of the industry for five years. However; I had an active federal registration for one month in January 2012. When would my tests expire?

Answer: Since you held an active federal registration in 2012, your tests would not expire until (at least) January 2017. If you obtain a valid license or active federal registration at any time before then, the clock will reset to zero and won't start until your license is terminated or federal registration is inactive.

Question: I passed the Pennsylvania tests on October 1, 2009, but never obtained a license. Unless I obtain a valid license or active federal registration within 5 years, my test will expire on or around October 1, 2014. However; the Pennsylvania test has been replaced by the Uniform State Test. What test would I have to take if I wanted to get licensed in Pennsylvania after my test expired?

Answer: Since the Pennsylvania state test has been retired from enrollment due to the state's adoption of the UST, you would have to take the National test with Uniform State Content in order to meet Pennsylvania's testing requirements.

Question: I received notification that my National test is set to expire on August 1, 2015. If I submit my license application by August 1, 2015, will my test still expire?

Answer: It might. Your license must be in an *approved, renewable status* in order to "reset" the test expiration clock. If your license is in a Pending-Review or Pending-Incomplete status on August 1, then your test would still expire.