

SAFE Mortgage Loan Originator Test
North Carolina State Component
Content Outline
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)

North Carolina State Test Component Reference List

A number of references and resources are used to develop the North Carolina State Component of the SAFE Mortgage Loan Originator Test. The following list is intended to be used as a guide to help candidates prepare for the test component; however, it is not intended to be an all-inclusive list.

- 04 NCAC 03M.0402
- 04 NCAC 03M.0501
- NCGS 14-118.15
- NCGS 24-1.1A, 24-1.1E, 24-1.1F and 24-10(g) & 24-10.1
- NCGS 53-244.030,040, 050, 060, 070, 090, 100,101, 103, 105, 107, 109, 111, 112, 113, 114, 116, 120
- NCGS 53-258
- NCGS 53-269
- NCGS 53-270