

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.0101
- 04 NCAC 03M.0205
- 04 NCAC 03M.0206
- 04 NCAC 03M.0402
- 04 NCAC 03M.0403
- 04 NCAC 03M.0501
- 04 NCAC 03M.0502

- NCGS 14-118.15
- NCGS 24-1.1A
- NCGS 24-8
- NCGS 53-224
- NCGS 53-244.030,040, 050, 060, 070, 090, 100,101, 103, 105, 107, 109, 111, 112, 113, 114, 116, 16
- NCGS 53-258
- NCGS 53-269
- NCGS 53-270

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