

**SAFE Mortgage Loan Originator Test – State Component**  
**New York Content Outline**  
**(55 scored test questions; 10 unscored test questions)**

\*\*PLEASE READ CAREFULLY\*\*

Legislative Updates

Federal and state legislative changes may occur throughout the test administration cycle. Candidates should answer test questions based on the statutes, regulations and rules in effect as of March 29, 2012.

Candidates are responsible for keeping abreast of changes made to the applicable federal and state statutes, regulations and rules regardless of whether they appear on this outline or the test.

- I. New York State Department of Financial Services (5% = 2-3 scored questions)**
- A. Regulatory authority
  - B. Department/agency structure
  - C. Responsibilities and limitations
- II. New York State Banking Law and Regulation Definitions (20% = 11 scored questions)**
- A. Articles 1 Section 6-(d-f, h-i, l-m), 12-D and 12-E of the New York Banking Law
  - B. Part 420 of the Superintendent’s Regulations
  - C. Part 38 and 41 of the General Regulations
  - D. Other State Law and Regulations
    - 1. Executive Law, Article 15, Section 296-a
    - 2. General Business Law, Article 22-A, Article 25
    - 3. General Obligations Law, Article 5
    - 4. New York Real Property Law, Article 8
- III. New York License Law and Regulation (20% = 11 scored questions)**
- A. Persons required to be licensed
    - 1. Persons required to be licensed
    - 2. Exemptions
  - B. Licensee qualifications and application process
    - 1. Financial responsibility (surety bond; credit report)
    - 2. Background check and fingerprints (criminal check)
    - 3. Pre-licensing education and experience
    - 4. Testing and retesting
  - C. Grounds for denying a license

1. Criminal convictions
2. Previous revocation
3. Prohibition
4. Character and fitness

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 (45% = 24-25 scored questions)**

- A. Prohibited conduct and practices
- B. Required conduct
- C. Fees and charges
  1. General fees and charges
  2. NY mortgage recording tax
- D. Disclosures and agreements
- E. Advertising

**V. Disciplinary Action (10% = 5-6 scored questions)**

- A. Notifications, hearings, and appeals
- B. Suspension, revocation, and rescission of licenses
- C. Penalties/fines
- D. Civil and criminal liability

## **New York State Test Component Reference List**

A number of references and resources are used to develop 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.

### Banking Law

- Article 1: Denial of loan application, subprime and high cost home loans, escrow, insurance, fair lending enforcement and reverse mortgage authorization.
- Article 2: Regulatory authority, fines and penalties, regulatory orders
- Article 12-D: Mortgage broker, bankers and servicers licensing, regulatory action and prohibitions
- Article 12-E: Mortgage loan originator licensing, education, regulatory action and exemption

### Executive Law

- Article 15, Section 296-a: New York Fair Lending Law

### General Business Law

- Article 25: New York Fair Credit Reporting Act
- Article 29-h: Debt collection procedures
- Article 39-F: Notification of Unauthorized Acquisition of Private Information

### General Obligations Law

- Title 5-501, 524: Interest and usury
- Title 5-601, 602: Escrow accounts

### General Regulations of the Banking Board

- Part 38: Advertising, mortgage loan disclosure, prohibited conduct mortgage broker and banker
- Part 39: Exempt entities and products
- Part 41: High cost home loans
- Part 79: Reverse mortgage licensing standards and disclosure requirements
- Part 80: Junior liens
- Part 82: Alternative mortgage instruments (adjustable rates etc..)

### Real Property Law

- Article 8, sections
  - 254-b: Conveyances and mortgages
  - 254-c: Property appraisal
  - 254-d: Fees for real property taxes
  - 265-a: Home equity theft prevention act
  - 265-b: Distressed property consulting contracts (loan modifications)
  - 274-a: Payoff notices
  - 275: Discharge notices
  - 280 & 280-a: Reverse mortgages

### Real Property Tax Law

- Title 3-a: Real property tax escrow

### Superintendent's Regulations

- Part 408: Extension of credit on non-discriminatory basis
- Part 410: Mortgage brokers and bankers licensing, record maintenance and regulatory notification requirements
- Part 413: FHA loan correspondent licensing
- Part 418: Registration Requirements; Financial Responsibility Requirements
- Part 419: Servicing Mortgage Loans: Business Conduct Rules
- Part 420: Mortgage loan originator standards and prohibited conduct

### Supervisory Procedures

- G 111: Administrative adjudication procedural requirements
- MB 107: Mortgage loan originator licensing

### Penal Law

- Section 187