

SAFE Mortgage Loan Originator Test – State Component
New York Content Outline
(55 scored test questions; 5-10 unscored test questions)

- I. New York State Banking Department (5% = 2-3 scored questions)**
 - A. Regulatory authority
 - B. Department/agency structure
 - C. Responsibilities and limitations

- II. New York State Law and Regulation Definitions (15% = 8-9 scored questions)**
 - A. Articles 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 Banking Board
 - D. Other State Law and Regulation Definitions

- 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)
 - 2. Background check and fingerprints (criminal check; credit report)
 - 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

- VI. Unique New York State Test Areas (5% = 2-3 scored questions)**
 - A. New York Real Property Law, Sections 265 and 265-b

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

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 420: Mortgage loan originator standards and prohibited conduct

Supervisory Procedures

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