



FAQ: HUD Final Rule – Impact Upon SAFE MLO Test Retake Policy

On June 30, 2011 the US Department of Housing and Urban Development (HUD) published its final rule (the Rule) about the implementation of the SAFE Act¹. The Rule changes the number of times a candidate may take a SAFE MLO Test Component before being required to sit out the 180-day wait period. The Rule goes into effect on **August 29, 2011**. The following FAQs and information provide licensees, applicants, company administrators and state mortgage regulators with details about the changes and how they may affect persons who are planning on taking or retaking the SAFE MLO Test.

Applicants with 2 or more test failures on the same test component are encouraged to assess their testing situations and consider taking actions which may give them opportunities to open their 4th test enrollment windows before August 29th. Test candidates should review the table below to see how and when the new rule may impact them.

1. Question – Can you clarify what an enrollment window is versus an appointment?

Answer – When you go into NMLS and select a test component you wish to take and successfully pay for it, you have opened an “enrollment window.” Once you open an enrollment window, it will remain open for 180 days, during which time you must schedule and take the test component. After you have opened the enrollment window, you may schedule a “test appointment” with one of the two companies administering the SAFE MLO Test—Pearson VUE or Prometric. That appointment will be for a specific test component, at a certain test center, on a certain date and time.

2. Question – Must I take my 4th test attempt before August 29th or simply open my 4th enrollment window in order to be covered by the current 4-fail rule?

Answer – As long as you open your 4th enrollment window prior to August 29th you are covered by the current 4-fail rule. If you open a 4th enrollment window on or after August 29th you will be subject to the new 3-fail rule and be required to wait 180-days until you may re-take your 4th test attempt.

3. Question – I had previously failed the same test component 4 times, I waited 180 days and then passed the test component on my 5th attempt. Will the rule change have any impact on my test results? Will I be required to take the test again?

Answer – No, the rule change will have no impact on the past test results of candidates and no candidate will be required to take a test again if they have already passed.

¹ The HUD final rule, “SAFE Mortgage Licensing Act: Minimum Licensing Standards and Oversight Responsibilities” can be found at: <http://www.gpo.gov/fdsys/pkg/FR-2011-06-30/pdf/2011-15672.pdf>

The following table describes how the Rule change may impact applicants, with 0 – 3 failures, who need to pass a test component. Check the first column for the number of test failures which apply to your situation then read across to see how you may be impacted and what options are available for you.

Number of times a candidate has failed the same test component	Is it possible for a candidate to open a 4 th test enrollment window before August 29 th ?	Waiting period if 4 th enrollment window opened before vs. after Aug. 29 th	What deadlines must be met in order to open a 4 th enrollment window prior to August 29 th ?	Comment
Never taken the test – No failures	No	Not applicable	Not applicable	Candidates will be covered by the new 3-fail rule.
Failed 1 time	No	Not applicable	Not applicable	Candidates will be covered by the new 3-fail rule.
Failed 2 times	Yes	30 days	Candidates must open a 3 rd enrollment window, and take the 3 rd attempt no later than August 25th in order to be able to open a 4 th enrollment window, if necessary, before August 29 th .	While it is technically possible for candidates to wait until August 25 th , they are advised to act prior to this date if they wish to open the 4 th enrollment window prior to August 29 th .
Failed 3 times	Yes	30 days	Candidates must open a 4 th enrollment window anytime up to August 28th .	Candidates may open their 4 th enrollment windows any time prior to August 29 th and are encouraged to do so.