

MLO / NMLS SAFE Act Exam

QUICK REFERENCE CHEAT SHEET | NMLS National Test with UST

SAFE ACT KEY REQUIREMENTS

Rule	Requirement
Federal Registration	All MLOs at depository institutions must register in NMLS
State Licensing	Non-bank MLOs must be licensed in each state they originate in
Pre-license Education	20 hours minimum: 3 federal law, 3 ethics, 2 non-traditional, 12 elective
Exam	National test + state-specific component; passing score = 75%
Continuing Education	8 hours annually: 3 federal law, 2 ethics, 2 non-traditional, 1 elective
Background Check	Criminal history, credit check required -- felony conviction may bar licensure
Unique Identifier	NMLS number must appear on all loan documents and advertisements

MORTGAGE MATH

Calculation	Formula
Monthly Payment (PI)	$M = P \times [r(1+r)^n] / [(1+r)^n - 1]$
Loan-to-Value (LTV)	$LTV\% = \text{Loan Amount} / \text{Appraised Value} \times 100$
Debt-to-Income (DTI)	$DTI\% = \text{Total Monthly Debt} / \text{Gross Monthly Income} \times 100$
APR vs. Rate	APR includes fees; Rate is the base cost of borrowing
Points	1 point = 1% of loan amount; discount vs. origination points
Prepaid Interest	$\text{Loan amount} \times \text{rate} / 365 \times \text{days remaining in month}$

KEY FEDERAL MORTGAGE LAWS

Law	Purpose / Key Rule
TILA (Reg Z)	APR disclosure; 3-day right of rescission on refinances
RESPA (Reg X)	HUD-1 / Closing Disclosure; prohibits kickbacks and unearned fees
HMDA	Data collection on mortgage applications by race, income, and location
ECOA (Reg B)	Prohibits discrimination in lending; adverse action notice required
Fair Housing Act	Prohibits discriminatory lending based on 7 protected classes
CRA	Community Reinvestment Act -- banks must meet credit needs of community
Gramm-Leach-Bliley	Privacy of consumer financial information; annual notice required

EXAM-DAY TIPS

- + DTI limits: conventional = 43-50% max; FHA = 43% (57% with AUS approval).
- + LTV limits: conventional = 80% (no PMI); FHA = 96.5% (3.5% down).
- + QM (Qualified Mortgage): meets ATR rule; max 43% DTI; no balloon, no-doc, negative amortization.
- + TILA-RESPA Integrated Disclosure (TRID): Loan Estimate within 3 days of application; CD 3 days before closing.
- + Steering: illegal to direct borrowers to higher-cost loans than they qualify for.
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