



# **The Mortgage Loan Originator (MLO) Testing Handbook**

*Effective August 21, 2019*

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The MLO Testing Handbook is intended to be an interactive guide that contains clickable links to Websites referenced throughout the book. If you are unable to link to the different Websites, please refer to the glossary of URLs for complete Website addresses. Each section and the page numbers in the table below are links to those exact locations within the document.

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# Chapter One: Introduction

## 1.1 Overview

On July 30, 2008, the President of the United States signed into law the Housing and Economic Recovery Act of 2008. Title V of the Act, entitled The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Mortgage Licensing Act), recognizes and builds on states' efforts to enhance consumer protection, and reduce fraud, by requiring ALL mortgage loan originators to be either state-licensed or federally registered. Under the SAFE Mortgage Licensing Act, all states must implement a Mortgage Loan Originator (MLO) licensing process that meets certain standards through the NMLS (Nationwide Mortgage Licensing System & Registry). The Act requires all MLOs seeking state-licensure to pass the NMLS-developed SAFE Mortgage Loan Originator Test with a score of 75% or better.

The NMLS has an online Resource Center available to companies, regulators and individuals to provide information and guidance on state participation, testing, pre-licensing and continuing education, and system-related updates. In addition to reviewing this MLO Testing Handbook, it is recommended that candidates visit the [NMLS Resource Center](#) for more information.

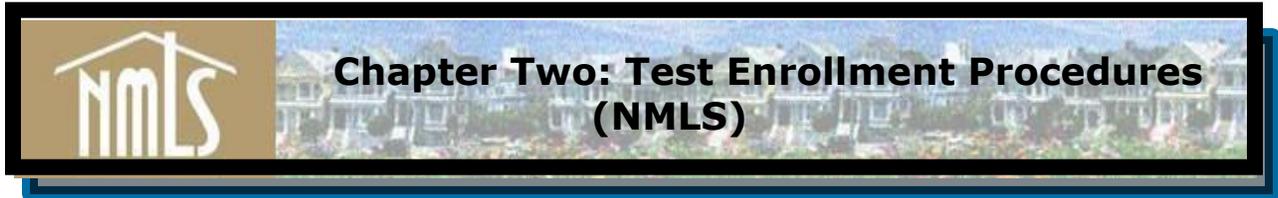
## 1.2 Test Specifications

As of September 1, 2018, the SAFE Mortgage Loan Originator Test consists of the following:

Test	# of items	Test Length	Appointment Length*	Cost
National Test	125 total; 115 scored	190 minutes	225 minutes	\$110

\* Each test appointment includes an additional 30-35 minutes for completing a tutorial and an optional candidate survey.

**Note:** The ten pre-test (un-scored) questions appearing on the test do not affect the candidate's score or the pass/fail result. These pre-test questions are being pilot tested for future use. Once these pre-test questions are adequately tested, these questions will be considered for use as scored test questions on future NMLS tests. The pre-test questions appear on the test in random order. The candidate will not know which questions are pre-test and which questions are scored.



## 2.1 Overview of Testing Process

To take an MLO test, an individual must:

1. Have or create an account in NMLS.

All individuals seeking an MLO license are required to have or create an account in NMLS prior to enrolling for a test. Click [here](#) to access the Create an Individual Account Quick Guide for instructions on how to create an account in NMLS.

2. Create and pay for a test enrollment window for the SAFE MLO test in NMLS.

A test enrollment window may be paid for by the individual directly or by any company with access to the individual's NMLS record. For more information on how to create a test enrollment window, click [here](#) to access the Quick Guides.

3. Accept the Candidate Test Security and Confidentiality Agreement (Candidate Agreement) All test candidates are required to accept the Candidate Agreement prior to scheduling each SAFE MLO Test. If the Candidate Agreement is not accepted, the candidate will not be able to schedule or take any test. To view the Candidate Agreement, please click [here](#).

4. Schedule an appointment with Prometric.

An appointment can be scheduled online or by telephone. Tests are administered at nearly three hundred locations operated by Prometric

4. Arrive at the test center.

Individuals should arrive thirty (30) minutes prior to the scheduled appointment with a current (non-expired) government-issued identification that includes the candidate's photo and signature.

**NOTE:** While the SAFE Act does not require MLOs to complete their pre-licensure education prior to scheduling and taking a test, pre-licensure education classes can be helpful. Access the [NMLS Education Page](#) for more information regarding approved course providers and classes.

## 2.2 Create an NMLS User Account

An MLO must have or establish an individual NMLS user account before a test enrollment window can be created. Click [here](#) to access the "Create an Individual Account" Quick Guide for step-by-step instructions on creating an individual account in NMLS.

The email address provided when creating the NMLS user account is used by NMLS to send test enrollment and test result notifications to the individual.

## 2.3 Test Enrollment\*\*

Prior to scheduling an appointment to take the SAFE MLO National test at a test center, a test enrollment window must be created and paid for in NMLS. Test enrollments windows can be created by an individual MLO directly or by any company with access to the MLO's NMLS record.

The Test Enrollment functions can be found under the MLO Testing & Education tab in NMLS. Click [here](#) to access the login page for NMLS.

Company users have two options to assist with test enrollment for their MLOs. Individuals can click [here](#) to access a Test Enrollment Quick Guide providing step-by-step instructions to complete the test enrollment process.

Companies can select multiple MLOs for test enrollment. Prior to submission of test enrollment requests, the requestor is required to pay all associated test fees through NMLS. Company users can click [here](#) to access a Test Enrollment Quick Guide for the Company test enrollment process. Candidates will also be required to accept the Candidate Agreement prior to scheduling their test with Prometric.

**Note:** Test enrollment fees are non-refundable and non-transferable.

## 2.4 Candidate Agreement

All test candidates are required to accept the Candidate Agreement prior to scheduling any SAFE MLO Test. If the Candidate Agreement is not accepted, the candidate will not be able to schedule or take any test. To view the Candidate Agreement, please click [here](#).

## 2.5 Test Fees

Payments are NOT accepted at the test center. Test fees must be paid in NMLS when creating a test enrollment window. For a listing of current test fees, please refer to Section 1.2.

Test enrollment fees are non-refundable and non-transferable. If a test enrollment window is closed for any reason prior to the candidate taking the related test, a new test enrollment window must be created and paid for prior to the candidate scheduling and taking the test.

## 2.6 Test Enrollment Windows

Once a test enrollment request and payment have been submitted and processed by NMLS, a 180-day test enrollment window is opened. During this 180-day period, the test candidate is required to accept the Candidate Agreement, schedule and take the test. Failure to accept the Candidate Agreement and/or take the test within 180-days will result in the test enrollment window closing.

In most circumstances, the enrollment window will open with a start-date on the date the test was paid for in NMLS. However, in certain instances, the start-date of the enrollment window may be a future date. For example, the start date of the enrollment window for a candidate who has a failed attempt for the selected test will be the first date after the required 30-day or 180- day waiting period.

## 2.7 Contact Information

For questions concerning NMLS and tests being administered, please contact the NMLS Call Center at (855) NMLS-123 (855-665-7123) or visit the [NMLS Testing Page](#) of the NMLS Resource Center.

For information on the SAFE Mortgage Licensing Act, visit the [NMLS Resource Center](#).

For information regarding state licensing requirements, including state-specific SAFE testing and education requirements, please refer to the jurisdiction specific pages on the NMLS Resource Center.



### 3.1 Schedule an Appointment

Test appointments can be scheduled in NMLS or by contacting Prometric directly.

If scheduling an appointment directly with Prometric, a candidate or company must have the following:

- Candidate's legal first and last name (**as it appears on the NMLS account**), address, and daytime telephone number
- Candidate's NMLS Individual ID (assigned when account is created on NMLS)
- The name of the test(s) for which enrollment windows have been opened in NMLS

Appointments can be scheduled online or by telephone (see sections 4.2 and 4.3 below).

### 3.2 Online Reservations

Online scheduling is available 24 hours a day, 7 days a week, and can be made by visiting the Manage Test Appointments page in [NMLS](#) or by visiting the [Prometric](#) Website.

NOTE: Candidates requiring a special accommodation(s) must obtain approval from NMLS prior to the scheduling of a test. For further information, please see the [Special Accommodation](#) chapter in this handbook.

Once an appointment has been scheduled with Prometric, a confirmation will be sent via email with the test date, time, and location.

### 3.3 Telephone Reservations

To make a reservation by telephone, contact Prometric at 1-877-671-6657. A scheduling representative will assist candidates in selecting a convenient test date and location. Once an appointment is successfully scheduled, the scheduling representative will ask for a valid e-mail address so that a confirmation letter containing the requested date, time, and test center directions may be sent via email.

Prometric Test Centers:

PROMETRIC CALL CENTER HOURS 1-877-671-6657	
Monday – Friday	8 a.m. – 8 p.m., ET
Saturday	None
Sunday	None

### 3.4 Group Appointment Procedures

If a company has several mortgage loan originators who need to take a test, a company representative may use the bulk reservation tools provided by Prometric. The group appointment tool is not available for individual use.

A group appointment is defined as five or more candidates scheduled to take a SAFE MLO test for the same company, on the same date, at the same test center location. Prior to scheduling group appointments, companies must ensure that all candidates who need to take the test have created and paid for a test enrollment window and accepted the Candidate Agreement through NMLS. Once the enrollment windows have been created and the individual has accepted the Candidate Agreement, then a company representative may contact Prometric to schedule group appointments.

The group appointment scheduling tools available by Prometric allows advanced holding and booking of seats. The company representative is able to reserve a block of seats with the test vendor. To confirm the test center seats, the representative must match the reserved seats to valid enrollments in NMLS. After a prescribed amount of time has elapsed, if there are any remaining un-matched seats, Prometric will release these open seats to other individuals. Please check with Prometric regarding their specific deadlines for seat release. There are no exceptions to the requirement to match the reserved seats to valid enrollments in NMLS.

Visit the [Prometric](#) Website for information on how to schedule Group Appointments for the selected location. To reserve a group appointment, be prepared to provide the company NMLS ID, the requested number of seats, the preferred testing date and the preferred test center location.

**NOTE:** Candidates' names and NMLS Individual ID numbers that are provided in the group appointment request must be the same as they appear in their NMLS accounts.

### 3.5 Holiday Schedule

The following holidays will be observed by all test center locations:

New Year's Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Christmas Day

As particular test center locations may observe other state or local holidays, such dates will not be available for selection when scheduling a test at those centers.



## Chapter Four: Appointment Cancellation and Rescheduling

### 4.1 Appointment Changes

To change scheduled appointments, visit the Manage Test Appointments page in [NMLS](#), or contact Prometric directly at 877-671-6657 or [www.prometric.com/nmls](http://www.prometric.com/nmls).

NMLS policy requires candidates to cancel or reschedule their tests no later than 12p.m. local time (at the location where the test is being taken), two business days prior to the scheduled appointment.

Candidates must adhere to the following schedule for rescheduling/cancelling a test appointment.

Appointment scheduled for:	Must be cancelled or rescheduled no later than 12 p.m. local time on:
Sunday, Monday	Thursday of the preceding week
Tuesday	Friday of the preceding week
Wednesday	Monday of the same week
Thursday	Tuesday of the same week
Friday	Wednesday of the same week
Saturday	Thursday of the same week

If a holiday occurs during the normal cancellation/reschedule period, this schedule adjusts to define "timely cancellation" as one day earlier than stated above.

**Test enrollment fees are non-refundable and non-transferable.** Failure to follow the cancellation/reschedule policy or failure to show up for a scheduled test will result in the test enrollment window being closed and loss of test enrollment fee. A candidate must request and pay for a new enrollment window prior to scheduling a new test appointment.

### 4.2 Weather Delays and Related Cancellations

The test centers will make all possible efforts to remain open for scheduled appointments, without risking the health and safety of staff and candidates. In the event that a test center is unable to open, a member of the test center staff will contact candidates to notify them of the need to reschedule their appointments without penalty.

If the test center opens late or closes early and the candidate has waited at least thirty minutes, the candidate can choose to either:

1. Stay and take the test with their full allotment of time, OR
2. Reschedule the appointment without penalty.

### 4.3 Request for a Complimentary Test Enrollment Due to an Emergency Personal Hardship

NMLS requires testing candidates to cancel or reschedule their test no later than 12 p.m. local time (at the location where the test is being taken) two business days prior to the scheduled appointment. Failure to follow the cancellation/reschedule policy or failure to show up for a scheduled test will result in the closing of the test enrollment window and loss of test enrollment fee. This would require a candidate to request and pay for a new enrollment window prior to scheduling a new test appointment.

NMLS understands, however, that there may be some unforeseeable and unavoidable emergencies beyond the control of an MLO candidate that can prevent timely cancellation of a scheduled testing appointment.

If a candidate believes that an unavoidable personal hardship either made it impossible to reschedule the test appointment within the designated timeframe or physically prevented him or her from taking the test on the day of the scheduled appointment, then the candidate may submit a written request for a complimentary test enrollment within 20 days of the original test date. Test fees are **non-refundable** and **non-transferable**; requests for refunds or transfer of the enrollment fee to another test will *not* be considered.

**If supported by proper documentation,** examples of potential reasons for cancellation or missing the scheduled appointment *could* include: medical emergency, birth of a child, death of an immediate family member.

Note: Inability to take the test due to workload, work conflicts, mechanical breakdown or an inability to properly prepare for the test are not considered emergencies. Requests citing those reasons will not be considered.

The written correspondence must include the following information:

- Candidate's full name
- NMLD ID#
- Contact Information (including mailing address, telephone number, email address)
- Date test was scheduled
- Test location (city and state)
- Reason for the untimely cancellation or missing the scheduled appointment (i.e.; medical emergency, birth of a child, death of an immediate family member)
- All requests ***must be*** supported with proper documentation from an independent third party, such as: doctor's note on letterhead, hospital admission report, police report, death certificate reflecting relationship, etc. Requests submitted without proper documentation will ***not*** be considered.

A request will only be considered if it contains the required information outlined above and the supporting documentation together in a single mailing. Upon receipt and verification of the request, NMLS will notify the candidate in writing within 20 days of receipt of correspondence regarding the issuance of a new complimentary test enrollment window.

If the candidate is unable to wait for a decision to be made and takes the initiative to pay for and open a new test enrollment, NMLS will consider the request for a complimentary retest void and the fee will not be reimbursed for the subsequent enrollment.

Please send requests for complimentary test enrollment due to personal hardships to:

NMLS Complimentary Enrollment Coordinator c/o  
Field Support Services  
9509 Key West Avenue Rockville,  
MD 20850



## 5.1 Request an Accommodation

In compliance with the provisions of the Americans with Disabilities Act (ADA), reasonable testing accommodations with modifications and aids will be provided to candidates with documented disabilities.

To apply for reasonable testing accommodations, the company or candidate must submit the following two forms to the Special Accommodations team:

1. Special Accommodations Eligibility Questionnaire - This form resides on the [NMLS Resource Center](#) Website and must be submitted each time a new Special Accommodation request is made.
2. Special Accommodations Verification Request Form - This form resides on the [NMLS Resource Center](#) Website, and must be submitted for all initial accommodation requests, and resubmitted if any previously unrequested accommodations are being requested, or a different (new) disability is to be considered.

Additional information, such as clinical diagnostic data, may be requested in order to clarify the nature of the disability and the testing need. Data should be no more than five years old and must confirm the diagnosis of the disability. Documentation must also establish the candidate's current functioning and need for a reasonable testing accommodation.

The candidate is responsible for the cost of providing the documentation of the disability; however, there is no cost to the candidate for any modifications or auxiliary aids or services during or associated with the test administration.

**NOTE:** Candidates must submit the required form(s) to the Special Accommodations team at the address listed on the form(s). All documentation and forms submitted are confidential and will not be returned after submission to NMLS. Information contained in these documents will be used solely for the determination of special testing accommodations.

The Special Accommodations team considers and processes all requests for a reasonable testing accommodation and/or modification to standard testing conditions in accordance with the ADA. The Special Accommodations team works closely with Prometric to ensure proper compliance in providing any approved reasonable testing accommodation. All reasonable efforts will be made to render a decision on accommodation requests within five (5) business days.

A reasonable testing accommodation and/or modification may include, but is not limited to:

- additional testing time
- a reader or recorder
- a large print test booklet
- a paper and pencil test
- special equipment
- modified facilities

Once NMLS has made a decision, the candidate is sent a written confirmation of the approval or denial of the request. If additional documentation is required, the request will remain in a pending status for a period of thirty (30) days. If required documentation is not provided within the thirty-day period, the candidate must reapply.



## Chapter Six: Preparing for the Test

### 6.1 Content Outlines

The SAFE MLO test is based on a content outline of topics, subtopics, and references to applicable state and federal laws, statutes, and regulations. This outline was developed based on a comprehensive national job analysis which determined what an entry-level mortgage loan originator needs to know. NMLS recommends all test takers review the content outline in preparing to take the SAFE MLO test. It is the only study material the NMLS publishes and describes the content and test specifications approved by the test development committees.

The SAFE MLO National test content outline can be found on the Testing Page of NMLS Resource Center, or by clicking [here](#).

### 6.2 Legislative Updates

Legislative changes may occur throughout the test administration cycle. Candidates should answer test questions based on the current statutes, regulations and rules. Candidates are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules regardless of whether they appear on this outline or the test. The outline is not intended to list every aspect of a topic mentioned. Although the test items are developed from these categories, each topic is not necessarily tested on each examination.



## Chapter Seven: Test Day

### 7.1 What to Bring

All candidates must bring one form of a current (non-expired) government-issued identification that includes the candidate's photo and signature.

Acceptable forms of candidate identification include but are not limited to:

- Government-Issued Driver's License
- Passport
- Military ID
- Police ID
- Firearm Owner's Registration ID
- Alien Registration Card (green card, permanent resident visa)

**The name on the candidate's ID must match his/her name as it appears on his/her NMLS account.**

At check-in, the Test Center Administrator (TCA) will verify that the identification presented matches the name in the test appointment system. Therefore, it is imperative that candidates who have changed their names provide the TCA with certified written documentation of the change (e.g. a marriage license, divorce decree, or other official form of documentation). No faxes or photocopies will be accepted.

Candidates who do not present the required items will be denied admission to the test center and considered absent, resulting in closure of their enrollment window and loss of their test enrollment fee.

### 7.2 Test Procedures

- Candidates should report to the test center thirty minutes prior to their scheduled appointment and check in with the Test Center Administrator (TCA).
- Upon arrival at Prometric test centers, candidates are photographed and scanned with a metal detector wand prior to each entry into a test room.
- After the check-in process is complete, the TCA will provide a wipe board and a basic calculator. Personal calculators will not be permitted. In the event that the test center does not have a calculator available, candidates have the right to reschedule the appointment at Prometric's expense. The wipe board and calculator must be returned to the TCA before exiting the test center.

### 7.3 Candidate Test Security and Confidentiality Agreement (Candidate Agreement)

The Candidate Test Security and Confidentiality Agreement, also known as the Candidate Agreement, contains important terms and conditions governing your access to the SAFE Mortgage Loan Originator Test (“SAFE MLO Test”). This agreement constitutes a binding contract between you and the State Regulatory Registry, LLC (“SRR”), which owns and operates NMLS. Please read it carefully.

SRR takes the security and integrity of the SAFE MLO Test very seriously. As described in more detail in this Agreement, SAFE MLO Test questions and content are highly confidential and are not to be shared, discussed, or reproduced in any way. Any test taker who is suspected of engaging in conduct that jeopardizes the security and validity of the SAFE MLO Test may have his or her score invalidated, may be denied future access to the test, and may face civil or criminal liability. In addition, state mortgage regulatory agencies may take action against your application or license. At its discretion, NMLS may publicize the sanction of any test misconduct on the NMLS Resource Center or other forum. It is therefore very important that you read and understand the terms of this [Test Security and Confidentiality Agreement](#).

### 7.3 NMLS Rules of Conduct

The NMLS Rules of Conduct, which are listed in Section 3 of the [Candidate Agreement](#), will be presented to candidates prior to the start of the test. The rules of conduct relate to the candidate’s behavior at the test center.

### 7.4 Navigational Tutorial

Candidates are required to complete a navigational tutorial prior to beginning a test. Candidates may repeat the tutorial as needed until they are comfortable with the general navigation used during testing. Any time spent in the navigation tutorial does not reduce the overall test time. The Test Center Administrator (TCA) may answer questions of a general nature, but candidates should be aware that the TCAs are not familiar with the content of the test or with the states’ licensing requirements.

Candidates may begin the test once they are familiar with the navigational options. The test begins the moment a candidate accesses the first test question. Candidates may choose to exit the test at any time, but the test will end automatically after the allotted time has expired. Candidates will be given an unofficial score report, before leaving the center. A sample of an Unofficial Score Report is presented at [Appendix C](#).

**NOTE:** The test result will become official once it is posted to NMLS.



## Chapter Eight: Test Center Policies

### 8.1 Test Center Policies

In addition to the NMLS Rules of Conduct, the following policies are observed at each Prometric test center.

Please go to the [Prometric](#) Website for a complete listing of test center policies.

- Basic calculators are provided at the test center. Calculator malfunctions are not grounds for challenging test results or requesting additional test time.
- No personal items are allowed in the testing room. Personal items include, but are not limited to: cellular phones, hand held computers/personal digital assistants (PDAs) or other electronic devices, pagers, watches, wallets, purses, firearms or other weapons, hats, bags, coats, books and/or notes, pens or pencils. You will be asked to empty and turn your pockets inside out prior to every entry into the test room to confirm that you have no prohibited items.
- Candidates must store all personal items in a secured locker as instructed by the Test Center Administrator (TCA) or return items to their vehicles. All electronic devices must be turned off before storing them in a locker. The test center is not responsible for lost, stolen or misplaced personal items.
- Dictionaries, books, papers (including scratch paper), and reference materials are not permitted in the test room. Candidates are strongly urged not to bring such materials to the test center. Upon entering and being seated in the testing room, the TCA will provide the candidates with a 4-function basic calculator and with writing materials. The candidate may not write on the wipe board before the test begins or remove these items from the test room.
- Eating, drinking, chewing gum, smoking and/or making noise that creates a disturbance for other candidates is prohibited during testing.
- Candidates are allowed to take unscheduled breaks. To request an unscheduled break, candidates must raise their hands to get the TCA's attention. Once granted the break, candidates must leave the testing room. The test clock will **NOT** stop while candidates are taking a break, thus candidates' test times will be shortened.
- Candidates are not permitted to leave the floor or building for any reason while on a scheduled or unscheduled break. If candidates are discovered to have left the floor or building, they may be dismissed.
- While taking an unscheduled break, candidates are not permitted to access personal items that are being stored during the test, including but not limited to - cellular phones, PDAs, test notes, study guides.
- If candidates do not follow the NMLS Rules of Conduct, they will be reported to NMLS.



## Chapter Nine: Test and Survey Results

### 9.1 Exit Survey

Upon completion of the test, an exit survey is presented to gather feedback regarding the overall candidate testing experience. Participation in the exit survey is optional.

Results of the exit survey are reviewed by Prometric and administrators and used to improve the overall quality of service. Choosing the option to participate or not participate in the survey has no bearing on the test results. Candidates will not be contacted about their survey responses unless requested.

### 9.2 Score Reporting

Before departing the test center, a printed score report is presented to the candidate by the TCA. The score report given at the test center is not official until the test results are posted in NMLS. A sample of the score reports received at the test center is located in [Appendix C](#). The score report includes an overall percentage score on the test, as well as a range to indicate how well the candidate performed on each section of the exam. This information is provided to help a candidate prepare for a subsequent attempt, it is not intended to provide information on the precise number of questions answered correctly in any given section, or on the test overall. For security reasons, the test and/or individual test questions are not available for review after taking the test.

The minimum passing score for all SAFE MLO tests is 75%, as mandated by the SAFE Act.

#### 9.2.1 Equating of Test Scores

As of February 16, 2015, the SAFE MLO National Test is administered using Linear on the Fly Testing (LOFT). This allows for a distinct form of the test to be given to each test taker.

Since the difficulty of each form varies slightly, the candidate's test is statistically equated to a standard form of the test. The purpose of statistical equating is to place all administrations of the test on equal ground. Equating ensures that no candidate who takes a slightly more difficult test would be at a disadvantage, or conversely, no candidate would receive an unfair advantage by taking a slightly easier test. Therefore, candidates with comparable ability will be given the same opportunity to pass the test regardless of the slight variations of difficulty of the forms of the test that are administered to them.

### 9.3 Posting Official Test Results to NMLS Composite View

NMLS will post the official version of the test results for the MLO, comprised of the test result (pass/fail) and test score to the Testing Information section under the Composite View tab of NMLS. NMLS will send a notification email to the candidate and any company with access to the candidate's record in NMLS when official results are posted. The candidate's official score and test result will be posted to NMLS within 72 hours.

## 9.4 Replacement Score Reports

Official test scores may be printed from the Composite View section of NMLS. Official test scores printed from NMLS will not provide candidates with information on their performance but will display the final result and final score. For replacement copies of an unofficial score report (obtained at the test center), that was lost or damaged, please contact the NMLS Call Center at (855) NMLS-123 (855-665-7123). Replacement copies of unofficial score reports must be mailed to the address the candidate has on file in NMLS.

## 9.5 Test Content Comments and Challenges

NMLS is committed to ensuring that every question on the SAFE Mortgage Loan Originator Test meets high standards of quality. To meet this goal, each question undergoes a thorough review process before appearing on any test. Every question is reviewed by a panel of experienced subject matter experts and statistically evaluated prior to appearing as a scored test question. For more details on this process see [SAFE MLO Test Development Process](#).

However, if you have a concern about a SPECIFIC question that appeared on your test, you must use the challenge submission form on the next page for the content review team to review your test. The challenge must be received within 20 days of the test date.

The NMLS Rules of Conduct does not permit individuals to copy any test questions before leaving the test center. You are not expected to recreate the entire question in your correspondence. However, please include as many details as possible about the specific test question(s) you are referring to. If you know the question number, please include this as well.

NMLS is required to maintain appropriate test security and cannot release any test questions and answers to any candidates. If your concern is regarding the unscored questions on your test, please see section [1.2 Test Specifications](#) in the MLO Testing Handbook.

NMLS will investigate comments and provide a written response within 20 days of receipt of correspondence.

Please use the form on the next page to submit your content challenge. The completed form can be sent to [nmlstest@csbs.org](mailto:nmlstest@csbs.org) or faxed to 202-296-1928. Submissions that do not include all of information on the submission form will not be considered.





## Chapter Ten: Retaking a Failed Test/ Waiting Period

### 10.1 Retaking a Failed Test / Waiting Period

As prescribed by the SAFE Mortgage Licensing Act, a waiting period is required prior to the candidate being allowed to retake a failed test. 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 Act. The Rule states that a candidate may take a SAFE MLO Test three times before being required to sit out the 180-day wait period. A candidate must request and pay for a separate test enrollment for each attempt to pass the SAFE MLO Test.

The candidate is subject to a waiting period of thirty (30) calendar days from the previous test date prior to retaking the test. After every third failed test, the candidate is subject to a waiting period of one hundred eighty (180) calendar days before he or she is able to retake the test. NMLS will allow the candidate to request and pay for a new test enrollment window immediately following the failure of a test. However, the window will not allow the candidate to reschedule the test for a date prior to the waiting period being satisfied. The table below defines the waiting period cycle:

**Test Retake Cycle Table**

Test Attempt	Test Result	Retake Waiting Period
Initial	Fail	30 days
2nd	Fail	30 days
3rd	Fail	180 days
Initial (New retake cycle starts)	Fail	30 days
2 <sup>nd</sup>	Fail	30 days
3 <sup>rd</sup>	Fail	180 days
Initial (New retake cycle repeats the previous cycles)		

**CANDIDATES WHO PASS THE TEST ARE NOT PERMITTED TO RETAKE THE SAME TEST AGAIN.**



## 11.1 Test Expiration

Section 1505(d) of the SAFE Mortgage Licensing Act states, “...[a] state licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a registered loan originator.”

Therefore, if mortgage loan originators leave the mortgage industry, or pass the SAFE MLO Test but don't obtain a license or active federal registration, for a period of five consecutive years, their previously passed test results will expire, and they will be required to retest in order to obtain licensure. For more information, please refer to the [Test Expiration Policy](#) document and FAQ on the NMLS Resource Center

## Appendix A- Glossary of URLs

### Glossary of URLs

**Log in to NMLS** - request an account, access your NMLS record, submit license applications, etc.  
<https://www.statemortgageregistry.com/Public/Login.aspx>

**NMLS Resource Center Home Page** - General information on NMLS and links to log in to the system.  
<http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>

**NMLS Resource Center** - Information for Mortgage Loan Originator (MLO) Candidates, including information on how to create an account in NMLS and request test enrollments for participating states and jurisdictions.  
<http://mortgage.nationwidelicencingsystem.org/licensees/MLOs/Pages/default.aspx>

**NMLS Company Quick Guide Page** - Information on how a company can pay for test enrollments.  
<http://mortgage.nationwidelicencingsystem.org/licensees/resources/Pages/QuickGuides.aspx>

**NMLS State Licensing Resource Page** - Information on participating states and state-specific testing and education requirements. <http://mortgage.nationwidelicencingsystem.org/slr/Pages/default.aspx>

**NMLS Professional Standards Page** - Information regarding Testing, Education, and Background Check requirements. <http://mortgage.nationwidelicencingsystem.org/profreq/Pages/default.aspx>

**NMLS Testing Page** - Information regarding the SAFE MLO test, test availability, test center locations, special accommodations, and testing policies, as well as the ability to access the MLO Testing Handbook (this document).  
<http://mortgage.nationwidelicencingsystem.org/profreq/testing/Pages/default.aspx>

**NMLS Education Page** - Information on pre-license and continuing education for MLOs, including links to identify and register for educational offerings.  
<http://mortgage.nationwidelicencingsystem.org/profreq/education/Pages/default.aspx>

**Prometric** - The test vendor for MLO tests. <http://www.prometric.com/NMLS/>

## Appendix B – Sample Test Questions

### Sample Test Questions

This section of the Appendix contains ten (10) sample questions to help prepare for the MLO tests. These questions are similar to those that may be included on the National Test. The answers to the questions are located in the table at the end of this section.

**Note: The purpose of these sample questions is to allow candidates to see the types of questions on the SAFE MLO tests. They are not intended to be a study guide or fully prepare a candidate for passing the SAFE MLO test.**

1. Included in the Loan Estimate, all of the following are part of the finance charge **except** the:
  - (A) appraisal cost.
  - (B) VA funding fee.
  - (C) per diem interest.
  - (D) origination charges.
  
2. A buyer has made an earnest money payment of \$5,000. The buyer pays an additional \$2,000 in option money to be credited at closing on a property with a sale price of \$160,000. If the required down payment is 20%, how much additional money will the buyer need to provide toward the down payment at closing?
  - (A) \$25,000
  - (B) \$27,000
  - (C) \$30,000
  - (D) \$32,000
  
3. If an applicant works 40 hours every week and is paid \$13.52 per hour, what is the applicant's monthly income?
  - (A) \$2,163.20
  - (B) \$2,343.47
  - (C) \$2,379.52
  - (D) \$2,487.68
  
4. The requirement for private mortgage insurance (PMI) is generally discontinued when the loan-to-value ratio falls below:
  - (A) 20%.
  - (B) 50%.
  - (C) 80%.
  - (D) 90%.
  
5. The unique identifier of any person originating residential loan must be clearly shown on all of the following documents **except**:
  - (A) business cards.
  - (B) company websites.
  - (C) residential mortgage loan application form.
  - (D) Consumer Financial Protection Bureau (CFPB) special information booklet.

## Appendix B

### Sample Test Questions (cont.)

6. According to the Truth-in-Lending Act (TILA), the term “refinance” applies to:
  - (A) a reduction in APR.
  - (B) a change in a payment schedule.
  - (C) the renewal of a single payment obligation with no change in the original terms.
  - (D) the satisfaction of an existing obligation and its replacement by a new obligation.
  
7. Which of the following documents does a mortgage loan originator use to determine the estimated value of a property based on an analytical comparison of similar property sales?
  - (A) An appraisal
  - (B) An area survey
  - (C) A market survey
  - (D) A cost-benefit analysis
  
8. According to the Equal Credit Opportunity Act (ECOA), age discrimination by a mortgage lender is acceptable:
  - (A) not under any circumstance.
  - (B) only if the applicant is too young to enter into a legally binding contract.
  - (C) only if life expectancy data indicates an applicant will not be alive at the end of the loan term.
  - (D) only if the applicant is too young or too old to understand the ramifications of defaulting on a legal debt.
  
9. When a client’s property is being appraised, a loan underwriter may take all of the following actions **except**:
  - (A) request a second review of the appraisal.
  - (B) ask the appraiser to consider additional property information.
  - (C) ask the appraiser to correct an incidental error on the appraisal.
  - (D) inform the appraiser that the appraised value is contingent on the client’s retention of the principal dwelling.
  
10. According to the Truth-in-Lending Act (TILA), which of the following fees is excluded from the calculation of the APR?
  - (A) Wire transfer
  - (B) Prepaid interest
  - (C) Hazard insurance
  - (D) Mortgage insurance premiums

## Appendix B

### Sample Test Questions (cont.)

Answers to Sample Questions		
Question Number	Correct Answer	Reference
1	A	
2	A	\$160,000 (sale price) x .20 (down payment percentage) = \$32,000; \$32,000 - [\$5,000 (earnest money) + \$2,000 (option money)] = \$25,000
3	B	40 hours per week x \$13.52 per hour = \$540.80 (weekly income); \$540.80 x 52 weeks per year = \$28,121.60 (yearly income); \$28,121.60 / 12 months = \$2343.47 (monthly income)
4	C	
5	D	
6	D	
7	A	
8	B	
9	D	
10	C	

## Appendix C – Sample Score Report

### Sample Unofficial Score Report

#### 80-3 SAFE MLO National Test

#### CANDIDATE INFORMATION

**Name:** John Smith **ID:** 285750  
**Test Center:** 3512 BETHESDA **Date:** 01/28/2016

#### TEST SCORE

**Result:** Fail **Score:** 53%

#### SECTION ANALYSIS

#	Content Area	Performance
1	Federal Laws and Regulations	Very Low Performance
2	General Mortgage Knowledge	Low Performance
3	Mortgage Loan Origination Activities	Borderline Performance
4	Ethics	Adequate Performance
5	Uniform State Content	High Performance

The section analysis above is to inform you of the section(s) of the content outline that may require further study.

**Very Low Performance** – Your performance in this area is well below the performance of most candidates passing this test.

**Low Performance** – Your performance in this area is below the performance of most candidates passing this test.

**Borderline Performance** – Your performance in this area is close to the performance of most candidates passing this test.

**Adequate Performance** – Your performance in this area is at or above the performance of most candidates passing this test.

**High Performance** – Your performance in this area is well above the performance of most candidates passing this test.

The SAFE MLO test is designed to evaluate overall knowledge of mortgage loan origination activities, laws, and regulations. While the score equating process ensures that all candidates are held to the same overall passing standard, individual sections may vary in difficulty from one test form to another.

NMLS therefore recommends that candidates study all content areas in preparation for any subsequent attempt to pass the SAFE MLO test.

For more information, please see the MLO Testing Handbook on the NMLS Resource Center:

<http://mortgage.nationwidelicensingsystem.org/profreq/testing/Documents/MLO%20Handbook.pdf>

## Appendix D – Candidate Agreement

### NATIONWIDE MORTGAGE LICENSING SYSTEM (NMLS)

#### SAFE MORTGAGE LOAN ORIGINATOR TEST

#### **CANDIDATE TEST SECURITY AND CONFIDENTIALITY AGREEMENT**

##### **NMLS COMMITMENT TO TEST SECURITY IMPORTANT NOTE TO CANDIDATES**

This Candidate Test Security and Confidentiality Agreement, also known as the Candidate Agreement, contains important terms and conditions governing your access to the SAFE Mortgage Loan Originator Test (“SAFE MLO Test”). This agreement constitutes a **binding contract** between you and the State Regulatory Registry, LLC (“SRR”), which owns and operates NMLS. **Please read it carefully.**

SRR takes the security and integrity of the SAFE MLO Test very seriously. As described in more detail in this Agreement, SAFE MLO Test questions and content are highly confidential and are not to be shared, discussed, or reproduced in any way. **Any test taker who is suspected of engaging in conduct that jeopardizes the security and validity of the SAFE MLO Test may have his or her score invalidated, may be denied future access to the test, and may face civil or criminal liability.** It is therefore very important that you read and understand the terms of this Test Security and Confidentiality Agreement.

**1. The SAFE MLO Test is a confidential, copyrighted test, and you cannot share or discuss it.**

The SAFE MLO Test is a confidential test. The questions and answer choices appearing on the test are not made available to the public. The SAFE MLO Test, including the test questions and answer choices, are copyrighted and are protected by U.S. and international copyright and trade secrets laws. The confidentiality and security of the SAFE MLO Test are an important part of ensuring the integrity of the test and the validity of test results, as well as the reliability of the licensure process. It is particularly important that test questions and answer choices be kept confidential.

Thus, you agree that you will not discuss or share with anyone any information about the questions and answer choices appearing on the SAFE MLO Test after you take the test. You will not share information about the test orally, in writing, on the Internet, or through any other means. You will not reconstruct any part of the exam from memory—whether orally or in writing—for any purpose, including the purpose of sharing that information with any other person or entity. You also agree not to copy or reproduce any portion of the test, or transmit any portion of the test contents to anyone. **In short, you cannot share information about what you saw on the SAFE MLO Test, or discuss test content, with anyone.** This prohibition applies prior to taking the test, during the test, or after you have taken the test.

2. **Soliciting or studying from confidential SAFE MLO Test content prior to taking the test is prohibited.**

Just as you are not permitted to share information about SAFE MLO Test content with anyone, you also cannot read, study from, or otherwise use confidential information about the SAFE MLO Test during your own test preparation. You also agree not to ask any other individual to disclose exam content to you or to seek out test content from any other source.

3. **You must also comply with the Test Taker’s Rules of Conduct (ROC) at the test site.**

On the day that you take the SAFE MLO Test, you must abide by the following Rules of Conduct at the test site:

**ASSISTANCE**

1. I am attesting that I am the person I represent to be for this session
2. I must not take or attempt to take any personal items including, but not limited to, notes, formulas, study materials, or electronic devices into the testing room. I will place all personal belongings in the locker provided by the testing vendor prior to entering the testing room.
3. I must not receive or attempt to receive any form of assistance during the test or restroom breaks.
4. I must not give or attempt to give any form of assistance during the test or restroom breaks.
5. I must not use or attempt to use a telephone, cellular phone, pager, hand held computer or other device, electronic or otherwise, during the test or restroom breaks. I may use a calculator if provided to me by the test center.

**BREAK POLICY / PERSONAL BELONGINGS**

6. I must not access my locker or access my personal belongings during my break. I must only go to the restroom when on a break. I must not deviate during my travels to and from the restroom for any reason. I must not leave the building. Personal belongings include, but are not limited to: car keys, food, beverages, cigarettes, outerwear, notes, study materials, cellular phones or any electronic devices.

**TEST CONFIDENTIALITY**

7. I must not remove or attempt to remove any written, printed, or recorded materials from the test center other than the score report provided by the center staff. The test materials remain the property of NMLS and/or developing organization(s), and I shall maintain the confidentiality of the materials, including the questions and my answers to them.
8. I will not share the content of the test with anyone including but not limited to colleagues, course instructors, or anyone other than persons authorized by NMLS.

## **BEHAVIOR / CONDUCT**

9. I must not engage in any conduct that is disruptive or threatening to a test center staff member or another candidate. I must not engage in any conduct that creates a disturbance or interferes with the administration of the test or with the administration of other candidates' tests.
10. I must not engage in any conduct that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not operate in the mortgage loan business lawfully, honestly or fairly.
11. I must not engage in any conduct that is dishonest or fraudulent, or would adversely impact the integrity of the test or the test procedure.

## **POSSIBLE CONSEQUENCES OF ROC VIOLATIONS**

I understand that test center representatives or others will report any alleged violations to the NMLS and that NMLS may report alleged violations to the state(s) in which I am seeking licensure, or any other states.

I further understand that the results of any investigation into my alleged violations may be reported to the state(s) in which I am seeking licensure, or any other states.

Reports of alleged violations or results of investigations into alleged violations may subject me to disciplinary action by the state(s), including denial or revocation of my license(s).

### **4. The penalties for breaching this Agreement are serious.**

Any violation of this Test Security and Confidentiality Agreement could subject you to significant consequences. Potential consequences include, but are not limited to, the following:

- Dismissal from the test site or denial of access to the test site;
- Opening of an investigation into the alleged violation;
- Reporting of the alleged violation, and/or the factual findings of any investigation of the violation, to the State(s) in which you are seeking licensure, your employer or potential employer, or other legitimately interested parties;
- Notation of the violation in the Nationwide Mortgage Licensing System;
- Invalidation or cancellation of your test score, before or after the score is reported, without a refund;
- A civil lawsuit;
- Criminal charges;
- Suspension of access to the test or a permanent ban from testing; or
- Other disciplinary action by SRR and/or the jurisdiction to which you are applying for licensure.

If you are alleged to have violated this Test Security and Confidentiality Agreement, the matter will be investigated in accordance with the Administrative Action Procedures for SAFE Testing Requirements (the “Administrative Action Procedures”). These Administrative Action Procedures may be amended or revised from time to time, and any investigation of your conduct will be governed by the Administrative Action Procedures in place at the time [that you sat for the SAFE MLO Test].

SRR does not issue or revoke state licenses, but reports of alleged violations or results of investigations into alleged violations may subject you to disciplinary action by the state(s) in which you are licensed or intend to seek licensure, including denial or revocation of your license(s).

**5. SRR has the right to cancel your test score.**

SRR reserves the right to invalidate or cancel any test score without refund if, in its sole discretion, it determines there is a good faith basis to question the validity of that score for any reason. As explained above, invalidation or cancellation of your test score is one possible consequence of a violation of this Test Security and Confidentiality Agreement. Additionally, the validity of a score may be questioned as a result of forensic data or other analyses showing testing anomalies. Testing anomalies may include, for example: unusual answer patterns, unusual timing of responses to questions, unusual score increases from one test sitting to another, or inconsistent performance on different parts of the test.

You may or may not receive advance notice of a score cancellation or invalidation decision. You understand and acknowledge that SRR is the final authority that determines whether you have the privilege of sitting for the SAFE MLO Test and whether the score you receive is released or transferred to any licensing jurisdiction.

**6. You must cooperate in any future investigation related to test security.**

You may be called upon in the future to answer questions, provide information or documents, or otherwise participate in an investigation of a test security matter related to the SAFE MLO Test. Failure to fully cooperate with an investigation may be considered a breach of your obligations under this Agreement and may constitute ground for score invalidation, denial of access to the test, or other sanctions.

**7. You must report improper test-related conduct if you become aware of it.**

If you become aware of any improper conduct related to the SAFE MLO Test by any person, you have an obligation to report it to SRR. This includes, for example, but is not limited to, the sharing of information regarding test questions or answers after the test, improper conduct at the test site, test taking by proxy, or any other conduct in violation of this Agreement or any other rules or policies related to the SAFE MLO Test. You may report such conduct anonymously, but you are encouraged to keep records or a physical copy of the communication in which your report is made. Failure to report your knowledge of improper conduct may be considered a breach of your obligations under this Agreement, and may constitute grounds for score invalidation, denial of access to the test, or other sanctions.

You can report your knowledge of improper test conduct to [NMLStest@csbs.org](mailto:NMLStest@csbs.org).

**8. You must agree to comply with these terms before you can test.**

Before SRR can allow you to register for and access the SAFE MLO Test, you must acknowledge and agree to the terms and conditions explained to you in this Candidate Test Security and Confidentiality Agreement.

By clicking “I Accept”, you verify that you have read and understand, and that you agree to, the terms of this Candidate Test Security and Confidentiality Agreement. You are also agreeing that you understand the consequence of failing to honor the terms of this agreement. If you do not agree to these terms by choosing “I Do Not Accept” you will not be allowed to take the SAFE MLO Test.

In addition to agreeing to the terms of this Candidate Test Security and Confidentiality Agreement today, on test day you will be given the Test Takers Rules of Conduct (ROC) and will be asked to accept the ROC before you can begin taking the test.