

MLO FREQUENTLY ASKED QUESTIONS & ANSWERS

retc.com / MLO FAQs

Q. Am I considered an MLO (Mortgage Loan Originator)?

A. The SAFE Act establishes the definition of a Mortgage Loan Originator (MLO) and defines the criteria for who has to be licensed.

The new definition, in short, includes anyone who takes, or offers to take a mortgage loan application and negotiates or offers to negotiate the terms of that loan for compensation or in the expectation of compensation.

Q. How do I create an NMLS account?

A. For **MLOs previously licensed in any state**, your introduction to the NMLS will be during what is called **transition**. When the state you are licensed to do business in begins using the NMLS to manage their MLO data, you will be required to **create an account on the NMLS**.

There is no cost to create an account, however, if you wish to apply to do business in any state, **there is a fee for applying**. You can usually find your state specific fees using the NMLS State Licensing Resource Page. www.retc.com/NMLS

One of the most important things about creating your NMLS account is getting your “unique **identifier**.” This number will become very important for you as it will be used to track your education hours, exams scores and license status. Every company and branch office will also have their own unique identifying number. All the states, testing companies and education providers will require you to provide them with your unique identifier, which is referred to as your “Individual ID” on the NMLS. In some cases, it will replace your license number with some state agencies.

Q. What education courses will count for SAFE Act compliance?

A. Only NMLS approved courses offered by NMLS approved providers are counted towards the 20 hours pre-licensing education requirements. You can obtain education information by accessing the NMLS website at www.stateregulatoryregistry.org/nmls

Q. Where will I find information regarding the availability of NMLS exam centers and exam locations?

A. Information on pre-licensing testing and testing centers can be accessed via the NMLS website at www.stateregulatoryregistry.org/nmls by selecting the Professional Requirements link.

Q. What if I need to cancel or reschedule my testing appointment?

A. NMLS exam enrollment fees are non-refundable and non-transferable. You may cancel or reschedule a reservation by contacting either the Pearson VUE or Prometric call center, depending on which testing center you have selected. You must cancel or reschedule your test no later than 12 p.m. local time (at the location where the exam is being taken) two business days prior to your scheduled appointment.

Q. How much does it cost to take the NMLS exam?

A. The National component cost is \$92, and the State component cost is \$69. Exam fees must be paid at the time you register for the exam. Fees cannot be paid at the testing center.

Q. What will be covered on the MLO exam?

A. Please consult the NMLS website www.stateregulatoryregistry.org/nmls. Outlines of the exam components are posted under **Test Availability Schedule and Content Outline**.

Q. How many questions are on the exam?

A. There will be a total of 100 exam questions on the National component, of which 90 are scored. The time allotted for the exam will be 150 minutes with an additional 30 minutes for completing a tutorial and an optional candidate survey.

State specific component will consist of 55 scored questions plus 10 questions which are not scored. The exam time will be 90 minutes with an additional 30 minutes for completing a tutorial and an optional candidate survey.

Q. Why are there un-scored questions on the exam?

A. The ten pre-test (un-scored) questions appearing on the National Component and each State Specific component 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 tested on a sufficiently large sample of candidates, these questions will be reviewed to determine if they meet appropriate test standards to be considered for use as scored test questions on future NMLS tests.

Q. What should I bring with me to the exam center?

A. You must bring one form of a current (non-expired) government-issued identification that includes your photograph and signature. We suggest your photo ID / state drivers license.

Q. What am I allowed to bring into the exam center?

A. No personal items are permitted to be brought into the exam center. This includes but is not limited to: cell phones, pagers, purses, wallets, coats, hats, etc. all of these items must be locked in a secure locker upon arrival. Also, no food or drink is permitted in the exam center.

Q. Can I bring a calculator and/or scrap paper into the exam center?

A. The exam center will provide scrap paper and a basic calculator.

Q. Are we allowed to take restroom breaks during the exam?

A. Yes, restroom breaks are permitted. However, the test clock will not stop while you are taking a break, as a result, your test time will be shortened.

Q. How will the exams be scored?

A. All of the exams will be graded/scored electronically. Once a candidate has finished taking a test component, the candidate's score (percentage correct) and exam result (pass/fail designation) will appear on the screen. And before departing the exam center, a printed score report will be presented to the candidate by the exam center administrator. NMLS will post the official version of the results to the Testing Information section under the Composite View.

Q. What are the minimum passing grades to be licensed?

A. By law, all MLOs seeking state-licensure, or currently holding a state license, are required to pass both the national and state components of the SAFE Mortgage Loan Originator Test with a score of 75% or better on each component.

Q. Can I retake the exam if I fail to obtain a passing grade?

A. An individual must wait 30 days before retaking the exam. You may retake the exam three consecutive times, with each consecutive exam occurring at least thirty days after the preceding exam. If you fail three consecutive exams, you must wait at least six months before taking the exam again.

Q. If we as a company have several Mortgage Loan Originators who need to take the same exam, can I schedule group-testing appointments?

A. Yes, if five or more MLOs need to take the same exam component, a company representative can use the bulk reservation tools to schedule a group testing appointment. Please visit the Pearson VUE or Prometric Websites for more information.

Q. What are the NYS education requirements after the initial pre-licensure education?

A. MLOs must complete a minimum of 11 hours of approved continuing education courses beginning in the year after such individual is licensed. Three hours must be in New York specific laws and regulations.

Q. Do I have to take Continuing Education courses while my license is inactive?

A. In order to retain your license, you must continue to meet the educational requirements. If educational requirements are not met, your license will be immediately suspended. The license will terminate 30 days after the date of suspension if you remain noncompliant with the education requirements. Once your license terminates, a new application must be submitted if you wish to reenter the business.

Q. What will happen if I do not meet the educational requirements within the required time frames?

A. Your MLO authorization will be suspended immediately if the educational requirements are not met within the time frame required. You can only receive credit for continuing education courses in the year in which the course is taken. In order to meet the education requirements you must take required courses prior to December 31 of each year.

Q. If I earn more than the required 11 hours of continuing education credits a year, am I allowed to carry them over to the next year?

A. No. Credits can only be applied for the year in which the course was taken.

Q. Where can I find information on approved providers and/or courses?

A. You can obtain education information by accessing the NMLS website at www.stateregulatoryregistry.org/nmls .

Q. How do I notify the NYS Banking Department about continuing education courses I have taken?

A. The Department will receive information directly from approved course providers through the NMLS. However, the Department may request additional information from you or your sponsoring entity to evidence completion of specific continuing education requirements.

Q. Will I get credit for repeat courses?

A. No. The Banking Department will not grant credit for repeating the same course. Additionally, credit for courses taken on the same or similar topics will only be granted if the course has significant new content, such as updates to reflect changes in the law or regulations or new court interpretations or where a course is geared to a more in-depth or advanced treatment of the subject matter.

Q. If I work for a Bank will I need to take NMLS Education Courses?

A. Employees... “of a depository institution, employees of a subsidiary that is owned and controlled by a depository institution and regulated by a Federal banking agency, or employees of an institution regulated by the Farm Credit Administration” ...are exempt from registering and licensure through the NMLS at this time. That may change in the future. If there is any question about your status, depository vs. non-depository, please consult the legal department of your employer.

Q. If I am an MLO who wants to be licensed in one state but lives in another, will I be able to take the state exam at a local testing location? For example, if I want to be licensed in Connecticut but live in New York, will I be able to take the Connecticut exam locally?

A. Yes, an individual in one state will be able to register for and visit a local exam center to take another state Component of the SAFE exam. The National and all State Exam Components will be available at all exam centers. For more information about the enrollment process, please refer to www.mortgage.nationwidelicensingsystem.org .