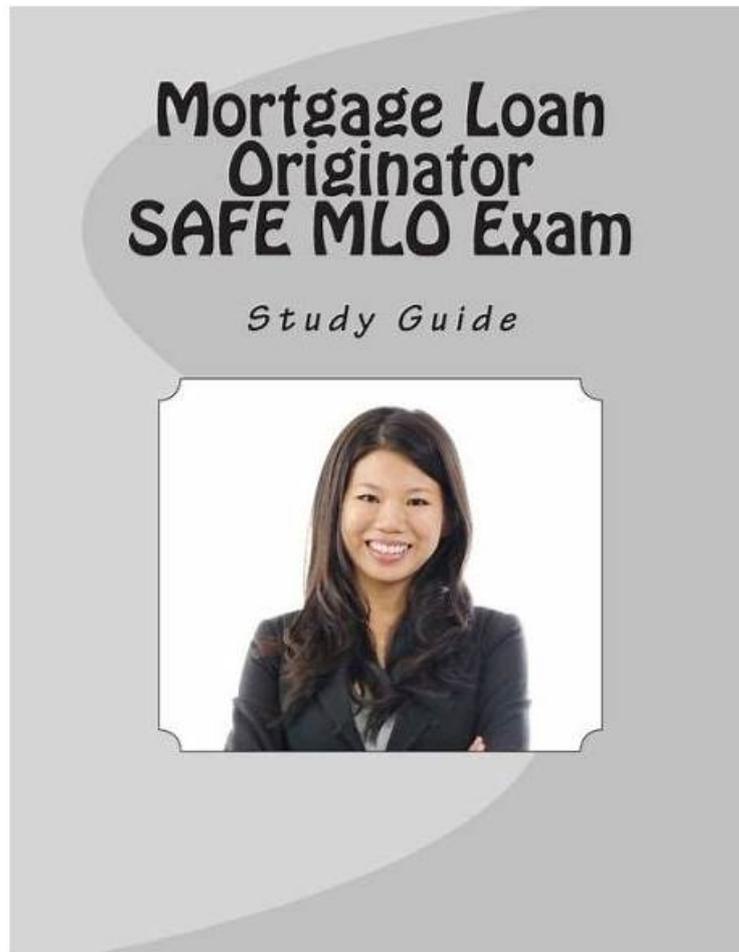


100% Pass MLO - Mortgage Loan Origination (SAFE MLO) Exam—Reliable New Test Book



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Before we start develop a new MLO study materials, we will prepare a lot of materials. After all, we must ensure that all the questions and answers of the MLO study materials are completely correct. First of all, we have collected all relevant reference books. Most of the MLO Study Materials are written by the famous experts in the field. They are widely read and accepted by people. Through careful adaption and reorganization, all knowledge will be integrated in our MLO study materials.

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Passing the Mortgage Loan Origination (SAFE MLO) Exam (MLO) exam requires the ability to manage time effectively. In addition to the NMLS MLO exam study materials, practice is essential to prepare for and pass the NMLS MLO Exam on the first try. It is critical to do self-assessment and learn time management skills.

NMLS Mortgage Loan Origination (SAFE MLO) Exam Sample Questions

(Q88-Q93):

NEW QUESTION # 88

Which of the following is an acceptable reason for denying a forward mortgage under the Equal Credit Opportunity Act (ECOA)?

- A. Marital status
- **B. Immigration status**
- C. Receipt of child support
- D. Retirement age

Answer: B

Explanation:

The Equal Credit Opportunity Act (ECOA) prohibits discrimination based on receipt of child support, marital status, and age (provided the applicant is legally able to contract). However, it permits denial based on immigration status if it affects the creditor's ability to enforce legal rights in case of default.

"A creditor may inquire about an applicant's immigration status and may deny credit if the applicant is not a permanent resident or otherwise not legally in the U.S. and able to contract."

- 12 CFR § 1002.5(e), Regulation B (ECOA)

References:

CFPB, Regulation B: Permissible Inquiries

SAFE MLO National Test Study Guide

NEW QUESTION # 89

A lender is permitted to accept the employment information provided by the borrower on the initial loan application without asking for a letter of explanation in which of the following circumstances?

- A. A recent college graduate holds a high-level position in the organization.
- B. The residence is more than 120 miles from the work location on a refinance.
- **C. The borrower has been employed by the same company for three years.**
- D. The borrower lacks a history in an industry that requires specific skills.

Answer: C

Explanation:

Lenders are permitted to accept the employment information provided by the borrower on the initial loan application without asking for a letter of explanation when the borrower has a stable employment history, such as being employed by the same company for three years or more. This provides sufficient documentation of employment stability, reducing the need for further explanation.

* Other options (A, B, C) involve situations where the employment status or job stability may raise concerns, thus requiring additional documentation or explanation.

References:

* Fannie Mae Selling Guide on employment verification

* Freddie Mac Employment History Guidelines

NEW QUESTION # 90

What is the minimum amount of flood insurance a lender must require on a residential building located in a special flood hazard area?

- **A. \$250,000 for residential property structures**
- B. \$150,000 for residential property structures
- C. \$50,000 for residential property structures
- D. \$350,000 for residential property structures

Answer: A

Explanation:

The minimum amount of flood insurance required by lenders for a residential building located in a Special Flood Hazard Area (SFHA) is the lesser of:

* 100% of the replacement cost of the structure, or

* The maximum available under the National Flood Insurance Program (NFIP), which is \$250,000 for residential property

structures.

This requirement ensures that the property is adequately covered in case of flood damage.

References:

- * National Flood Insurance Program (NFIP) Guidelines
- * Flood Disaster Protection Act (FDPA)

NEW QUESTION # 91

Which of the following activities is a function of the Consumer Financial Protection Bureau (CFPB)?

- A. Deciding what quantity of mortgage-backed securities are purchased by the government
- **B. Regulating mortgage lenders on their mortgage origination practices and procedures**
- C. Regulating the federal funds rate at which money is lent to banks
- D. Regulating the number of mortgage loan originators in the mortgage industry

Answer: B

Explanation:

The Consumer Financial Protection Bureau (CFPB) is responsible for regulating mortgage lenders and overseeing their origination practices and procedures. The CFPB was created under the Dodd-Frank Act to protect consumers from unfair, deceptive, or abusive practices in financial services, including mortgages. Its functions include:

- * Enforcing rules related to mortgage origination, such as TILA, RESPA, and ECOA.
- * Ensuring that lenders provide clear disclosures and follow fair lending practices.

Other functions:

- * Regulating the federal funds rate (A) is the role of the Federal Reserve.
- * Deciding the quantity of mortgage-backed securities purchased by the government (D) is related to Federal Reserve monetary policy, not the CFPB.

References:

Dodd-Frank Wall Street Reform and Consumer Protection Act
CFPB's Role in Mortgage Origination

NEW QUESTION # 92

Which of the following property value approaches does an appraiser use on a rental property?

- **A. Annual approach**
- B. Cost approach
B Income approach
- C. Sales comparison approach

Answer: A

Explanation:

For rental properties, an appraiser will typically use the Income Approach to estimate the property's value.

This method is based on the income-generating potential of the property, which is most relevant for investment properties, including rentals.

- * The Income Approach assesses the property's ability to generate future cash flow by evaluating the income that can be derived from renting it. The formula often involves determining the net operating income (NOI) and applying a capitalization rate (cap rate) to estimate value.
- * This method is most appropriate for rental properties because their value is inherently tied to their profitability.

Other methods:

- * Cost approach: More suited for unique properties or new construction.
- * Sales comparison approach: Often used for owner-occupied properties, comparing recent sales of similar properties.

References:

- * Uniform Standards of Professional Appraisal Practice (USPAP)
- * Fannie Mae's Appraisal Guidelines for Rental Properties

NEW QUESTION # 93

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