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NMLS

MLO

Mortgage Loan Origination

QUESTION: 1

Which of the following circumstances may indicate fraud with respect to the assets a borrower will use for closing?

- A. Bank deposits that are not supported by income or other disclosures
- B. Disclosure of gift funds
- C. Parental loans disclosed but not yet received
- D. Borrower's receipt of a large bonus from an employer

Answer(s): A

Reference:

<https://www.fincen.gov/mortgage-loan-fraud>

QUESTION: 2

When a mortgage loan originator notices multiple Social Security number discrepancies within the same loan file, it is considered a red flag of:

- A. fair lending.
- B. mortgage fraud.
- C. a forgetful borrower.
- D. pricing discrepancies.

Answer(s): B

Reference:

<https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2012-a009>

QUESTION: 3

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

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

Answer(s): B

Reference:

<https://www.bnlappraisal.com/blog/three-approaches-to-value>

QUESTION: 4

How many continuing education hours must mortgage loan originators complete every year to renew their license?

- A. 3 hours
- B. 8 hours

- C. 16 hours
- D. 20 hours

Answer(s): B

Reference:

<https://www.oncourselearning.com/mortgage/continuing-education>

QUESTION: 5

Which of the following activities is an example of redlining in mortgage lending?

- A. Ensuring that all creditworthy borrowers are afforded equal treatment when applying for a mortgage loan
- B. The mortgage loan originator convincing the underwriter to move their loan file to the front of the line or "redline" it
- C. The act of the mortgage lender putting a "red line" under the borrower's name in a file to indicate they are a substandard applicant
- D. The systematic denial of various services to residents of specific, often racially associated, neighborhoods or communities, either explicitly or through the selective raising of prices

Answer(s): D

Reference:

<https://www.forbes.com/advisor/mortgages/real-estate/what-is-redlining/>

QUESTION: 6

What is the loan amount on the purchase price of \$249,955.00 if the borrower is putting 18% down?

- A. \$204,693.10
- B. \$204,936.10
- C. \$204,963.10
- D. \$204,966.10

Answer(s): C

QUESTION: 7

For an FHA loan, which of the following payments must a borrower make to protect a lender in case of a foreclosure?

- A. Down payment
- B. Hazard insurance premium
- C. Mortgage insurance premium
- D. Homeowners association dues

Answer(s): C