State Regulators Seek Industry Input on Mortgage Loan Originators Licensing Test

Aug 25, 2020

State financial service regulators launched a survey of licensed mortgage loan originators today to gather information on various job functions as part of a process to validate the nationwide licensing exam.

All state-licensed mortgage loan originators received an email invitation to participate in the survey from the State Regulatory Registry, which manages the Nationwide Multistate Licensing System on behalf of state regulators. License holders who do not complete the survey will receive a follow-up email. The survey closes on Sept. 25.

The survey will inform a job analysis of mortgage originators as part of a process to ensure the validity of the SAFE MLO National Test. A job analysis is a standard practice in the testing industry to ensure licensure or certification exams reflect the knowledge and skills needed for a given profession.

Justin Accola, chair of the Mortgage Testing and Education Board, and supervisory compliance examiner at the Texas Department of Savings and Mortgage Lending: “I hope every licensee will take the survey to make sure we accurately test the knowledge and skills an MLO needs today. Restricting licenses to proficient new mortgage loan originators will help protect consumers from would-be bad actors.”

On July 30, 2008, The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) established standards for the licensing and registration of all mortgage originators. The Act requires the Nationwide Multistate Licensing System to develop a qualified written test to measure candidates’ knowledge in ethics; federal law; state law;
laws and regulations covering fraud, consumer protection, fair lending and the nontraditional mortgage marketplace; among other topics.

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