

## FLASH QUIZ - STATE LAWS

Match the acronym for the law in this box with the correct statements on the next 3 pages:

**MLA** - Mortgage Lending Act (NC)    **PLA** - Predatory Lending Act  
**Chapter 24** - Limit Fees & Charges    **HB 817** - Fraud Act: Covered Loans  
**NTG** - Nontraditional Guidance    **AR** - Administrative Rules  
**HB 2463** - Servicing

1. Act that defines an exemption for education requirements for companies with a net worth of at least \$100,000. 1. \_\_\_\_\_
2. What chapter of the General Statutes defines the legal amount of interest allowed to be charged to the borrower? 2. \_\_\_\_\_
3. The General Statute that sets \$300,000.00 as the benchmark for an exemption. 3. \_\_\_\_\_
4. The bill that protects persons who report fraud. 4. \_\_\_\_\_
5. What Act enables any person who receives no more than 5 deeds of trust in one calendar year to be exempt from licensure? 5. \_\_\_\_\_
6. The Act stating that when the loan is a high cost loan, points and fees cannot be financed into the loan. 6. \_\_\_\_\_
7. The Act that defines the high cost thresholds. 7. \_\_\_\_\_
8. Prohibits LOs from originating loans under \$150,000 with a prepayment penalty. 8. \_\_\_\_\_
9. Table funding is defined in what act? 9. \_\_\_\_\_
10. NC law that prohibits flipping. 10. \_\_\_\_\_
11. To misrepresent or conceal material facts likely to influence or induce an applicant is part of what act? 11. \_\_\_\_\_
12. A single act is a Class H felony and a pattern of fraud is a Class E felony. 12. \_\_\_\_\_
13. The Act that allows for prosecution if the accused party did the act with the intent to defraud. 13. \_\_\_\_\_

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|---|-----------|
| 14. Failing to pay for the appraisal.   | 14. _____ |
| 15. The Act that requires disclosure of "Samples of Amortization."                      | 15. _____ |
| 16. The Statute that limits charges on 2 <sup>nd</sup> liens less than \$25,000 to 2%.  | 16. _____ |
| 17. Falsely certifying attendance of required education.                                | 17. _____ |
| 18. Allowable fees are defined.   | 18. _____ |
| 19. The usury law.  | 19. _____ |
| 20. A violation of what Act may be a Class 3 misdemeanor?                               | 20. _____ |
| 21. The miscellaneous fee of .25% or \$150.00, which ever is greater.                   | 21. _____ |
| 22. The Act that includes funding fees and MIP in the points and fees.                  | 22. _____ |
| 23. Law that requires loan officers to attend 8 hours of continuing education annually. | 23. _____ |
| 24. Law that establishes a 5% cap on fees.  | 24. _____ |
| 25. Prohibits LOs from originating loans when not employed by a licensed broker/banker. | 25. _____ |

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|---|-----------|
| 26. The rule that requires branch offices to be in a commercial space.                                  | 26. _____ |
| 27. The act designed to ensure proper loan officer supervision and accountability.                      | 27. _____ |
| 28. MLOs shall only be employed by one entity and their license is not active unless they are employed. | 28. _____ |
| 29. Financial Responsibility is defined here.   | 29. _____ |
| 30. ALL licenses expire on December 31 <sup>st</sup> .  | 30. _____ |
| 31. An expired license terminates that last day of February.  | 31. _____ |
| 32. Act that requires a separate trust account for the handling of borrower's funds.                    | 32. _____ |
| 33. Law that allows borrowers to recover interest and principal when a loan is deemed usurious.         | 33. _____ |
| 34. Processing, administrative, underwriting and doc prep fees are considered junk fees.                | 34. _____ |
| 35. Act that defines special rules for discount points.   | 35. _____ |
| 36. Education provider rules are defined.   | 36. _____ |
| 37. Annual and quarterly reporting by licensees are defined.  | 37. _____ |
| 38. Guidance on disclosing interest only option ARMS  | 38. _____ |
| 39. Loan servicers are to refund erroneous force placed insurance premiums.                             | 39. _____ |