

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. MLA
2. What chapter of the General Statutes defines the legal amount of interest allowed to be charged to the borrower? 2. Chapt 24
3. The General Statute that sets \$300,000.00 as the benchmark for an exemption. 3. Chapt 24
4. The bill that protects persons who report fraud. 4. HB 817
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. MLA
6. The Act stating that when the loan is a high cost loan, points and fees cannot be financed into the loan. 6. PLA
7. The Act that defines the high cost thresholds. 7. PLA
8. Prohibits LOs from originating loans under \$150,000 with a prepayment penalty. 8. MLA
9. Table funding is defined in what act? 9. MLA
10. NC law that prohibits flipping. 10. PLA
11. To misrepresent or conceal material facts likely to influence or induce an applicant is part of what act? 11. MLA
12. A single act is a Class H felony and a pattern of fraud is a Class E felony. 12. HB 817
13. The Act that allows for prosecution if the accused party did the act with the intent to defraud. 13. HB 817

FLASH QUIZ - STATE LAWS Cont'd

Match the acronym for the law in this box with the correct statements:

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

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

FLASH QUIZ - STATE LAWS Cont'd

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

- | | |
|---|---------------------|
| 26. The rule that requires branch offices to be in a commercial space. | 26. <u>AR</u> |
| 27. The act designed to ensure proper loan officer supervision and accountability. | 27. <u>MLA</u> |
| 28. MLOs shall only be employed by one entity and their license is not active unless they are employed. | 28. <u>MLA</u> |
| 29. Financial Responsibility is defined here. | 29. <u>AR</u> |
| 30. ALL licenses expire on December 31 st . | 30. <u>MLA</u> |
| 31. An expired license terminates that last day of February. | 31. <u>MLA</u> |
| 32. Act that requires a separate trust account for the handling of borrower's funds. | 32. <u>MLA</u> |
| 33. Law that allows borrowers to recover interest and principal when a loan is deemed usurious. | 33. <u>Chapt 24</u> |
| 34. Processing, administrative, underwriting and doc prep fees are considered junk fees. | 34. <u>PLA</u> |
| 35. Act that defines special rules for discount points. | 35. <u>PLA</u> |
| 36. Education provider rules are defined. | 36. <u>AR</u> |
| 37. Annual and quarterly reporting by licensees are defined. | 37. <u>AR</u> |
| 38. Guidance on disclosing interest only option ARMS | 38. <u>NTG</u> |
| 39. Loan servicers are to refund erroneous force placed insurance premiums. | 39. <u>HB 2463</u> |