

Welcome

2-Hr Florida SAFE State Law



Learn  Mortgage

Chapter 1



**State Licensing
Authority and
Requirements**

Learn  Mortgage

Florida Office of Financial Regulation

- **Mission**
 - *To protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient, and effective regulation of the financial services industry.*
- **Organization**
 - Headed by the Commissioner
 - Division of Consumer Finance (regulates MLOs)
 - Bureau of Financial Investigations

Florida Office of Financial Regulation

- **State Statutes and Rules**
 - Florida Statutes Chapter 494 – Loan Originators and Mortgage Brokers (*Chapter 494, FS*)
 - Rule 69V-40, Florida Administrative Code – Mortgage Brokerage (*Chapter 69V-40, FAC*)
- **Powers and Duties**
 - Responsible for the administration and enforcement of this chapter
 - Participates in NMLS registry and regularly reports violations of this chapter, disciplinary actions, and other information deemed relevant

Knowledge Check 1.1

Read through the definitions at the beginning of the chapter. Complete the table in the textbook by matching the term with the correct definition.

➤ **Answers:**

- 1. In-house Loan Processor (A.)**
- 2. Mortgage Lender (E.)**
- 3. Loan Originator (C.)**
- 4. Mortgage Broker (D.)**
- 5. Contract Loan Processor (B.)**

State License Requirements

- **Mortgage Loan Originator License**
 - Required for an individual who, directly or indirectly, solicits or offers to solicit a mortgage loan, accepts or offers to accept an application for a mortgage loan, negotiates or offers to negotiate the terms or conditions of a new or existing mortgage loan on behalf of a borrower or lender, or negotiates or offers to negotiate the sale of an existing mortgage loan to a non-institutional investor for compensation or gain
- **Temporary License for Qualified Individuals**
 - Can obtain temporary authority to act as a Florida MLO after submitting a complete license application through the NMLS

Chapter 494, FS and Chapter 69V-40

State License Requirements

- **Mortgage Broker License**
 - Required for a person conducting loan originator activities through one or more licensed loan originators **employed by** the mortgage broker or as independent contractors to the mortgage broker
- **Mortgage Lender License**
 - Required for a person making a mortgage loan, servicing a mortgage loan for others, or for compensation or gain, directly or indirectly, selling or offering to sell a mortgage loan to a noninstitutional investor

State License Requirements

- **Mortgage Lender Servicer License**
 - Required for any mortgage lender licensee who services a mortgage loan
- **Branch License**
 - Required for licensees who conduct business at locations other than their principal place of business
- **License Exemptions**
 - Under Parts II and III
 - Under Part III

Chapter 494, FS and Chapter 69V-40

Knowledge Check 1.2

- 1. A person who seeks to act solely as a loan processor needs to be licensed as a mortgage lender.**
 - A. True
 - B. False

Knowledge Check 1.2

- 2. An attorney licensed in this state who negotiates the terms of a mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client is exempt from the regulations of Chapter 494, FS parts I and II.**
- A. True
 - B. False

License Application Requirements

- **Loan Originator Requirements**
 - 18 years of age
 - 20 hours pre-licensing coursework
 - Pass written test
 - Submit license application form, fee, and fingerprints
 - Authorize credit report
 - Submit any other information required by Office and NMLS

License Application Requirements

- **Mortgage Broker and Mortgage Lender**
 - Same as MLO
 - Designate a qualified principal loan originator
 - Indicate whether the applicant will be seeking a servicing endorsement (mortgage lender)
- **Net Worth Requirements for Mortgage Lender**
 - At least \$63,000 if want servicing endorsement
 - At least \$250,000 if no servicing endorsement
- **Branch Office License Requirements**
 - Submit application and fee for each branch office

Knowledge Check 1.3

- 1. Each mortgage broker must be operated by a principal loan originator. The principal loan originator must have been licensed as a loan originator or demonstrate he has been actively engaged in a mortgage-related business for at least _____ year(s) before being designated as the principal loan originator.**
 - A. one
 - B. two
 - C. three
 - D. four

Knowledge Check 1.3

- 2. A mortgage lender applicant not seeking a service endorsement must submit a copy of her financial audit report for the most recent fiscal year showing a bona fide and verifiable net worth, of at least**
- A. \$50,000.
 - B. \$53,000.
 - C. \$63,000.
 - D. \$72,000.

License Approval or Denial

- **License Decision**
 - Within 30 days, notify the applicant of any apparent errors or omissions
- **Grounds for License Denial**
 - Any violation of chapter
 - Felony or administrative enforcement action that involves fraud, dishonesty, breach of trust, money laundering, or any other act of moral turpitude
 - Failed to demonstrate character, general fitness, and financial responsibility to command confidence and warrant a determination that will operate honestly, fairly, and efficiently
 - Loan originator or mortgage broker license or its equivalent revoked in any jurisdiction

License Approval or Denial

- **Demonstrating Financial Responsibility**
 - Personal bankruptcy within the previous year
 - Bankruptcy within the previous year
 - Outstanding tax lien or other governmental lien
 - Outstanding judgment based upon grounds of fraud embezzlement, misrepresentation, or deceit
 - Open collection account or charged-off account that remains unpaid, except medical expense accounts
 - Foreclosure on personally owned property within last 5 years

Knowledge Check 1.4

1. **Upon receipt of a license application, the Office shall examine the application and, within 30 days after such receipt, notify the applicant of any apparent errors or omissions.**
 - A. True
 - B. False

Knowledge Check 1.4

- 2. Adverse credit history information that may result in license denial may include foreclosure on personally owned property within the last**
- A. two years.
 - B. three years.
 - C. four years.
 - D. five years.

License Renewal and Maintenance

- **License Renewal**
 - Submit Renewal form and fee
 - Authorize credit report
 - Complete 8 hours continuing education before December 31
 - Federal law (3 hours),
 - Ethics (2 hours)
 - Non-traditional mortgage lending (2 hours)
 - FL-specific education (1 hour)

License Renewal and Maintenance

- **Renewal Deadline**
 - December 31 deadline
 - If miss deadline but meets renewal requirements before March 1, status becomes “failed to renew”; reinstatement allowed by March 1
 - If fail to renew before March 1, must apply for a new license
- **Mortgage Guaranty Trust Fund**
 - Loan originator: initial and renewal fee is \$20
 - Mortgage brokers/lenders: initial and renewal fee is \$100

License Renewal and Maintenance

- **License Maintenance**

- Change name, form of business organization, or any other information contained in any initial application form or any amendment thereto: File an amendment through NMLS not later than **30 days** after the effective date of the change
- Change any of the control persons listed on the initial application or amendment thereto: File an amendment through NMLS not later than **30 days** prior to the effective date of the change or within **2 business days** after the date the licensee first received notice of the change

Requirements of Licensees

- **Significant Event Reporting**
 - Conviction of, or plea of nolo contendere felony committed by the licensee or any control person within 30 days
 - Bankruptcy, within 30 days
 - Change to the information contained in any initial application within 30 days
 - Change in the principal loan originator
 - Addition of a control person



Case of a Second Chance

**Read the case study and
answer the discussion questions.**



Case of a Second Chance

- 1. The Office of Financial Regulation denied the application for a MLO license based on what specific state law(s)?**

The Florida Statutes Chapter 494 (Chapter 494.00312, FS) states that a person is to be denied a mortgage loan originator license if he has been a subject of a pending felony criminal prosecution or a prosecution or an administrative enforcement action, in any jurisdiction, which involves fraud, dishonesty, breach of trust, money laundering, or any other act of moral turpitude.



Case of a Second Chance

2. Did the applicant present any creditable evidence to support his application for an MLO license?

Evidence provided included:

- **Coaches a wrestling program for youth in a nearby community**
- **A letter of strong endorsement of his character from a senior special agent for the Department of Homeland Security (who is the head of the wrestling program)**
- **A letter of strong endorsement of his character from a community police officer whose two sons he coaches**



Case of a Second Chance

**3. Do you agree with the Conclusion of Law?
Why or why not?**





MLO Violations of State Law

**Read the case study and
answer the discussion questions.**



MLO Violations of State Law

- 1. In this case, the person receiving the Administrative Complaint is licensed what type of Florida licensee?**

As stated in the case: At all times material, Respondent (license no. L055555) has been a Florida loan originator and his address of record has been 555 Hankinson CT, Chatham, FL 62629.



MLO Violations of State Law

2. What are the allegations against the licensee in this case?

In this case, the licensee had an MLO license revoked in two other jurisdictions and the licensee failed to report a change on his application form.



MLO Violations of State Law

3. Per state law, a loan originator licensee is required to report any change in the information reported in his application form to the NMLS within how many days of the change?

30 days



MLO Violations of State Law

4. As a result of these violations, what disciplinary actions is the Office seeking to impose on the licensee?

The Office is seeking an administrative fine of \$3,500 and license revocation.



MLO Violations of State Law

- 5. To preserve the right to a hearing, the licensee must file a written response with the Office of Financial Regulation within how many days after the receipt of the administrative complaint?**

21 days

Chapter 1



Chapter Quiz

Chapter 1 Quiz

1. The Florida _____ is the entity that provides regulatory oversight for Florida's financial services providers.

- A. Banking Industry Office
- B. Financial Services Office
- C. Office of Credit Regulations
- D. Office of Financial Regulation

Chapter 1 Quiz

2. _____ *is BEST defined as the person making a mortgage loan or servicing a mortgage loan for others, or, for compensation or gain, directly or indirectly, selling or offering to sell a mortgage loan to a noninstitutional investor.*
- A. Contract loan processor
 - B. Loan originator
 - C. Mortgage broker
 - D. Mortgage lender

Chapter 1 Quiz

3. *Principal loan originator Frank must demonstrate he has been actively engaged in a mortgage-related business for at least _____ year(s) before being designated as the principal loan originator.*

- A. one
- B. two
- C. three
- D. four

Chapter 1 Quiz

4. A mortgage lender applicant NOT seeking a service endorsement must submit a copy of her financial audit report for the most recent fiscal year showing a bona fide and verifiable net worth of at least

- A. \$50,000.
- B. \$53,000.
- C. \$63,000.
- D. \$72,000.

Chapter 1 Quiz

5. In order to renew his license, loan originator Jeff is to provide documentation of the completion of at least _____ hours of continuing education.

- A. 6
- B. 8
- C. 9
- D. 12

Chapter 1 Quiz

6. *Adverse credit history information that may result in license denial may include foreclosure on personally owned property within the last*

- A. two years.
- B. three years.
- C. four years.
- D. five years.

Chapter 1 Quiz

7. A loan originator license is *NOT LIKELY* to be issued a license for

- A. a conviction of money laundering that resulted in over a year of imprisonment.
- B. a foreclosure six years ago.
- C. an outstanding judgment for a medical expense.
- D. three 30-day past due accounts in the last five years.

Chapter 1 Quiz

8. A _____ *license is required for a person conducting loan originator activities through one or more licensed loan originators employed by the mortgage broker or as independent contractors to the mortgage broker.*

- A. loan processor
- B. mortgage lender
- C. loan originator
- D. mortgage broker

Chapter 1 Quiz

9. Upon approval of an application, a loan originator license will be issued with an expiration date of _____ for the year in which the license was issued.

- A. December 1
- B. December 15
- C. December 31
- D. November 1

Chapter 2



Learn  Mortgage

**License
Compliance and
Enforcement**

Mortgage Conditions and Limitations

- **Loan Modification Requirements**
 - Must not engage in or initiate loan modification services without written agreement
 - Must not execute a loan modification without the consent of the borrower
 - Must not request or require payment, directly or indirectly, for loan modification services before completing or performing all services
 - **For high-cost loans:** Must not charge fee to modify, renew, extend, or amend the loan or to defer any payment due under the terms of the loan on a minimum of one modification, renewal, extension, or deferral per each 12 months of the length of the loan

Mortgage Conditions and Limitations

- **Loan Modification Requirements**
 - **Written Loan Modification Agreement**
 - Must adhere to content requirements
 - Must give a copy of the agreement to review at least 1 business day before the borrower is to sign
 - Must give borrower a copy of the signed agreement within 3 hours after borrower signs the agreement
 - **Right to Cancel Modification Agreement**
 - Must have right to cancel within 3 business days after signing
 - If agreement is canceled, payments made must be returned within 10 business days after receipt of the notice of cancellation

Chapter 494, FS and Chapter 69V-40

Knowledge Check 2.1

1. **The borrower has the right to cancel the written loan modification agreement without any penalty or obligation if the borrower cancels the agreement within _____ after signing the agreement.**
 - A. 3 days
 - B. 3 business days
 - C. 5 days
 - D. 5 business days

Knowledge Check 2.1

- 2. A lender may not charge a borrower any fees or other charges to modify, renew, extend, or amend a high-cost home loan or to defer any payment due under the terms of a HUD loan on a minimum of 1 modification, renewal, extension, or deferral per each 12 months of the length of the loan.**
- A. True
 - B. False

Mortgage Conditions and Limitations

- **Lock-In Agreement Requirements**
 - Must adhere to applicable content requirements
 - Must make good faith effort to process and fulfill terms before rate lock expiration
 - Must be signed by lender; borrower can rescind until it is signed
 - Must have ability to timely advance funds before issuing agreement
 - Must adhere to “statement” requirements

Mortgage Conditions and Limitations

- **Loan Origination Fee Requirements**

A person may *not* charge or exact, directly or indirectly, from the borrower a fee or commission in excess of the maximum fee or commission specified in this section:

- On a mortgage loan of \$1,000 or less: \$250
- On a mortgage loan exceeding \$1,000 and not exceeding \$2,000: \$250 for the first \$1,000 of the mortgage loan, plus \$10 for each additional \$100 of the mortgage loan
- On a mortgage loan exceeding \$2,000 and not exceeding \$5,000: \$350 for the first \$2,000 of the mortgage loan, plus \$10 for each additional \$100 of the mortgage loan
- On a mortgage loan exceeding \$5,000: \$250 plus 10% of the entire mortgage loan

Mortgage Conditions and Limitations

- **Loan Origination Fee Requirements**

1. The total fee shall not exceed the maximum as prescribed in Section 494.0042(2), F.S.
2. In **determining the total loan origination fee**, all **compensation for the following services**, by whatever name called, **shall be included**:
 - (a)**Arranging** for a conditional mortgage loan commitment between a borrower and a lender.
 - (b)**Taking an application**, assembling information and preparing all paperwork and documentation necessary for a conditional mortgage loan commitment.
 - (c)**Reviewing, analyzing, and evaluating** a borrower's financial statements, income, and credit history.
 - (d)**Incidental services** utilized in arranging for and procuring a conditional loan commitment, such as courier services, express mailings, and long distance telephone charges, except as provided in item 3.(l) below.
 - (e)**Premiums and other charges for insurance** written in connection with a loan, except as provided in item 3.(e) below.

Mortgage Conditions and Limitations

• Loan Origination Fee Requirements

3. The licensee shall **provide a good faith estimate of costs for services or products** that may be incurred or expended on behalf of the borrower in arranging for the loan. Services or products for which costs shall be estimated, but **which are *not* required to be included in the loan origination fee include** the following:
 - (a) **Appraisal fee** charged to obtain a statement of property value for the lender prior to closing. This subparagraph shall not be construed to prevent a licensee or lender from setting reasonable criteria for the selection of an appraiser.
 - (b) **Inspection fees** required by the lender, its agents, or a governmental body or agency or quasi-governmental body or agency for the security property.
 - (c) **Loan assumption fee and a transfer fee** charged to enable the buyer to assume existing loans.
 - (d) **Pest inspection fee** charged to cover inspections for termites or other pest infestations/
 - (e) **Charges for title insurance** as defined in Section 624.608, FS, abstract of title, title search fee, and fees for an attorney's title opinion. A licensee may not receive or accept any monetary consideration or inducement in connection with the issuance of a title insurance policy in a transaction in which he was involved.
 - (f) **Survey or topography fees** charged to determine the exact location of any structures and the lot line, as well as easements and rights of way.
 - (g) **Mortgage guaranty insurance** as defined in Section 635.011, FS.
 - (h) **Credit report fee.**

Mortgage Conditions and Limitations

• Loan Origination Fee Requirements

- (i) **Photograph fees** for photographs of the property offered as security, if required by the lender in writing and acceptable photographs of the property have not been otherwise provided to the lender.
- (j) **Flood hazard determination fee** charged by an entity to assist lenders in determining whether the security property is in a flood hazard area.
- (k) Real estate tax service fee charged by an entity engaged in the business of assisting lenders or their agents in assuring that real property taxes are paid on the security property.
- (l) **Incidental fees**, such as, courier services and express mailings if pre-authorized in writing by the borrower.
- (m) **Settlement or closing fee** charged by a settlement agent for distributing the proceeds of the mortgage loan.
- (n) **Attorney's fees.**
- (o) **Charges imposed by Federal, state, county or municipal governments** or government agencies or quasi-governmental agencies including, but not necessarily limited to, the cost of recording the mortgage, cost of documentary stamps, and intangible taxes for the mortgage.
- (p) **Environmental audit costs** required by the lender, or by local ordinances or state or federal law.
- (q) **Costs** incurred in **curing title defects** affecting the security property.

Mortgage Conditions and Limitations

- **Loan Origination Fee Requirements**

4. **Premiums or other charges** for life, credit life, accident, health, or loss-of-income **insurance** written in connection with a loan are **not included in determining the loan origination fee if**:

(a) The **licensee discloses** to the borrower in writing that such **insurance is not required** to be purchased through the licensee.

(b) The **licensee discloses** to the borrower in writing the **premiums for the initial term**.

Premiums or other charges for insurance that is written in connection with a mortgage loan and protects against loss or damage to property or liability arising out of the ownership or use of property **are not included** in determining the loan origination fee **if the borrower may choose the insurance agent and the insurance provider**.

5. The loan origination fee **does not include prepaid finance charges** of the lender under the Federal Truth in Lending Act, as amended, and Federal Reserve Board Regulation Z that are disclosed on a Truth in Lending Disclosure form provided to the borrower.

Mortgage Conditions and Limitations

- **Disposition Requirements for Insurance Proceeds**
 - Lender must promptly endorse
 - Proceeds must be promptly deposited into a segregated account of a federally insured financial institution
 - Proceeds must be promptly distributed to the insured
- **Mortgage Broker Fee Escrow Requirements**
 - Third-party fees must immediately, upon receipt, be placed into a segregated account with a financial institution located in the state; account must be insured by the federal government; must be held in trust for the payor and kept in the account until disbursement
 - Record on Form OFR-494-09, Mortgage Brokerage Deposit Account Form

Chapter 494, FS and Chapter 69V-40

Knowledge Check 2.2

1. **Which statement is FALSE in regards to a lock-in agreement?**
 - A. Any lock-in agreement received by lender by mail must be signed by the lender to become effective.
 - B. The borrower may not rescind a lock-in agreement once it has been agreed to verbally with the lender.
 - C. The lender is to make a good faith effort to fulfill the terms of its commitment before the expiration date of the lock-in agreement.
 - D. The lender is to promptly refund any lock-in fee paid if the borrower elects to rescind the agreement.

Knowledge Check 2.2

- 2. The maximum fees or commissions that may be charged on a mortgage loan of \$1,000 or less is \$250.**
- A. True
 - B. False

Homestead Tax Exemptions

Other Florida Statutes set forth provisions that impact the business of mortgage origination. Loan originators, mortgage brokers, and mortgage lenders need to be familiar with the state provisions set forth for homestead tax exemptions.

Read homestead tax exemptions and complete knowledge check 2.3.

Knowledge Check 2.3

1. If the home's assessed value is \$45,000, the first \$25,000 of value is exempt from all property tax and the remaining \$20,000 of value is taxable.
2. If the home's assessed value is \$65,000, the first \$25,000 of value is exempt from all property tax, the next \$25,000 of value is taxable, and the remaining \$15,000 of value is exempt from non-school taxes.
3. If the home's assessed value is \$85,000, the first \$25,000 of value is exempt from all property tax, the next \$25,000 of value is taxable, the third \$25,000 of value is exempt from non-school taxes, and the remaining \$10,000 of value is taxable.

Florida Anti-Coercion Law

- **Required Statement**

The Insurance Laws of this state provide that the lender may not require the borrower to take insurance through any particular insurance agent or company to protect the mortgaged property.

The borrower, subject to the rules adopted by the Financial Services Commission, has the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirements of the lender. The lender has the rights to designate reasonable financial requirements as to the company and the adequacy of the coverage.

I have read the foregoing statement, or the rules of the Office of Financial Services relative thereto, and understand my rights and privileges and those of the lender relative to the placing of such insurance.

I have selected the ___ Insurance Agency, or ___ Insurance Company to write the hazard insurance covering property located at:

Name of Borrower

Name of Borrower

Date

690-124.002, FAC; 690-124.013, FAC

Record of Conveyance of Real Estate

- **Requirement**

- To entitle any instrument concerning real property to be recorded, the execution must be acknowledged by the party executing it, proved by a subscribing witness to it, or legalized or authenticated by a civil-law notary or notary public who affixes her or his official seal, before the Officers and in the form and manner following:

- Within this state...
- Without this state but within the United States...

- **Redemption of Sale**

- Executing second/subsequent mortgage without first notifying mortgagee of existence of the prior mortgage is a misdemeanor of the second degree

Chapter 695.03, FS; Chapter 713.26, FS; Chapter 818.02, FS

Record and Reporting Requirements

- **Record Requirements**

- At principal place of business unless Office has approved another location
- Office may require records be made available at convenient location in state
- Records are to be maintained 3 years after the date of original entry
- Request change of record location through NMLS no later than 30 days prior to change

Record and Reporting Requirements

- **Reports of Condition Requirements**
 - Approved Lenders: Submit Expanded Mortgage Call Report through NMLS within 45 days of the end of each calendar quarter
 - Not Approved Lenders and Brokers: Submit components of Standard Mortgage Call Report
 - Residential Mortgage Loan Activity within 45 days of the end of each calendar quarter
 - Financial Condition within 90 days of their fiscal year end

Prohibited Conduct and Activities

- **Prohibited Conduct**

- Act as a loan originator, mortgage broker, mortgage lender without a current, active license
- Knowingly or willingly defraud, operate as a fraud, obtain property by fraud
- Falsify, conceal, or cover up
- Pay a fee or commission to someone not licensed
- Record a mortgage broker agreement or any other document, not rendered by a court of competent jurisdiction, which purports to enforce the terms of the agreement
- Use the name or logo of financial institution without written consent
- Destroy books, records, or other information

Prohibited Conduct and Activities

- **When Funds Are Not Available**
 - The taking and recording of a mortgage is tantamount to a commitment, and when funds are not available for immediate disbursement to the mortgagor, such procedure will be considered a misleading and deceptive practice, and to warrant suspension or revocation of the license of the licensee who does so, unless, prior to such recording, the licensee informs the mortgagor in writing of a definite date by which payment will be made, and secures the mortgagor's written permission for the delay thus entailed

Prohibited Conduct and Activities

- **Prohibited Advertising Activities**
 - Advertise mortgage loans, including rates, margins, discounts, points, fees, commissions, or other material information, including material limitations on such loans, unless the person is able to make such mortgage loans available to a reasonable number of qualified applicants
 - Falsely advertise or misuse names indicating a federal agency pursuant to 18 U.S.C. s. 709
 - Engage in unfair, deceptive, or misleading advertising regarding mortgage loans, brokering services, or lending services

Prohibited Conduct and Activities

- **Required Advertising Disclosures**
 - Advertise that an applicant will have unqualified access to credit without disclosing the material limitations on the availability of such credit. Material limitations include but are not limited to, the percentage of down payment required, that a higher rate or points could be required, or that restrictions on the maximum principal amount of the loan offered could apply
 - Advertise a mortgage loan at an expressed interest rate unless the advertisement specifically states that the expressed rate could change or not be available at commitment or closing

Investigation & Disciplinary Actions

- **Investigations, Complaints, and Examinations**
 - The **Office** may conduct an **investigation** of any person whenever the Office has reason to believe, either upon complaint or otherwise, that any violation of this chapter has been committed or is about to be committed.
 - Any person having reason to believe that a provision of this act has been violated may file a written **complaint** with the Office setting forth details of the alleged violation.
 - The Office may, at intermittent periods, conduct **examinations** of any licensee or other person under the provisions of this chapter.

Investigation & Disciplinary Actions

- **Investigations, Complaints, and Examinations**
 - The Office may issue and serve upon any person an **order to cease and desist** and to take corrective action
 - The Office may issue and serve **subpoenas** and subpoenas compel the attendance of witnesses and the production of documents
- **Grounds for Disciplinary Action**

Investigation & Disciplinary Actions

- **Penalties for Violations**

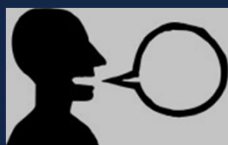
- Issuance of a reprimand.
- Suspension, revocation or denial of a license
- Imposition of a fine in an amount up to \$25,000 for each count or separate offense.
- An administrative fine of up to \$1,000 per day, but not to exceed \$25,000

- **Disciplinary Guidelines**

- Notice of noncompliance, reprimand, fine, suspension, and revocation

Knowledge Check 2.4

1. **If the Office finds a person in violation, it may enter an order imposing a fine in an amount up to \$25,000 for each count or separate offense.**
 - A. True
 - B. False



Class Discussion

We have covered the authority given to the Office to investigate and penalize licensees who violate the law.

- Do you think the scope of the authority given is sufficient for maintaining the integrity of the mortgage origination business?
- What possible positive or negative benefits do you think these investigative and disciplinary processes will have on the lender or borrower?

Chapter 2



Chapter Quiz

Chapter 2 Quiz

1. A lender may not charge a borrower any fees to modify a high-cost home loan on a minimum of _____ modification per each 12 months of the length of the loan.

- A. one
- B. two
- C. three
- D. four

Chapter 2 Quiz

2. The maximum fees or commissions that may be charged on a mortgage loan of \$1,000 or less is

- A. \$100.
- B. \$200.
- C. \$250.
- D. \$300.

Chapter 2 Quiz

3. All books, accounts, records, documents, and receipts for expenses paid by the licensee on behalf of the borrower shall be preserved for at least _____ after the date of original entry.

- A. 1 year
- B. 2 years
- C. 3 years
- D. 4 years

Chapter 2 Quiz

- 4. Mortgage lender Ed is an approved Fannie Mae, Freddie Mac Seller/Servicer, and Ginnie Mae issuer. He must submit the complete Expanded Mortgage Call Report through the NMLS within 45 days of the end of**
- A. a fiscal year.
 - B. each calendar month.
 - C. each calendar quarter.
 - D. every 6 months.

Chapter 2 Quiz

5. Of the potential penalties that could be administered by the Office for a violation of Chapter 494, FS, which is considered the LEAST harsh?

- A. notice of noncompliance
- B. reprimand
- C. revocation
- D. suspension

Chapter 2 Quiz

6. Per Florida's Homestead Exemption Law, if the home's assessed value is \$65,000, the first _____ of value is exempt from all property tax, the next _____ of value is taxable, and the remaining \$15,000 of value is exempt from non-school taxes.

- A. \$15,000; \$35,000
- B. \$20,000; \$30,000
- C. \$25,000; \$25,000
- D. \$30,000; \$20,000

Chapter 2 Quiz

- 7. *If only one of the owners of an estate held by the entireties or held jointly with the right of survivorship resides on the property, that owner is allowed an exemption of up to the assessed valuation of***
- A. \$20,000.
 - B. \$25,000.
 - C. \$30,000.
 - D. \$40,000.