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May 21, 2013

To: Clients and Friends

From: David F. Dulock

Subject: Uniform State Test for State-Licensed Mortgage Loan Originators

On May 20, 2013, the Consumer Financial Protection Bureau (CFPB) issued its Bulletin [2013-05](#) as guidance for the Uniform State Test for State-Licensed Mortgage Loan Originators developed by the Nationwide Mortgage Licensing System and Registry. The text of Bulletin 2013-05 is reprinted below:

CFPB Bulletin 2013-05

Date: May 20, 2013

Subject: SAFE Act – Uniform State Test for State-Licensed Mortgage Loan Originators

The Consumer Financial Protection Bureau (CFPB) is issuing this guidance in response to questions about whether states may use the Uniform State Test¹ (UST) developed by the Nationwide Mortgage Licensing System and Registry (NMLSR) as part of a qualified written test under the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act).

Section 1505(d) of the SAFE Act requires that state-licensed mortgage loan originators pass a “qualified written test.”² Under the SAFE Act, this qualified written test must be developed by the NMLSR.³ A qualified written test must adequately measure the applicant’s knowledge and comprehension in appropriate subject areas, including: “(A) ethics; (B) Federal law and regulation pertaining to mortgage origination; (C) State law and regulation pertaining to mortgage origination; [and] (D) Federal and State law and regulation, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.”⁴

To be a qualified written test under the SAFE Act, the test developed by NMLSR must include questions covering all the required areas, including State laws and regulations. This requirement may be met through the use of a compliant UST, or a separate test for each State covering the particular laws and regulations of that State, and a National Test Component developed by the NMLSR. Presenting test questions through a UST rather than a separate State test component would not preclude the test from being a qualified test under the SAFE Act, so long as all the requirements for a qualified test are satisfied. Therefore, a State may use a UST if it adequately tests required laws and regulations.

For more information please contact: CFPB_SAFEAct_Inquiries@cfpb.gov.

¹ The Nationwide Mortgage Licensing System and Registry is defined as a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the State licensing and registration of State-licensed loan originators and the registration of registered loan originators or any system established by the Director under [section 1509 of the SAFE Act]. 12 U.S.C. § 5102(6)

² 12 U.S.C. § 5104(d); see also 12 C.F.R. § 1008.105(e).

³ Id.

⁴ 12 U.S.C. § 5104(d).