

**SAFE Mortgage Loan Originator Test – State Component**  
**CALIFORNIA Content Outline**  
**(50 scored test questions; 10 unscored test questions)**

**\*\*PLEASE READ CAREFULLY\*\***

Legislative Updates

Federal and state legislative changes may occur throughout the test administration cycle. Candidates should answer test questions based on the statutes, regulations and rules in effect as of October 11, 2012.

Candidates are responsible for keeping abreast of changes made to the applicable federal and state statutes, regulations and rules regardless of whether they appear on this outline or the test.

**I. California Department of Corporations or California Department of Real Estate (5%)**

- A. Regulatory authority
- B. Department/agency structure
- C. Responsibilities and limitations

**II. California Law and Regulation Definitions (10%)**

- A. Real Estate Law and Subdivided Lands Law (California Business and Professions Code Sections 10000 and 11288)
- B. Regulations of the Real Estate Commissioner (Title 10 of the California Code of Regulations)
- C. Administrative Procedure Act (Government Code Sections 11503 through 11528)
- D. The California Residential Mortgage Lending Act
  - California Financial Code (Division 20, commencing with Section 50000)
  - California Code of Regulations (Subchapter 11.5 of Chapter 3 of Title 10, commencing with Section 1950.003)
- E. The California Finance Lenders Law
  - California Financial Code (Division 9, Sections 22000 through 22780)
  - California Code of Regulations (Chapter 3, Title 10, Sections 1404 through 1570)
- F. Civil Code (Sections 51 through 2995)
- G. Penal Code (Sections 528-539, 570-583)
- H. California Financial Code (Sections 4970 through 51015)
- I. Government Code (Sections 12900 through 12987)
- J. Health and Safety Code (Section 35800 through 35833); California Code of Regulations (Section 7114)
- K. Other State Law and Regulation Definitions

**III. California License Law and Regulation (25%)**

- A. Persons required to be licensed
  - 1. Activities requiring licensure

2. Exemptions
  - B. Licensee qualifications and application process
    1. Financial responsibility (surety bond or net worth or recovery fund)
    2. Background check and fingerprints (criminal check; credit report)
    3. Pre-licensing education and experience
    4. Testing and retesting
  - C. Grounds for denying a license
    1. Criminal convictions
    2. Previous revocation
    3. Prohibition
  - D. License maintenance
    1. Continuing education
    2. Personal information updates and required notifications
    3. Renewal
    4. Record keeping and reporting
    5. Suspension and reinstatement
- IV. Compliance (50%)**
- A. Prohibited conduct and practices
  - B. Required conduct
  - C. Fees and charges
  - D. Disclosures and agreements
  - E. Advertising
  - F. Trust account requirements
- V. Disciplinary Action (10%)**
- A. Notifications, hearings, and appeals
  - B. Suspension, revocation, and rescission of licenses
  - C. Penalties/fines
  - D. Civil and criminal liability

## California State Test Component Reference List

A number of references and resources are used to develop the SAFE Mortgage Loan Originator Test. The following list is intended to be used as a guide to help candidates prepare for the test component; however, it is not intended to be an all-inclusive list.

- California Business and Professions Codes
  - 10080 , 10081, 10086, 10131, 10132, 10133, 10137, 10145, 10148, 10153, 10153.1,2,3, 10156.2, 10162, 10166, 10166.01, 10166.02, 10166.03, 10166.04, 10166.05, 10166.06, 10166.09, 10166.10, 10166.17, 10175.2, 10176, 10177.6, 10235 , 10236.4, 10240, 10240.2, 10241
- Regulations of the Real Estate Commissioner 2729
- California Department of Real Estate Regulation 2725
- California Department of Real Estate Regulation 2847.3
- California Finance Lenders Law (CFL): California Financial Code Sections 22000 through 22780
- California Code of Regulations (Chapter 3, Title 10, Sections 1404 through 1570)
- California Residential Mortgage Lending Act (CRMLA): California Financial Code Sections 50000 through 50706
- California Code of Regulations (Chapter 3, Title 10, Sections 1950.003 through 1950.314)
- California Financial Code Sections 4970 through 4979.8
- California Financial Code 4995 through 4995.6
- California Government Code (Sections 11500 et seq.)
- California Civil Code Sections 2920 through 2971
- The federal Real Estate Settlement Procedures Act, as amended (12 U.S.C. Sec. 2601 et seq.)
- The federal Truth in Lending Act, as amended (15 U.S.C. Sec. 1601 et seq.)
- The federal Home Ownership Equity Protection Act (15 U.S.C. Sec. 1639); and
- Any regulation promulgated under any of the federal acts cited above.