

FLORIDA MORTGAGE LOAN OFFICER PRACTICE EXAM (SAMPLE)

STUDY GUIDE



Prepare with structure. Pass with confidence



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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is the promise called where one party agrees to pay a debt or fulfill an obligation if the original party fails to do so?**
 - A. Surety
 - B. Indemnity
 - C. Guaranty
 - D. Collateral Agreement
- 2. What type of lien is junior or subordinate to another lien?**
 - A. Priority Lien
 - B. Subordinate Lien
 - C. Equal Lien
 - D. Primary Lien
- 3. Which federal agency is responsible for overseeing the Fair Housing Act?**
 - A. The Federal Trade Commission (FTC)
 - B. The Department of Housing and Urban Development (HUD)
 - C. The Consumer Financial Protection Bureau (CFPB)
 - D. The Federal Reserve Board
- 4. What is the minimum number of business days a borrower has to accept the estimate of charges on the Loan Estimate?**
 - A. 5 business days
 - B. 7 business days
 - C. 10 business days
 - D. 15 business days
- 5. Which law allows consumers to register their phone numbers to avoid telemarketing calls?**
 - A. Telemarketing Sales Rule
 - B. Do Not Call Improvement Act
 - C. Consumer Credit Protection Act
 - D. Electronic Communications Privacy Act

- 6. What does UFMIP stand for in the context of FHA loans?**
- A. Uniform Federal Mortgage Insurance Premium
 - B. Upfront Federal Mortgage Insurance Premium
 - C. Universal Fund for Mortgage Insurance Premiums
 - D. United Federal Mortgage Insurance Premium
- 7. What term describes a declaration made before an authorized person, indicating that a signature is a voluntary act?**
- A. Amortization
 - B. Abandonment
 - C. Acceleration Clause
 - D. Acknowledgment
- 8. What type of cap limits the change in payment amounts during a specific adjustment period on an ARM?**
- A. Payment Cap
 - B. Periodic Rate Cap
 - C. Lifetime Rate Cap
 - D. Initial Rate Cap
- 9. Which federal agency is responsible for housing programs in the United States?**
- A. Department of Housing and Urban Development (HUD)
 - B. Federal Housing Finance Agency (FHFA)
 - C. Department of Commerce
 - D. National Association of Realtors
- 10. What does Regulation Z primarily govern?**
- A. Loan servicing requirements
 - B. Truth in lending and consumer credit disclosure
 - C. Real estate transactions
 - D. Banking regulations

Answers

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1. C
2. B
3. B
4. C
5. A
6. B
7. D
8. A
9. A
10. B

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Explanations

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1. What is the promise called where one party agrees to pay a debt or fulfill an obligation if the original party fails to do so?

- A. Surety
- B. Indemnity
- C. Guaranty**
- D. Collateral Agreement

The correct answer is the term "guaranty." A guaranty is a legal promise made by one party, known as the guarantor, to assume responsibility for the financial obligation or debt of another party, the principal debtor, in the event that the principal debtor fails to meet their obligations. This type of agreement provides additional security to the creditor, as it ensures that if the original borrower defaults, the guarantor will step in to make the payments, fulfilling the obligation. Understanding the nuances between different financial terms can be important. For example, while a surety also involves a third party agreeing to fulfill a duty if the original party defaults, it generally requires a more formal bond and often includes additional obligations compared to a guaranty. An indemnity involves a promise to compensate for a loss or damage incurred, not necessarily tied directly to a debt obligation like a guaranty. Collateral agreements involve securing a loan with an asset but do not guarantee repayment if the debtor defaults in the same way that a guaranty does.

2. What type of lien is junior or subordinate to another lien?

- A. Priority Lien
- B. Subordinate Lien**
- C. Equal Lien
- D. Primary Lien

A subordinate lien refers to a lien that is ranked lower in priority than another lien on the same property. When multiple liens exist on a property, they are prioritized based on the order in which they were recorded. The subordinate lien will only be paid after the primary lien has been satisfied in the event of a foreclosure or liquidation of the asset. This means that if a borrower defaults, the holder of the subordinate lien risks losing their investment if the primary lien does not fully cover the debt owed, as they will be among the last to receive any proceeds from the sale of the property. Understanding the concept of subordinate liens is crucial for mortgage loan officers as it influences the financing options available to borrowers and affects risk assessments. By recognizing how liens are prioritized, loan officers can better advise clients about the implications of taking on multiple loans against a property and the potential risks associated with subordinate liens.

3. Which federal agency is responsible for overseeing the Fair Housing Act?

- A. The Federal Trade Commission (FTC)
- B. The Department of Housing and Urban Development (HUD)**
- C. The Consumer Financial Protection Bureau (CFPB)
- D. The Federal Reserve Board

The Department of Housing and Urban Development (HUD) is the federal agency tasked with overseeing the Fair Housing Act. This legislation was enacted to prevent discrimination in housing and to ensure equal opportunity in housing for all individuals, regardless of race, color, religion, sex, national origin, familial status, or disability. HUD enforces the provisions of the Fair Housing Act and provides resources to educate the public about their rights under this law. They investigate complaints related to discrimination and have the authority to take action against violators. Other agencies listed, such as the Federal Trade Commission (FTC), primarily focus on protecting consumer rights in the marketplace, the Consumer Financial Protection Bureau (CFPB) addresses financial product regulations to protect consumers, and the Federal Reserve Board manages monetary policy and regulates banks. While all these organizations play important roles in their respective areas, it is HUD that directly enforces the Fair Housing Act and ensures compliance with its provisions, making it the correct choice in this context.

4. What is the minimum number of business days a borrower has to accept the estimate of charges on the Loan Estimate?

- A. 5 business days
- B. 7 business days
- C. 10 business days**
- D. 15 business days

The correct answer is that a borrower has a minimum of 10 business days to accept the estimate of charges provided in the Loan Estimate. This timeline is established to ensure that borrowers have sufficient time to review and consider the fees and terms associated with the mortgage loan before making a decision. This requirement is in place to promote transparency and allow borrowers to compare different loan offers without feeling rushed. The Loan Estimate is a crucial document, containing important financial details such as estimated monthly payments, interest rates, closing costs, and loan terms, which the borrower needs to make an informed decision. By having a minimum of 10 business days, it protects borrowers from potential pressure to accept the terms hastily. The other choices reflect shorter time periods, which may not provide borrowers adequate time for such critical financial decision-making. A period shorter than 10 business days could lead to rushed decisions and potentially unfavorable loan outcomes for the borrower.

5. Which law allows consumers to register their phone numbers to avoid telemarketing calls?

- A. Telemarketing Sales Rule**
- B. Do Not Call Improvement Act
- C. Consumer Credit Protection Act
- D. Electronic Communications Privacy Act

The correct answer is the Telemarketing Sales Rule. This law was established to address the growing concerns surrounding the intrusive nature of telemarketing calls and to provide consumers with a mechanism to reduce unwanted telemarketing contact. Under this rule, the Federal Trade Commission (FTC) has implemented regulations that allow consumers to register their phone numbers on a "Do Not Call" registry. By doing so, consumers can effectively prevent telemarketers from calling them, creating a more controlled and respectful communication environment. The Telemarketing Sales Rule not only enables consumers to opt-out of unsolicited calls but also imposes specific obligations on telemarketers, such as maintaining their own do-not-call lists and honoring the requests of consumers who wish not to receive calls. This reinforces consumer rights and helps protect personal privacy in communications. The other options listed pertain to different areas of consumer protection and privacy regulations but do not specifically address the regulation of telemarketing calls in the same way that the Telemarketing Sales Rule does.

6. What does UFMIP stand for in the context of FHA loans?

- A. Uniform Federal Mortgage Insurance Premium
- B. Upfront Federal Mortgage Insurance Premium**
- C. Universal Fund for Mortgage Insurance Premiums
- D. United Federal Mortgage Insurance Premium

UFMIP stands for Upfront Federal Mortgage Insurance Premium in the context of FHA loans. This is a one-time payment made at the time of closing on an FHA-insured mortgage. It is a crucial component of the FHA loan program, as it helps to protect lenders in case the borrower defaults on the loan. The UFMIP allows borrowers to secure a mortgage with a lower down payment and is generally financed into the mortgage amount. This makes it accessible for first-time homebuyers and those with lower credit scores, promoting homeownership. Understanding the specific term "upfront" is important because it distinguishes this premium from ongoing mortgage insurance premiums that borrowers may also need to pay over the life of the loan. This upfront premium is typically a percentage of the loan amount, which impacts the overall cost of the mortgage.

7. What term describes a declaration made before an authorized person, indicating that a signature is a voluntary act?

- A. Amortization
- B. Abandonment
- C. Acceleration Clause
- D. Acknowledgment**

The term that describes a declaration made before an authorized person, indicating that a signature is a voluntary act, is acknowledgment. This is a legal process where an individual signs a document in the presence of a notary public or other authorized officer, confirming that they signed the document willingly and with an understanding of its contents. Acknowledgment is essential in many legal transactions, including mortgage documents, to ensure authenticity and prevent fraud. In contrast, amortization refers to the gradual repayment of a loan over time through scheduled payments. Abandonment pertains more to a relinquishment of a right or property and has no bearing on the voluntary nature of a signature. An acceleration clause is a provision in a loan agreement that allows the lender to demand full repayment if certain conditions are met, but it does not relate to the act of signing or the declaration of voluntary consent.

8. What type of cap limits the change in payment amounts during a specific adjustment period on an ARM?

- A. Payment Cap**
- B. Periodic Rate Cap
- C. Lifetime Rate Cap
- D. Initial Rate Cap

A payment cap is designed to limit the change in payment amounts during a specific adjustment period on an adjustable-rate mortgage (ARM). This type of cap is particularly important for borrowers because it establishes the maximum increase or decrease in their monthly payment when the interest rate adjusts. For instance, if an ARM includes a payment cap of 5% per adjustment period, even if the interest rate increases more than enough to justify a higher payment, the borrower will not see their payment increase by more than 5% at that adjustment. This provides a layer of financial protection, allowing borrowers to manage their monthly budget and avoid excessive increases in their payment that could lead to financial strain. In contrast, periodic rate caps limit how much the interest rate itself can increase during a specific period but do not directly control how much the payments can change. A lifetime rate cap sets a maximum interest rate for the life of the loan, and an initial rate cap only affects the first adjustment after the introductory period. While all these caps play a role in the overall management of ARMs, the payment cap specifically regulates the borrower's payment changes during each adjustment period.

9. Which federal agency is responsible for housing programs in the United States?

- A. Department of Housing and Urban Development (HUD)**
- B. Federal Housing Finance Agency (FHFA)
- C. Department of Commerce
- D. National Association of Realtors

The Department of Housing and Urban Development (HUD) is the federal agency responsible for housing programs in the United States. Established in 1965, HUD's primary mission is to create strong, sustainable, inclusive communities and quality affordable housing for all. This agency implements various programs aimed at improving housing conditions, reducing homelessness, and providing assistance to those in need. HUD plays a crucial role in enforcing fair housing laws, providing subsidies for low-income families, promoting homeownership, and ensuring that housing resources are equitably distributed. The agency also administers federal programs that are pivotal in addressing community development and housing-related issues across the country. In contrast, the Federal Housing Finance Agency (FHFA) oversees government-sponsored enterprises like Fannie Mae and Freddie Mac, focusing primarily on housing finance and secondary mortgage markets. The Department of Commerce has a broader economic focus and does not directly manage housing programs. Lastly, the National Association of Realtors is a professional organization representing real estate professionals, but it does not administer housing programs at the federal level. Thus, the role and responsibilities of HUD make it the correct answer in the context of federal housing program oversight.

10. What does Regulation Z primarily govern?

- A. Loan servicing requirements
- B. Truth in lending and consumer credit disclosure**
- C. Real estate transactions
- D. Banking regulations

Regulation Z primarily governs truth in lending and consumer credit disclosure. It was established under the Truth in Lending Act (TILA), which aims to promote informed consumer credit decisions by requiring lenders to provide clear and understandable information about credit terms. This includes mandatory disclosures of the costs associated with borrowing, which allow consumers to compare different loan offers effectively. By ensuring that consumers receive truthful and transparent information about loan terms, Regulation Z helps to protect borrowers from deceptive lending practices and promotes fair treatment in lending. This regulation is crucial in fostering an environment where consumers can make more informed financial choices when it comes to credit and loans.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://flmortgageloanofficer.examzify.com>

We wish you the very best on your exam journey. You've got this!

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