

Utah Personal Lending and Mortgages (PLM) Certification Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

This is a sample study guide. To access the full version with hundreds of questions,

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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. Don't worry about getting everything right, 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, and take breaks to retain information better.

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.

7. Use Other Tools

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!

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Questions

- 1. What can a child support arrearage indicate about an individual applying for a mortgage loan originator's license?**
 - A. Financial responsibility**
 - B. Moral character**
 - C. Work history**
 - D. Educational background**
- 2. Which entity has some jurisdiction over the mortgage industry in Utah?**
 - A. Department of Revenue**
 - B. Division of Professional Licensing**
 - C. Department of Commerce**
 - D. Office of Financial Regulation**
- 3. How many days after a disciplinary order is rendered by the Division of Real Estate does it become effective?**
 - A. 15 days**
 - B. 30 days**
 - C. 45 days**
 - D. 60 days**
- 4. Who is responsible for any damage caused by a tenant moving out before buyer possession, according to the Utah approved Real Estate Purchase Contract?**
 - A. The buyer**
 - B. The seller**
 - C. The real estate agent**
 - D. The property manager**
- 5. Charging for services that were not performed is considered what type of conduct?**
 - A. Unethical conduct**
 - B. Unprofessional conduct**
 - C. Illegal conduct**
 - D. Negligent conduct**

- 6. What is the required bond amount for a business entity with an annual origination volume over \$30 million?**
- A. \$25,000**
 - B. \$50,000**
 - C. \$75,000**
 - D. \$100,000**
- 7. Which of the following does NOT have jurisdiction over the mortgage industry in Utah?**
- A. Department of Commerce**
 - B. Division of Real Estate**
 - C. Division of Professional Licensing**
 - D. State Attorney General's Office**
- 8. What is the minimum time frame for which a licensed mortgage entity must retain records?**
- A. 1 year**
 - B. 2 years**
 - C. 5 years**
 - D. 10 years**
- 9. At what stage can a licensee begin charging a borrower for modification services?**
- A. Before the written modification offer is received**
 - B. Once a written modification offer is received and accepted by the borrower**
 - C. After the loan has closed**
 - D. Only after a denial of modification**
- 10. Which of the following actions may adversely affect an applicant's chances of obtaining a mortgage license?**
- A. Having a college degree**
 - B. Conducting business in multiple states**
 - C. Previous legal issues or misconduct**
 - D. Having a professional network**

Answers

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

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Explanations

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1. What can a child support arrearage indicate about an individual applying for a mortgage loan originator's license?

A. Financial responsibility

B. Moral character

C. Work history

D. Educational background

A child support arrearage can be indicative of an individual's moral character, particularly in the context of a mortgage loan originator's licensing process. When someone has not been fulfilling their child support obligations, it may reflect on their commitments and sense of responsibility towards their dependents. In the realm of mortgage lending, an applicant's moral character is often evaluated as part of the licensing process because it can influence how trusted a loan originator is perceived to be. Individuals who are not meeting their legal obligations, such as child support, may be viewed as less reliable or trustworthy, raising potential concerns about their ethical practices in financial matters. While financial responsibility, work history, and educational background are indeed important aspects to consider, the presence of a child support arrearage especially points towards issues of moral character, which are crucial in maintaining the integrity of the lending profession. A loan originator is expected to reflect high ethical standards in their dealings with clients and financial institutions, making this aspect particularly significant.

2. Which entity has some jurisdiction over the mortgage industry in Utah?

A. Department of Revenue

B. Division of Professional Licensing

C. Department of Commerce

D. Office of Financial Regulation

The Department of Commerce has some jurisdiction over the mortgage industry in Utah because it oversees various aspects of financial regulation, including the licensing and oversight of mortgage lenders and brokers. This department is responsible for implementing and enforcing laws that pertain to financial transactions and consumer protection within the state, ensuring that mortgage practices are compliant with both state and federal regulations. The oversight provided by the Department of Commerce includes monitoring of mortgage practices, maintaining standards for lending and borrowing, and ensuring that licensed mortgage professionals operate within the legal frameworks set forth. This direct involvement plays a key role in maintaining the integrity of the mortgage market in Utah, protecting consumers and promoting fair lending practices. In contrast, the other entities listed do not have the specific focus or authority in the mortgage sector that the Department of Commerce has, making it the correct choice in this context. For instance, the Division of Professional Licensing is concerned primarily with licensing various professionals but does not specialize in financial regulatory oversight.

3. How many days after a disciplinary order is rendered by the Division of Real Estate does it become effective?

A. 15 days

B. 30 days

C. 45 days

D. 60 days

The correct choice of 30 days reflects the standard regulatory process in which a disciplinary order issued by the Division of Real Estate becomes effective. This period allows individuals affected by the order enough time to review the findings, understand their implications, and take any necessary actions, such as filing an appeal. The 30-day window is a common timeframe in many regulatory contexts, aiming to balance enforcement with the rights of the individuals being disciplined. In the context of real estate regulations, this period also allows for transparency and the opportunity for the affected parties to prepare for compliance with any new restrictions or requirements imposed by the disciplinary action. Understanding this timeline is crucial for anyone involved in the real estate profession in Utah, as it directly impacts decisions and actions taken post-disciplinary determination.

4. Who is responsible for any damage caused by a tenant moving out before buyer possession, according to the Utah approved Real Estate Purchase Contract?

A. The buyer

B. The seller

C. The real estate agent

D. The property manager

The seller is responsible for any damage caused by a tenant moving out before buyer possession according to the Utah approved Real Estate Purchase Contract. This stipulation is in place because, during a property transaction, the seller retains ownership of the property until the transfer of title is complete and the buyer takes possession. Therefore, any issues or damages that arise during this interim period fall under the seller's responsibility. This ensures that the property is in an acceptable condition for the buyer upon taking possession, which is essential for maintaining trust and integrity in the real estate transaction process. The other roles, such as the buyer, real estate agent, and property manager, do not bear the same level of responsibility for the condition of the property until after the sale is officially concluded. The buyer is purchasing an interest in the property and should not be liable for damage that occurs while the seller still retains ownership. The real estate agent acts as an intermediary and does not own the property, and while property managers oversee the rental process, their responsibilities end when the property changes hands.

5. Charging for services that were not performed is considered what type of conduct?

- A. Unethical conduct**
- B. Unprofessional conduct**
- C. Illegal conduct**
- D. Negligent conduct**

Charging for services that were not performed falls under the category of unprofessional conduct. This type of behavior reflects a disregard for the ethical standards expected in professional settings, particularly in the financial and lending industries. It undermines the trust between service providers and clients, as professionals are expected to provide transparent, honest, and equitable services. Unprofessional conduct typically involves behavior that does not align with the established standards of practice in a given profession, such as failing to provide the services for which a client has paid. Fostering trust is vital for professionals, especially in areas like personal lending and mortgages, where clients rely heavily on their advisors for accurate information and honest service delivery. While there may be aspects of illegality or unethical behavior involved, the primary categorization for this type of conduct, especially in professional settings, is unprofessional conduct since it specifically relates to the failure to meet the expected service delivery standards.

6. What is the required bond amount for a business entity with an annual origination volume over \$30 million?

- A. \$25,000**
- B. \$50,000**
- C. \$75,000**
- D. \$100,000**

For a business entity engaged in personal lending or mortgages with an annual origination volume exceeding \$30 million, the required bond amount is set at \$100,000. This bond requirement serves as a safeguard for consumers and the state, ensuring that the lending practices of the business are held to a high standard of integrity and financial responsibility. The higher bond amount reflects the scale and potential risk associated with handling larger origination volumes, aiming to protect borrowers in the event of misconduct or financial issues within the lending entity. This regulatory measure is designed to foster a safe lending environment and maintain trust in the financial system. Understanding these bond requirements is crucial for professionals in the lending industry, as they establish the financial responsibilities that businesses must uphold to operate legally and ethically.

7. Which of the following does NOT have jurisdiction over the mortgage industry in Utah?

- A. Department of Commerce**
- B. Division of Real Estate**
- C. Division of Professional Licensing**
- D. State Attorney General's Office**

The Division of Professional Licensing does not have jurisdiction over the mortgage industry in Utah. The primary regulatory bodies overseeing the mortgage industry include the Department of Commerce, the Division of Real Estate, and the State Attorney General's Office. The Department of Commerce is responsible for enforcing many aspects of business regulation in Utah, which naturally includes the mortgage industry. The Division of Real Estate specifically handles real estate and mortgage-related matters, ensuring compliance with state regulations and licensing requirements for real estate professionals and lenders. The State Attorney General's Office plays a role in enforcing consumer protection laws and addressing any fraudulent activities within the mortgage sector. In contrast, the Division of Professional Licensing generally focuses on a variety of professions that require licenses, which can include but is not limited to medical professionals, cosmetologists, and other trades. This division does not directly regulate mortgages or lending practices, making it the option that does not hold jurisdiction over the mortgage industry in Utah.

8. What is the minimum time frame for which a licensed mortgage entity must retain records?

- A. 1 year**
- B. 2 years**
- C. 5 years**
- D. 10 years**

The minimum time frame for which a licensed mortgage entity must retain records is five years. This duration is established to ensure that entities maintain adequate documentation for regulatory oversight and audits. Retaining records for five years provides a sufficient period for state and federal regulators to review transactions, ensure compliance with lending laws, and facilitate any necessary investigations into lending practices. It is crucial for maintaining transparency and accountability within the mortgage industry. This retention period aligns with various regulatory guidelines that aim to protect consumers and ensure proper record-keeping practices in the financial industry.

9. At what stage can a licensee begin charging a borrower for modification services?

- A. Before the written modification offer is received**
- B. Once a written modification offer is received and accepted by the borrower**
- C. After the loan has closed**
- D. Only after a denial of modification**

The correct choice indicates that a licensee can begin charging a borrower for modification services once a written modification offer is received and accepted by the borrower. This aligns with ethical practices and regulatory compliance in lending, which emphasize transparency and the borrower's informed consent. Charging for services before the borrower has formally accepted the modification offer could lead to misunderstandings or dissatisfaction, as the borrower has not yet agreed to the terms. By ensuring that compensation for modification services only occurs after the borrower has accepted the written offer, the process allows for clear communication and protects the borrower from unexpected costs. This practice is also consistent with protecting consumers from potential unfair lending practices. Understanding this timing is crucial for both borrowers, who need to be fully aware of their financial commitments, and lenders, who must adhere to legal and ethical standards in their service offerings.

10. Which of the following actions may adversely affect an applicant's chances of obtaining a mortgage license?

- A. Having a college degree**
- B. Conducting business in multiple states**
- C. Previous legal issues or misconduct**
- D. Having a professional network**

Having previous legal issues or misconduct can significantly impact an applicant's chances of obtaining a mortgage license because licensing authorities often conduct thorough background checks on all applicants. If an individual has a history of legal troubles, such as felonies, financial misconduct, or regulatory violations, it raises concerns about their trustworthiness, ethical standards, and ability to comply with the laws and regulations governing mortgage lending. Agencies prioritize responsible and ethical conduct in the profession, and any past behavior that suggests a disregard for legal requirements may be viewed as a red flag. In contrast, possessing a college degree is generally seen as a positive attribute, indicating a level of education that can be beneficial in the field. Conducting business in multiple states, while it may involve additional regulatory considerations, is not inherently detrimental to an applicant's licensing eligibility, as many professionals successfully manage multi-state operations under proper licensing. Furthermore, having a professional network is advantageous for facilitating business and establishing credibility in the industry. Thus, previous legal issues or misconduct stands out as the most likely action that could adversely affect an applicant's chance of securing a mortgage license.

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://utahplmcert.examzify.com>

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