

# UTAH PERSONAL LENDING AND MORTGAGES (PLM) CERTIFICATION PRACTICE TEST (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 purpose of the Closing Disclosure in mortgage transactions?**
  - A. To provide a detailed account of the transaction and associated costs
  - B. To notify the borrower about the loan originator's fees
  - C. To inform the lender about the borrower's financial status
  - D. To summarize the loan application for review
- 2. What is an appropriate request for an appraiser according to USPAP?**
  - A. A list of sales in a certain area
  - B. The appraiser's opinion of value
  - C. An explanation of comparable properties
  - D. A copy of the property deed
- 3. Under Utah rules, which reason would NOT result in losing a mortgage loan originator's license?**
  - A. Failure to comply with continuing education requirements
  - B. Violating the mortgage loan originator's fiduciary duty to the borrower
  - C. Engaging in dishonest conduct
  - D. Committing financial crimes
- 4. According to the Utah Residential Mortgage Practices and Licensing Act, what is required to demonstrate competence in mortgage transactions?**
  - A. Winning community awards
  - B. The ability to command the confidence of the community
  - C. Having a degree in finance
  - D. Previous experience in banking
- 5. What is the required bond amount for a mortgage loan originator with an annual origination volume less than \$5 million?**
  - A. \$12,500
  - B. \$15,000
  - C. \$10,000
  - D. \$20,000

- 6. What happens if a loan originator is found guilty of a felony involving trust?**
- A. The individual will never be eligible for licensure
  - B. The individual can apply after 5 years
  - C. The individual must pay a fine
  - D. The individual can appeal the decision
- 7. How many members of the Utah Residential Mortgage Regulatory Commission must hold mortgage licenses?**
- A. 2
  - B. 3
  - C. 4
  - D. 5
- 8. What is a primary responsibility of the Utah Residential Mortgage Regulatory Commission?**
- A. To provide mortgage loans
  - B. To oversee the licensing of mortgage professionals
  - C. To manage real estate transactions
  - D. To educate consumers on mortgage options
- 9. What is the maximum fine that can be imposed on a licensee by the Department of Finance?**
- A. \$1,000
  - B. \$2,500
  - C. \$5,000
  - D. \$10,000
- 10. Which entity regulates mortgage loan originators who originate a line of credit secured by a residential Utah property?**
- A. DRE (the Division of Real Estate)
  - B. DFI (the Department of Finance)
  - C. NMLS (Nationwide Multistate Licensing System)
  - D. HUD (Housing and Urban Development)



## **Answers**

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

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## **Explanations**

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## 1. What is the purpose of the Closing Disclosure in mortgage transactions?

**A. To provide a detailed account of the transaction and associated costs**

B. To notify the borrower about the loan originator's fees

C. To inform the lender about the borrower's financial status

D. To summarize the loan application for review

*The purpose of the Closing Disclosure in mortgage transactions is to provide a detailed account of the transaction and associated costs. This document is a critical part of the mortgage process, as it outlines all the financial aspects of the loan, including loan terms, monthly payments, and the total closing costs that the borrower will need to pay at closing. Additionally, it provides an itemized list of all fees and charges associated with the loan, ensuring transparency and allowing the borrower to understand fully what they are responsible for financially. By detailing the terms and costs involved, the Closing Disclosure ensures that borrowers can make informed decisions before finalizing their mortgage. This helps prevent any surprises at the closing table and reinforces the importance of clear communication between lenders and borrowers throughout the lending process.*

## 2. What is an appropriate request for an appraiser according to USPAP?

**A. A list of sales in a certain area**

B. The appraiser's opinion of value

C. An explanation of comparable properties

D. A copy of the property deed

*An appropriate request for an appraiser according to the Uniform Standards of Professional Appraisal Practice (USPAP) relates to the need for relevant data that can assist in arriving at a fair value conclusion. Requesting a list of sales in a certain area aligns with this standard as it provides the appraiser with critical market data necessary for analysis. Access to comparable sales is fundamental for establishing fair market value, as it helps in understanding pricing trends, property characteristics, and the overall real estate market within the specified location. While seeking the appraiser's opinion of value, an explanation of comparable properties, or a copy of the property deed may seem relevant, these requests do not align as closely with the data-driven foundation that USPAP emphasizes. An opinion of value is ultimately derived from an analysis of available data. An explanation of comparable properties may not be a request for data but rather a commentary on findings, and requesting a copy of the property deed does not provide any insight into market trends or comparable sales needed for accurate appraisal. Thus, requesting sales data is the most appropriate and constructive inquiry in the appraisal process.*

**3. Under Utah rules, which reason would NOT result in losing a mortgage loan originator's license?**

- A. Failure to comply with continuing education requirements
- B. Violating the mortgage loan originator's fiduciary duty to the borrower**
- C. Engaging in dishonest conduct
- D. Committing financial crimes

*The reason that would not result in losing a mortgage loan originator's license is the violation of the mortgage loan originator's fiduciary duty to the borrower. While this is a serious ethical and professional concern, violations of fiduciary duty are typically addressed through civil litigation or disciplinary actions rather than the automatic loss of a license. Fiduciary duty involves acting in the best interest of the borrower, and if breached, it may lead to legal disputes or damage to reputation, but it does not trigger an immediate revocation of the mortgage loan originator's license under Utah rules. In contrast, the other options—failure to comply with continuing education requirements, engaging in dishonest conduct, and committing financial crimes—are explicitly linked to issues of licensing and regulatory standards. Non-compliance with continuing education can demonstrate a lack of commitment to staying updated on industry standards, while dishonest conduct or financial crimes directly undermine the trust necessary in the lending relationship, leading to potential loss of licensure to protect consumers and maintain the integrity of the profession.*

**4. According to the Utah Residential Mortgage Practices and Licensing Act, what is required to demonstrate competence in mortgage transactions?**

- A. Winning community awards
- B. The ability to command the confidence of the community**
- C. Having a degree in finance
- D. Previous experience in banking

*Demonstrating competence in mortgage transactions according to the Utah Residential Mortgage Practices and Licensing Act involves the ability to command the confidence of the community. This requirement reflects the importance of trust and credibility in the mortgage industry. When clients engage in mortgage transactions, they seek professionals who are not only knowledgeable but also trustworthy and reliable. Confidence instills a sense of security in clients, ensuring they feel supported throughout the mortgage process. While accolades, degrees, or previous experience can contribute to an individual's qualifications, none of these alone guarantee the level of trust necessary to instill confidence in clients. Competence is heavily tied to interpersonal skills and the ability to effectively communicate and interact with clients, which is why being able to command the confidence of the community is crucial in this field.*

**5. What is the required bond amount for a mortgage loan originator with an annual origination volume less than \$5 million?**

- A. \$12,500**
- B. \$15,000
- C. \$10,000
- D. \$20,000

*The required bond amount for a mortgage loan originator with an annual origination volume of less than \$5 million is set at \$12,500. This requirement is established to ensure that mortgage loan originators maintain a level of financial responsibility and integrity while operating within the mortgage industry. The bond serves as a form of consumer protection, providing a financial guarantee that the originator will comply with relevant laws and regulations governing mortgage practices. It also provides recourse for consumers in cases where the originator fails to meet their obligations. In Utah, these bonding requirements are designed to safeguard both borrowers and the overall stability of the lending market.*

**6. What happens if a loan originator is found guilty of a felony involving trust?**

- A. The individual will never be eligible for licensure**
- B. The individual can apply after 5 years
- C. The individual must pay a fine
- D. The individual can appeal the decision

*When a loan originator is found guilty of a felony involving trust, the consequences are severe and can impact their ability to practice in the financial industry. Specifically, a conviction for a felony that involves trust fundamentally undermines the integrity and trustworthiness that is essential for a loan originator. Individuals holding such a conviction are typically deemed ineligible for licensure indefinitely, meaning they cannot obtain the necessary credentials to operate in this role. This strict ruling is in place to protect consumers and maintain the overall integrity of the lending system. Trust is a critical component of financial transactions, and those with a history of wrongdoing in this area are considered too high-risk to be allowed back into the industry without a defined and significant period of time or specific conditions being met, which is reflected in the chosen answer. Other options present alternative scenarios, such as applying for licensure after a certain period or facing financial penalties or the opportunity to appeal, which do not align with the stringent regulations surrounding felony convictions related to trust. Such leniency would potentially undermine the protective measures in place for consumers in the lending process.*

**7. How many members of the Utah Residential Mortgage Regulatory Commission must hold mortgage licenses?**

- A. 2
- B. 3
- C. 4**
- D. 5

*The correct choice reflects the requirement that a significant portion of the members of the Utah Residential Mortgage Regulatory Commission should have practical experience and expertise in the mortgage industry. Specifically, four out of the five members must hold active mortgage licenses. This ensures that the commission is composed of individuals who are well-versed in the realities of the mortgage market and the regulatory challenges that can arise, allowing them to make informed decisions on matters concerning mortgage regulations, consumer protection, and the overall integrity of the mortgage lending process in Utah. The combination of licensed members with real-world experience helps to uphold industry standards, provide guidance, and address issues related to mortgage lending within the state. Thus, understanding this requirement is crucial for those involved in the regulatory and compliance aspects of mortgage lending in Utah.*

**8. What is a primary responsibility of the Utah Residential Mortgage Regulatory Commission?**

- A. To provide mortgage loans
- B. To oversee the licensing of mortgage professionals**
- C. To manage real estate transactions
- D. To educate consumers on mortgage options

*The primary responsibility of the Utah Residential Mortgage Regulatory Commission is to oversee the licensing of mortgage professionals. This regulatory body plays a crucial role in ensuring that mortgage lenders, loan originators, and other related professionals comply with state laws and regulations. This oversight helps maintain high standards within the mortgage industry, protects consumers, and ensures that only qualified individuals are authorized to conduct mortgage transactions. By managing the licensing process, the Commission helps ensure that professionals have the necessary education, experience, and ethical grounding, which is vital for building public trust in the mortgage system. While the other options might seem relevant to the broader context of real estate and lending, they do not capture the direct regulatory function that the Commission serves. For instance, the provision of mortgage loans is typically handled by the lenders themselves, not by a regulatory body. Similarly, managing real estate transactions falls outside the specific purview of the Commission, focusing instead on the mortgage lending process. Consumer education is important but is generally the responsibility of various organizations rather than a primary function of the Commission.*



**9. What is the maximum fine that can be imposed on a licensee by the Department of Finance?**

- A. \$1,000
- B. \$2,500**
- C. \$5,000
- D. \$10,000

*The maximum fine that can be imposed on a licensee by the Department of Finance is \$2,500. This amount reflects the regulatory framework and compliance measures established to ensure that licensees adhere to the laws governing personal lending and mortgages in Utah. The specific figure of \$2,500 serves as a deterrent against violations while also allowing the Department of Finance to enforce compliance effectively without being excessively punitive. Such fines are an important tool for maintaining standards within the industry, ensuring that licensees operate responsibly and ethically, which ultimately protects consumers and maintains trust in the financial system.*

**10. Which entity regulates mortgage loan originators who originate a line of credit secured by a residential Utah property?**

- A. DRE (the Division of Real Estate)
- B. DFI (the Department of Finance)**
- C. NMLS (Nationwide Multistate Licensing System)
- D. HUD (Housing and Urban Development)

*The Department of Finance (DFI) is responsible for the regulation of mortgage loan originators in Utah, particularly those who originate lines of credit secured by residential properties. This department oversees financial institutions and lends a regulatory framework ensuring that mortgage lenders and originators adhere to state and federal laws. The DFI's role extends to ensuring proper licensing, compliance with consumer protection laws, and monitoring industry practices, which ultimately protects borrowers and maintains the integrity of the lending environment. The other entities, while related to different aspects of real estate and finance, do not have the primary role in licensing and regulating mortgage loan originators in this specific context. The Division of Real Estate, for instance, focuses more on the licensing of real estate agents and brokers. The Nationwide Multistate Licensing System serves as an online platform for licensing mortgage loan originators across various states, which supports but does not independently regulate. The Department of Housing and Urban Development (HUD) primarily deals with broader housing policies and issues related to affordable housing, rather than the direct regulation of loan originators.*

## 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](mailto: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!

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