

WEST VIRGINIA MORTGAGE LAW PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://westvirginiamortgagelaw.examzify.com>



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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 must be included in a mortgage document under West Virginia law?**
 - A. A witness signature and mortgage insurance details
 - B. The legal description of the property and names of parties involved
 - C. A financial history of the borrower
 - D. The appraisal value of the property
- 2. Publicly disseminating a deceptive advertisement under the Residential Mortgage Lender, Broker, and Servicer Act is considered what?**
 - A. Acceptable if disclosed correctly
 - B. An unlawful and unfair trade practice
 - C. A minor offense with a warning
 - D. Permitted as long as it is not misleading
- 3. What are federal housing administration (FHA) loans primarily designed to do?**
 - A. Make homeownership accessible to high-income borrowers
 - B. Provide mortgage insurance for all lenders
 - C. Make homeownership more accessible to low- and moderate-income borrowers
 - D. Eliminate the need for any down payment
- 4. Which of the following federal laws prompted the West Virginia Legislature to make amendments to WV Code?**
 - A. Equal Credit Opportunity Act
 - B. Fair Credit Reporting Act
 - C. Real Estate Settlement Procedures Act
 - D. Truth-in-Lending Act
- 5. Which aspect is NOT included in the criteria for mortgage eligibility?**
 - A. Credit score
 - B. Home location
 - C. Debt-to-income ratio
 - D. Employment history

- 6. All of the following individuals would need to undergo a criminal background check for the purpose of license application except:**
- A. A mortgage broker's qualifying person
 - B. A mortgage loan originator
 - C. A mortgage broker's control person
 - D. The executive officer of a mortgage broker business
- 7. Which federal law outlines requirements that John must follow when notifying the Barkers of action taken on their mortgage loan application?**
- A. Equal Credit Opportunity Act
 - B. Fair Credit Reporting Act
 - C. Gramm-Leach-Bliley Act
 - D. Truth in Lending Act
- 8. Which of the following is a key aspect of federal housing administration (FHA) loans?**
- A. They require perfect credit for approval
 - B. They are only available to first-time homebuyers
 - C. They are insured by the FHA
 - D. They cannot be used for refinancing
- 9. It is unlawful for a mortgage loan originator to do any of the following, EXCEPT:**
- A. Advertise a loan product to a borrower that does not actually exist
 - B. Directly pay compensation to an unlicensed individual
 - C. Require a borrower to take a loan with poorer terms
 - D. Inform a borrower about potential rates available
- 10. Which of the following cannot be used as a basis to determine that a mortgage loan originator applicant is not financially responsible?**
- A. Unpaid government fines
 - B. Unpaid tax liens
 - C. A legal judgment related to an illness that took place over a year ago
 - D. Foreclosure within the past year

Answers

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

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Explanations

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1. What must be included in a mortgage document under West Virginia law?

- A. A witness signature and mortgage insurance details
- B. The legal description of the property and names of parties involved**
- C. A financial history of the borrower
- D. The appraisal value of the property

A mortgage document in West Virginia must include the legal description of the property and the names of the parties involved. The legal description is crucial as it precisely identifies the property that is being mortgaged, ensuring that there is no ambiguity about the real estate being secured by the loan. This description typically includes boundaries, lot numbers, and other property identifiers as recognized in legal terms. Additionally, including the names of both the borrower and the lender in the mortgage document is essential for establishing the contractual relationship between the parties. This identification ensures that the obligations and rights under the mortgage are clearly assigned. The other options, while they may contain relevant information for various circumstances, are not mandatory inclusions in a mortgage document under West Virginia law.

2. Publicly disseminating a deceptive advertisement under the Residential Mortgage Lender, Broker, and Servicer Act is considered what?

- A. Acceptable if disclosed correctly**
- B. An unlawful and unfair trade practice
- C. A minor offense with a warning
- D. Permitted as long as it is not misleading

In order to understand why option A is the correct answer, it is important to first understand what the Residential Mortgage Lender, Broker, and Servicer Act (RMLBSA) is. This act is designed to protect consumers from deceptive practices within the residential mortgage lending industry. This includes regulating the advertising of mortgage services to ensure that consumers are given accurate and truthful information. Option B is incorrect because disseminating a deceptive advertisement under the RMLBSA is not only considered an unlawful practice, but it is also deemed unfair to consumers. This is because it can mislead them into making financial decisions that are not in their best interest. Option C is incorrect because public dissemination of deceptive advertisements is not a minor offense. In fact, it is taken very seriously under the RMLBSA and can result in significant penalties. Option D is incorrect because the key factor in determining whether an advertisement is deceptive is whether or not it is misleading. Even if an advertisement is not technically false, if it has the potential to mislead consumers, it is considered deceptive and therefore, not permitted under the RMLBSA. In summary, option A is the correct answer because publicly disseminating a deceptive advertisement is only acceptable if it is disclosed correctly under the

3. What are federal housing administration (FHA) loans primarily designed to do?

- A. Make homeownership accessible to high-income borrowers
- B. Provide mortgage insurance for all lenders
- C. Make homeownership more accessible to low- and moderate-income borrowers**
- D. Eliminate the need for any down payment

Federal Housing Administration (FHA) loans are primarily designed to make homeownership more accessible to low- and moderate-income borrowers. This objective is rooted in the FHA's mission to promote homeownership as a means of building wealth and providing stable housing for families. By insuring loans made by approved lenders, the FHA reduces the risk associated with lending, which encourages lenders to offer loans to borrowers who may not have the substantial credit history or financial means typically required for conventional loans. Moreover, FHA loans allow for lower down payment requirements, which further facilitates access for those who might struggle to save the necessary funds for a traditional down payment. This emphasis on inclusivity is key to the FHA's role in the housing market, aiming to ensure that more individuals and families have the opportunity to purchase a home despite potential financial constraints.

4. Which of the following federal laws prompted the West Virginia Legislature to make amendments to WV Code?

- A. Equal Credit Opportunity Act**
- B. Fair Credit Reporting Act
- C. Real Estate Settlement Procedures Act
- D. Truth-in-Lending Act

The Equal Credit Opportunity Act (ECOA) prohibits credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, or receipt of public assistance. This federal law would have prompted the West Virginia Legislature to make amendments to the WV Code to ensure that the state's laws align with the protections offered by the ECOA and ensure fair treatment for all individuals seeking credit. The other options, while also important federal laws related to credit, were not the driving force behind the amendments made by the West Virginia Legislature.

5. Which aspect is NOT included in the criteria for mortgage eligibility?

- A. Credit score
- B. Home location**
- C. Debt-to-income ratio
- D. Employment history

The correct answer is that home location is not included in the criteria for mortgage eligibility. When lenders consider a borrower's eligibility for a mortgage, they typically focus on personal financial metrics. Key factors include the credit score, which reflects the borrower's creditworthiness; the debt-to-income ratio, which assesses the borrower's ability to manage monthly payments relative to their income; and employment history, which provides insight into job stability and income reliability. While the location of the property can influence certain aspects of the mortgage process, such as appraisal values and insurance costs, it does not directly determine an applicant's eligibility for a loan. Instead, lenders focus more on the financial health and risk profile of the borrower. Factors related to the property may affect terms or approval but are separate from the eligibility criteria based directly on borrower qualifications.

6. All of the following individuals would need to undergo a criminal background check for the purpose of license application except:

- A. A mortgage broker's qualifying person
- B. A mortgage loan originator**
- C. A mortgage broker's control person
- D. The executive officer of a mortgage broker business

The correct answer is that a mortgage loan originator does not need to undergo a criminal background check for the purpose of license application, under specific circumstances. In many states, while mortgage loan originators are typically required to have background checks, there may be exceptions based on the individual's existing qualifications, such as being licensed or having completed specific training or certifications. In contrast, individuals such as the qualifying person, control person, and executive officer of a mortgage broker business are often required to have a background check as part of the licensing process because their roles are crucial in ensuring compliance with regulatory standards and business integrity. Their positions generally involve higher levels of responsibility and oversight, which is why a thorough background check is mandated for them. Understanding these distinctions helps clarify the licensing requirements in the mortgage industry.

7. Which federal law outlines requirements that John must follow when notifying the Bakers of action taken on their mortgage loan application?

- A. Equal Credit Opportunity Act**
- B. Fair Credit Reporting Act
- C. Gramm-Leach-Bliley Act
- D. Truth in Lending Act

The correct answer is the Equal Credit Opportunity Act. This federal law prohibits discrimination in any aspect of a credit transaction. When John notifies the Bakers of action taken on their mortgage loan application, he must comply with the requirements laid out in this act, which includes providing timely notifications regarding the status of their application and ensuring that the decision is made without discrimination based on race, color, religion, national origin, sex, marital status, age, or any other protected status. In contrast, the other options serve different purposes. The Fair Credit Reporting Act mainly regulates the use of consumer credit information and ensures that individuals have access to their credit reports, while the Gramm-Leach-Bliley Act focuses on the protection of consumers' personal financial information in the financial services sector. The Truth in Lending Act primarily aims to promote informed use of consumer credit by requiring disclosures about its terms and costs, but it does not specifically address discrimination or the notification processes related to mortgage applications in the same way the Equal Credit Opportunity Act does.

8. Which of the following is a key aspect of federal housing administration (FHA) loans?

- A. They require perfect credit for approval
- B. They are only available to first-time homebuyers
- C. They are insured by the FHA**
- D. They cannot be used for refinancing

FHA loans are specifically designed to promote homeownership, particularly for those who may struggle to qualify for conventional loans. One of the key aspects of these loans is that they are insured by the Federal Housing Administration (FHA). This insurance protects lenders against losses in the event that a borrower defaults on their loan. As a result, it allows lenders to offer loans to individuals with lower credit scores or smaller down payments, as the risk to the lender is mitigated by the insurance provided by the FHA. The unique insurance feature of FHA loans makes them accessible to a wider pool of borrowers, contributing to an increased rate of homeownership across various demographics. This is contrasted with other types of loans that may not have similar insurance backing and may therefore set stricter lending standards. Incentives like these, provided by the government through the FHA, ultimately empower prospective homebuyers who might otherwise be excluded from the housing market due to credit limitations or lack of substantial savings for down payments.

9. It is unlawful for a mortgage loan originator to do any of the following, EXCEPT:

- A. Advertise a loan product to a borrower that does not actually exist**
- B. Directly pay compensation to an unlicensed individual
- C. Require a borrower to take a loan with poorer terms
- D. Inform a borrower about potential rates available

The rationale behind the correct answer lies in the legality and ethical obligations imposed on mortgage loan originators. Informing a borrower about potential rates available is a necessary aspect of the mortgage process. It allows borrowers to make informed decisions regarding their financing options. Transparency about different rates ensures that borrowers have access to the information they need to select a loan product that best suits their financial needs. The other choices illustrate unlawful practices. Advertising a non-existent loan product misleads consumers, undermining the trust essential in lender-borrower relationships. Similarly, paying compensation to an unlicensed individual violates regulations intended to protect the integrity of the mortgage industry by ensuring only qualified individuals are compensated for loan origination activities. Requiring a borrower to take a loan with poorer terms would be an unethical practice, denying them the opportunity to secure favorable financing and potentially leading to financial harm. Thus, the answer highlights a legal action that mortgage loan originators can take, emphasizing the importance of providing accurate information to borrowers about available loan options.

10. Which of the following cannot be used as a basis to determine that a mortgage loan originator applicant is not financially responsible?

A. Unpaid government fines

B. Unpaid tax liens

C. A legal judgment related to an illness that took place over a year ago

D. Foreclosure within the past year

The correct choice is based on the understanding of what constitutes financial responsibility in the context of mortgage loan originators. Financial responsibility typically relates to an individual's overall financial behavior and obligations, including their ability to meet financial commitments. Unpaid government fines do not directly pertain to financial responsibility in the context of managing debts or large financial obligations typical in the banking and mortgage industry. While these fines indicate a lack of compliance with governmental regulations, they do not reflect a person's capability to repay loans, handle mortgages, or manage larger financial responsibilities that mortgage loan originators usually deal with. Thus, unpaid government fines cannot serve as a definitive basis for determining financial responsibility under applicable regulations. In contrast, unpaid tax liens, legal judgments connected to financial issues, and recent foreclosures are all significant indicators of a person's financial behavior and could directly reflect their ability to manage mortgages and financial obligations responsibly. These factors suggest past inability to meet financial commitments, hence can be used to assess the financial responsibility of mortgage loan originator applicants.

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:

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

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