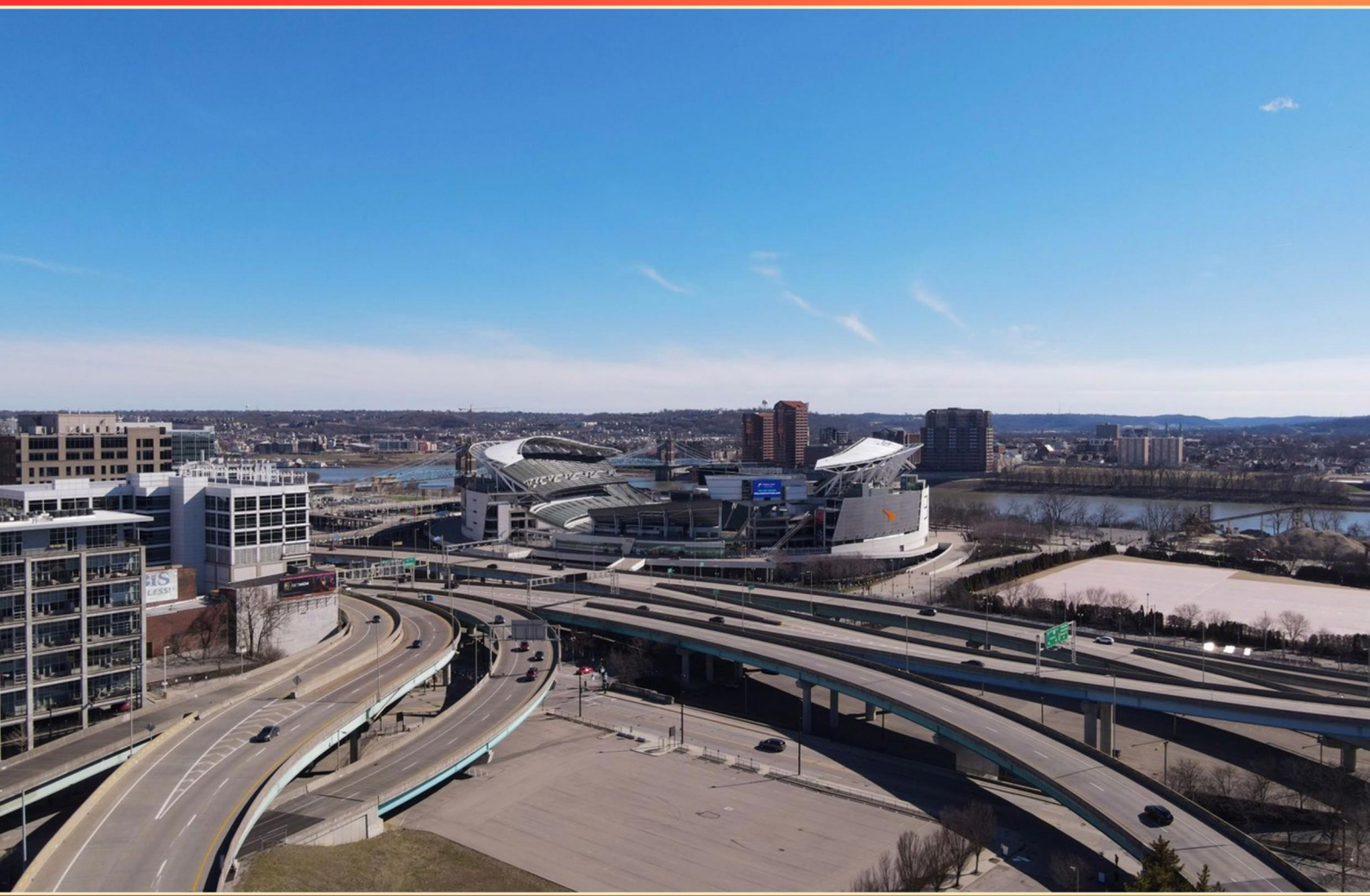
OHIO MORTGAGE LOAN ORIGINATOR (MLO) PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

VISIT US ONLINE FOR THE FULL VERSION STUDY GUIDE

https://ohiomlo.examzify.com

Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright 1

Table of Contents 2

Introduction 3

How to Use This Guide 4

Questions 5

Answers 8

Explanations 10

Next Steps 16

SAMPLE

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.

SAMPLE

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!

SAMPLE

Questions

SAMPLE

1. **What type of mortgage is secured by personal property rather than real estate?**

   A. Conventional mortgage

   B. Chattel mortgage

   C. Subprime mortgage

   D. Fixed-rate mortgage

2. **Which of the following is considered a trigger term in a closed-end mortgage loan advertisement?**

   A. Interest rate

   B. Down payment amount

   C. Loan term

   D. Monthly payment

3. **What is the impact of a higher credit score on mortgage interest rates?**

   A. It typically results in higher interest rates

   B. It does not influence the rates

   C. It typically results in lower interest rates

   D. It has a variable impact

4. **How many calendar days after closing must a creditor provide an initial escrow account disclosure statement?**

   A. 30

   B. 45

   C. 60

   D. 90

5. **What does the term "escrow" mean in the context of mortgage loans?**

   A. A fee charged for loan processing

   B. A financial arrangement where a third party holds funds or documents

   C. A type of insurance for mortgage loans

   D. A governmental assessment of property value

SAMPLE

6. What are points in mortgage lending?

A. Fees paid to the lender for processing the loan

B. Additional charges for late payments

C. Fees paid at closing for a lower interest rate

D. Down payment requirements for the loan

7. What is the minimum down payment typically required for a conventional loan?

A. 1% to 3%

B. 0% to 1%

C. 5% to 20%, depending on the lender

D. 25% or more

8. What is the purpose of mortgage insurance?

A. To cover the costs of property maintenance

B. To protect the lender in case the borrower defaults on the loan

C. To provide a guarantee of a home's resale value

D. To reduce the mortgage interest rate

9. What is the purpose of a “loan modification"?

A. To refinance an existing loan at a lower interest rate

B. To change the terms of an existing loan to make it more affordable for the borrower

C. To pay off the loan early

D. To convert an adjustable-rate mortgage to a fixed rate

10. Which of the following is a key GSE involved in mortgage lending?

A. Fannie Mae or Freddie Mac

B. Bank of America or Chase

C. U.S. Treasury

D. FHA or VA

SAMPLE

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What type of mortgage is secured by personal property rather than real estate?

A. Conventional mortgage

B. Chattel mortgage

C. Subprime mortgage

D. Fixed-rate mortgage

A chattel mortgage is a type of loan that is secured by personal property rather than real estate. In this arrangement, the borrower receives financing to purchase movable items, such as cars, machinery, or furniture, which serve as collateral for the loan. This is different from a traditional mortgage, which is secured by real property like a house or land. Given that a chattel mortgage specifically focuses on personal property, it addresses scenarios where the loan is tied to physical assets that are not fixed to land. This makes it particularly useful in various industries, such as agriculture or automotive, where equipment and vehicles are essential for operations. Conventional mortgages typically involve real estate and are not suitable for securing personal property. Similarly, subprime mortgages pertain to loans granted to borrowers with lower credit ratings and are also centered around real estate. Fixed-rate mortgages refer to loans with a consistent interest rate over the life of the loan, primarily applicable to real property. Thus, the key factor in understanding why the correct answer is chattel mortgage lies in recognizing its specific association with personal property, distinguishing it from other mortgage types that primarily focus on real estate.

2. Which of the following is considered a trigger term in a closed-end mortgage loan advertisement?

A. Interest rate

B. Down payment amount

C. Loan term

D. Monthly payment

In the context of mortgage advertising, trigger terms refer to specific details that can prompt the need for additional disclosures under the Truth in Lending Act (TILA). When advertisers use certain key phrases or terms, they must provide more comprehensive information about the loan's terms to ensure consumers can make informed decisions. The down payment amount qualifies as a trigger term because it directly affects the actual costs that a borrower will face when obtaining the loan. Stating a specific down payment in advertising can lead the consumer to assume the loan's costs based on that amount, thereby necessitating the disclosure of additional terms, such as the annual percentage rate (APR), total amount financed, and payment terms. This inclusion of details is crucial for transparency in lending practices. In contrast, while interest rate, loan term, and monthly payment can also greatly inform a consumer about the mortgage, they do not automatically require the same level of detailed disclosures when mentioned. Therefore, the down payment amount stands out as a clear trigger term that necessitates further elaboration in advertisements to protect consumer understanding and compliance with regulatory standards.

SAMPLE

3. What is the impact of a higher credit score on mortgage interest rates?

A. It typically results in higher interest rates

B. It does not influence the rates

C. It typically results in lower interest rates

D. It has a variable impact

A higher credit score typically results in lower interest rates for mortgages. Lenders view a higher credit score as an indication of a borrower's reliability and ability to repay debt. This perception of lower risk allows lenders to offer more favorable terms, such as lower interest rates, to borrowers with strong credit histories. When a borrower has a high credit score, they may qualify for better loan products, reduced fees, and more favorable repayment options, ultimately leading to significant savings over the life of the loan. In contrast, borrowers with lower credit scores may face higher interest rates due to the increased risk perceived by lenders, as they are considered less likely to meet repayment obligations. This relationship between credit scores and mortgage interest rates emphasizes the importance of maintaining a good credit profile for those seeking favorable mortgage terms.

4. How many calendar days after closing must a creditor provide an initial escrow account disclosure statement?

A. 30

B. 45

C. 60

D. 90

The correct amount of time required for a creditor to provide an initial escrow account disclosure statement after closing is 45 calendar days. This requirement is established under the Real Estate Settlement Procedures Act (RESPA), which mandates that creditors must inform borrowers about how their escrow accounts will operate, including the amount of money collected for property taxes and insurance, as well as any projected disbursements. This disclosure is important for promoting transparency and helping borrowers understand their financial obligations related to the escrow account. The 45-day timeline ensures that borrowers receive this crucial information in a timely manner, allowing them to be aware of how their funds will be utilized and to anticipate future payments. Understanding this timing is essential both for compliance with the regulations and for maintaining good borrower relationships.

SAMPLE

5. What does the term "escrow" mean in the context of mortgage loans?

A. A fee charged for loan processing

B. A financial arrangement where a third party holds funds or documents

C. A type of insurance for mortgage loans

D. A governmental assessment of property value

In the context of mortgage loans, the term "escrow" refers to a financial arrangement in which a neutral third party holds funds or documents on behalf of two other parties involved in a transaction. This system is commonly used in real estate transactions to ensure that the buyer and seller meet their contractual obligations before the funds and the property exchange hands. For example, in a home purchase, the buyer might deposit the earnest money into an escrow account managed by a title company or an escrow agent. The purpose of escrow is to provide security for both parties; it assures the seller that the buyer has the necessary funds for the transaction, while simultaneously protecting the buyer by ensuring that the seller fulfills all agreed-upon terms, such as making necessary repairs or providing clear property titles. Once all the conditions are met, the escrow agent will release the funds to the seller and the documents—like the deed—to the buyer, completing the transaction. Other options, while related to the financial and real estate processes, do not accurately capture the meaning of "escrow." Loan processing fees represent upfront costs for processing a mortgage; mortgage insurance protects lenders against borrower defaults; and governmental assessments relate to property valuation for taxation purposes. These definitions point to important concepts in real estate transactions but

6. What are points in mortgage lending?

A. Fees paid to the lender for processing the loan

B. Additional charges for late payments

C. Fees paid at closing for a lower interest rate

D. Down payment requirements for the loan

Points in mortgage lending refer to fees that borrowers can pay upfront at closing to reduce their mortgage interest rate. This practice is known as "buying down the rate" and can lead to substantial savings over the life of the loan if the borrower plans to keep the mortgage for an extended period. When a borrower pays points, each point typically equals one percent of the total loan amount. For example, if the loan amount is $200,000, one point would cost $2,000. This upfront cost can make monthly payments more manageable since a lower interest rate means less interest accrued over time. The other choices provided don't accurately describe what points are in the context of mortgage lending. The fees paid to the lender for processing the loan relate more to origination fees and service costs, while additional charges for late payments are penalties for not adhering to the payment schedule. Lastly, down payment requirements pertain to the initial amount a borrower needs to afford the house and are independent of points. Therefore, the definition associated with option C correctly captures the role of points in loan transactions.

SAMPLE

7. What is the minimum down payment typically required for a conventional loan?

A. 1% to 3%

B. 0% to 1%

C. 5% to 20%, depending on the lender

D. 25% or more

The minimum down payment for a conventional loan often starts at 5%, but it can vary based on the lender and the specific loan program. Many lenders offer options that require a higher down payment of up to 20% to better qualify for favorable terms like avoiding private mortgage insurance (PMI) and achieving a lower interest rate. In some cases, there are programs that allow for lower down payments, but these typically come with stricter credit requirements and are less common. This variability allows for a broader range of options tailored to different borrower circumstances, which is why the 5% to 20% range is cited as the minimum down payment. This flexibility addresses various risk assessments by lenders and individual borrower qualifications, making it a key aspect of conventional financing. The other options suggest significantly lower or higher down payments that do not accurately reflect typical conventional loan requirements, making them less relevant to the question's focus on conventional loans.

8. What is the purpose of mortgage insurance?

A. To cover the costs of property maintenance

B. To protect the lender in case the borrower defaults on the loan

C. To provide a guarantee of a home's resale value

D. To reduce the mortgage interest rate

Mortgage insurance primarily serves to protect the lender in the event that the borrower defaults on their loan. This type of insurance is especially relevant for loans that require a lower down payment, as it mitigates the risk that lenders take when they grant loans to borrowers with less equity in the property. If a borrower defaults, mortgage insurance allows the lender to recover some of their losses, ensuring they are compensated even if the borrower fails to repay the loan. This added security encourages lenders to extend credit, thus facilitating homeownership for individuals who may not have substantial funds for a down payment. The other options do not accurately reflect the purpose of mortgage insurance. The first choice about covering property maintenance costs is unrelated to the lender's risk and financial recovery. The guarantee of a home's resale value does not fall under the scope of mortgage insurance, which is specifically designed for lender protection rather than market value assurance. Lastly, reducing the mortgage interest rate does not align with the function of mortgage insurance—interest rates are typically determined by market conditions and individual borrower qualifications, not by the presence of insurance.

SAMPLE

9. What is the purpose of a “loan modification"?

A. To refinance an existing loan at a lower interest rate

B. To change the terms of an existing loan to make it more affordable for the borrower

C. To pay off the loan early

D. To convert an adjustable-rate mortgage to a fixed rate

A loan modification serves the primary purpose of changing the terms of an existing loan to make it more affordable for the borrower. This can involve adjusting the interest rate, extending the loan term, or altering other aspects of the loan agreement to reduce the monthly payment or make the loan more manageable in light of the borrower's current financial situation. This process is particularly beneficial for borrowers facing financial difficulties, as it aims to avoid foreclosure by allowing them to keep their home while meeting their payment obligations. By providing relief through a modification, lenders also reduce the risks and costs associated with foreclosure, making it a mutually advantageous solution. In contrast, refinancing an existing loan focuses on replacing it with a new loan, usually under different terms, which may not necessarily cater to improving affordability. Paying off a loan early involves settling the loan before its maturity, which is not the objective of a modification. Finally, converting an adjustable-rate mortgage to a fixed rate is a specific type of change but does not encompass the broader context of affordability that a loan modification addresses.

10. Which of the following is a key GSE involved in mortgage lending?

A. Fannie Mae or Freddie Mac

B. Bank of America or Chase

C. U.S. Treasury

D. FHA or VA

The correct answer identifies Fannie Mae and Freddie Mac as key Government-Sponsored Enterprises (GSEs) involved in mortgage lending. These entities play a critical role in the secondary mortgage market by purchasing loans from lenders, thereby providing liquidity and stability to the housing finance system. By buying these loans, Fannie Mae and Freddie Mac allow lenders to free up capital, which they can then use to make new loans to borrowers. This function is essential for maintaining a consistent flow of funds for home mortgages and ultimately helps to make housing more affordable. In contrast, while Bank of America and Chase are significant players in the mortgage lending industry, they are private financial institutions rather than GSEs. The U.S. Treasury, while it oversees the financial system and may have roles that impact mortgage lending, is not a mortgage lender and does not directly participate like Fannie Mae or Freddie Mac. Lastly, the FHA (Federal Housing Administration) and VA (Department of Veterans Affairs) provide insurance and guarantees for loans, which support certain loans but do not operate as secondary market entities like Fannie Mae and Freddie Mac. Thus, the focus on GSEs in this context makes Fannie Mae and Freddie Mac the correct and relevant choice.

SAMPLE

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://ohiomlo.examzify.com

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

SAMPLE