

Certified Mortgage Banker Practice Test Questions and Answers

1. What is the primary function of the secondary mortgage market?

- A) To provide loans directly to homebuyers
- B) To purchase existing mortgages from lenders and provide liquidity
- C) To set interest rates for all mortgage lenders
- D) To regulate mortgage banking activities

2. Which federal law requires lenders to provide borrowers with a Good Faith Estimate?

- A) Truth in Lending Act (TILA)
- B) Real Estate Settlement Procedures Act (RESPA)
- C) Fair Housing Act (FHA)
- D) Equal Credit Opportunity Act (ECOA)

3. What is the maximum debt-to-income ratio typically acceptable for conventional mortgage loans?

- A) 28%
- B) 36%
- C) 43%
- D) 50%

4. Which government-sponsored enterprise (GSE) is NOT involved in the secondary mortgage market?

- A) Fannie Mae
- B) Freddie Mac
- C) Ginnie Mae
- D) Federal Deposit Insurance Corporation (FDIC)

Answers: 1-B 2-B 3-C 4-D

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