

## **FEDERAL RESERVE BANK OF MINNEAPOLIS COMMUNITY AFFAIRS REPORT**

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*Report No. 2007-2*

**A Compilation of State Mortgage Broker Laws and Regulations, 1996–2006**

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*Research Assistant • Community Affairs*

October 2007



A report series from the Community Affairs Department of the Federal Reserve Bank of Minneapolis.

*The views expressed here are those of the author and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.*

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Report No. 2007-2: A Compilation of State Mortgage Broker Laws and Regulations, 1996–2006

Published October 2007

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## **Introduction**

This document catalogs and summarizes the basic provisions of licensing and registration policies that govern firms and individuals engaged in mortgage brokering activities in the 50 states and the District of Columbia. The intent is to facilitate further research on mortgage broker regulation that can assist state governments in developing legislative priorities that will result in optimal regulatory outcomes.

The catalog provides an annual status update of each state's policy provisions during the period 1996–2006. Based on the status of selected provisions, a numerical code is assigned that represents the relative restrictiveness of each state's policy during each year in the period.<sup>1</sup> A summary of the basic provisions and numerical code data is also presented below.

Nearly all of the data summarized in this document is also available in tabular or spreadsheet format at [www.minneapolisfed.org/community/pubs/reports.cfm](http://www.minneapolisfed.org/community/pubs/reports.cfm).

## **An Overview of Occupational Licensing**

In the United States today, occupational licensing systems, like those for mortgage brokers, exist for hundreds of occupations. Although many factors have driven the growth of occupational licensing, two factors have been influential in the policy arena. The first is growing consumer demand for protection from deceitful and incompetent professionals. The second is growing support for occupational regulation by professional associations, because regulation can protect a profession's reputation by increasing both the quality of providers and quality of output. Also, because regulation can raise wages for those licensed by reducing competition. In response to these demands, lawmakers are increasingly relying on occupational licensing systems as a solution.

A typical licensing policy has provisions that seek to safeguard the public from devastating losses. Such provisions include requirements that guarantee licensees have the appropriate education or experience necessary to act competently and professionally; requirements that ensure licensees have the appropriate financial condition and credibility to operate lawfully and to compensate claimants when found guilty of wrongdoing; requirements that provide rules of business conduct for licensees; and rules that define the license or registration suspension and revocation process.

Because typical licensing policies deny nonlicensees the right to engage in certain activities, licensees also derive benefit from occupational licensing policies. Licensing limits a consumer's choice of providers for a particular service to only those licensed to provide that service. Furthermore, pre-licensing requirements restrict the supply of professionals to a particular pool of individuals that qualify for licensure. Basic labor economics and mounting academic evidence suggest that limiting the supply of licensed professionals increases the wages of those who are licensed. Moreover, academic evidence also suggests that the quality of services in a licensed occupation can decrease, rather than increase as intended, over the long run.

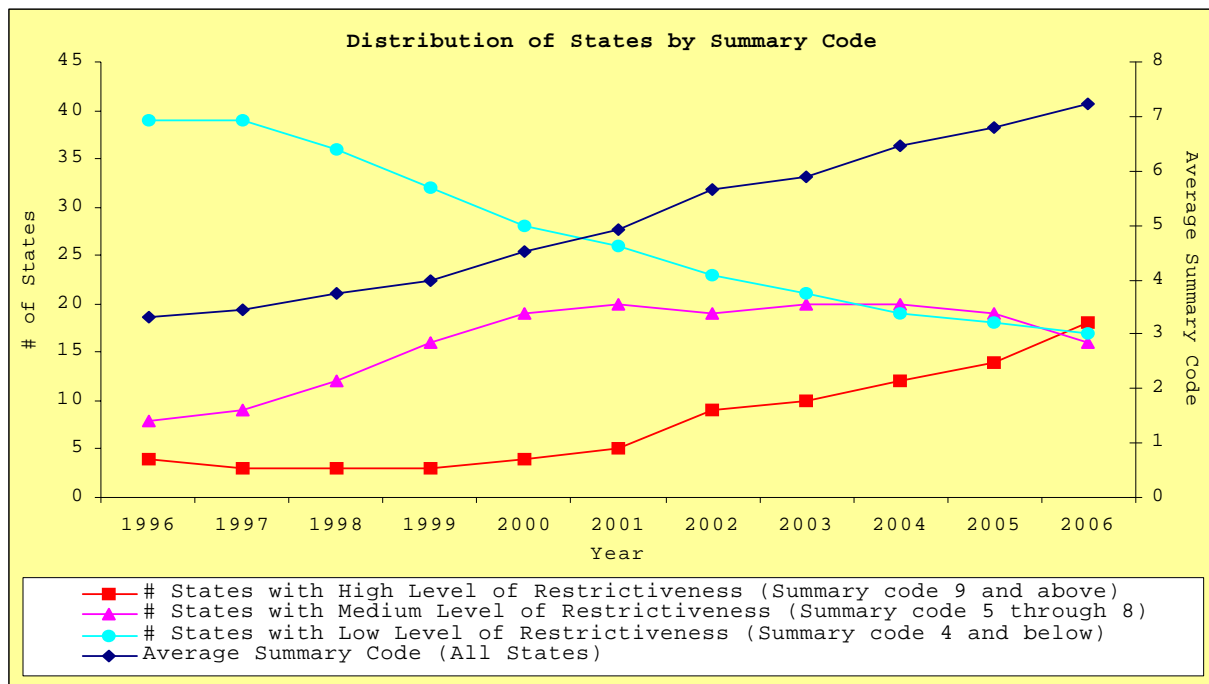
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<sup>1</sup> For more information on the variables used to determine the state's summary code, see [www.minneapolisfed.org/community/pubs/mortgagebrokerregs/definitions.pdf](http://www.minneapolisfed.org/community/pubs/mortgagebrokerregs/definitions.pdf).

## Trends in the Data

The focus of this summary is on the requirements states have imposed on mortgage broker professionals seeking a license or registration over the past decade. The state-by-state overview of the various provisions enacted provides a broad perspective of each state's growth in regulatory restrictiveness and overall trends in mortgage broker regulation.

Over the past decade, the overarching trend in mortgage broker regulation has been the movement towards stricter licensing and registration requirements. A comparison of the relative restrictiveness of each state's regulatory policy in 1996 indicates that only three states had a "high" level of restrictiveness. Thirty-nine states (including eight states with no regulation) had "low" levels of restrictiveness.<sup>2</sup> In 2006, Alaska was the only state that had no regulation of mortgage brokers. The number of states that had high levels of restrictiveness had increased to 18 and those with low levels decreased by more than half. While many state legislatures have continuously added and expanded mortgage broker licensing and registration statutes, 12 states remain at the same level of restrictiveness as measured in 1996. Only two of these states (California and New Jersey) already had relatively strict licensing statutes in effect.



**Figure 1:** Restrictiveness of Licensing Policies based on Summary Codes.

Although many stark differences exist across state licensing policies, three principal modes of mortgage broker regulation can be extrapolated from the data. While states are converging on an

<sup>2</sup> The criteria used to categorize licensing policies are somewhat arbitrary. For this comparison, 1996 summary codes ranged from 0 to 13 and these values were divided into three categories. Each state was placed in a category based on its summary code (9 and above [High Level of Restrictiveness], 5 through 8 [Medium Level of Restrictiveness], and 0 through 4 [Low Level of Restrictiveness]). For more details, see [www.minneapolisfed.org/community/pubs/reports.cfm](http://www.minneapolisfed.org/community/pubs/reports.cfm).

overall higher level of restrictiveness, many states still have relatively unrestrictive policies. These policies typically focus on restrictions for the firm, or “firm-only” policies. The common firm-only policy requires the individual, sole proprietor, or control person of an entity applying for the license to fulfill an experience or education requirement. It also requires the firm to post a bond or maintain a minimum net worth as a requirement of licensure. Stricter firm-only policies tend to also require the licensee or registrant to maintain an office within the licensing authority’s jurisdiction. Alabama goes a step beyond the common firm-only policy and requires that all of the applicant’s principals and officers who will engage in mortgage brokering activities obtain 12 hours of pre-licensing education. The licensing policy in the South Dakota, on the other hand, has no statutory requirements for pre-licensing education or experience and no in-state office requirement.

A second mode of regulation is the “firm-employee” regulatory policy. The variance within this mode of regulation is the greatest of the three modes discussed here. The common firm-employee policy has the same restrictions on the firm as the firm-only policy; that is, typically one person within the firm must fulfill the pre-licensing or education requirement, the applicant must post a bond or maintain a minimum net worth, and the applicant must maintain an office within the licensing state. In addition, firm-employee policies place restrictions on individuals employed by mortgage brokers that conduct brokering activities on behalf of the licensee or registrant. Of the 29 states that currently place restrictions on employees, seven require that the employee register or procure a license only, an additional seven require that the employee register or procure a license and complete continuing education courses during the licensing period, and the remaining require some combination of pre-licensing experience, education, or examination. While most states with an experience or education requirement permit an applicant to substitute one for the other, Montana is the only state that requires employees who apply for a license to demonstrate prior experience.

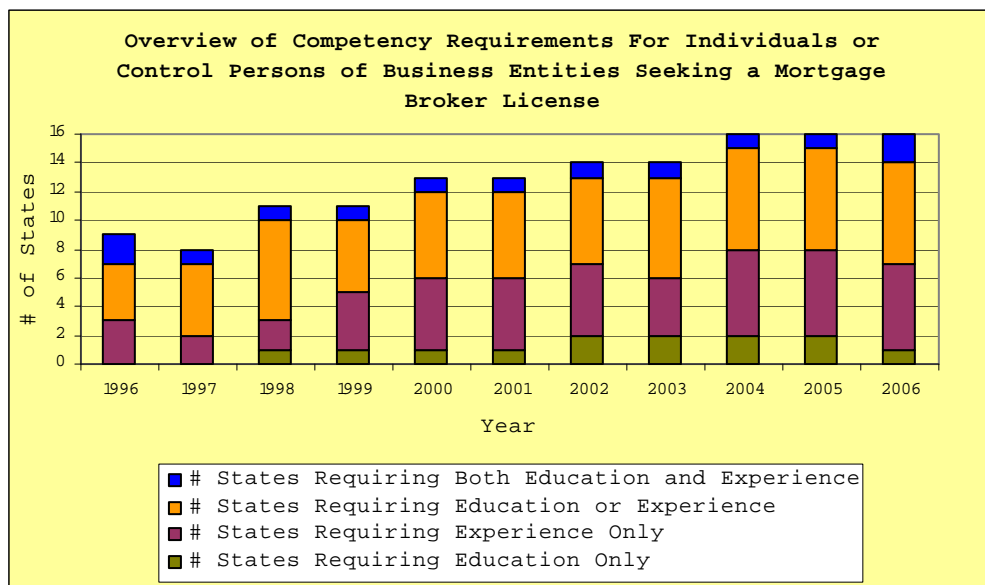
The last mode of regulation, the “firm-principal-employee” policy, appears to be gaining popularity with state lawmakers. The firm-principal-employee policy is one that requires the firm to obtain a mortgage broker license or registration, all control persons within the firm to register or procure a license if conducting brokering activities, and all employees conducting brokering activities on behalf of the firm to also be licensed or registered. The difference between this mode and the firm-employee policy is the treatment of control persons within the firm and, in some cases, the conditions under which a firm can obtain a license. In states such as Kentucky, North Carolina, Iowa, and Indiana, sole proprietors and individuals seeking a firm license must also register or procure a license as an employee if conducting brokering activities. Moreover, control persons of entities other than sole proprietorships must also procure a license or registration if conducting originating activities.

Some states go a step beyond and require that one individual in the firm holds the same type of license the firm is seeking, e.g., a corporation seeking a license as a mortgage broker must employ an individually licensed mortgage broker. Florida requires any firm seeking a license as a mortgage broker business to employ an individually licensed “Qualified Principal Broker” who has been licensed as a “Mortgage Broker Individual” for at least one year. (Florida requires that *all* individuals conducting mortgage brokering activities on behalf of a licensee be licensed as mortgage broker individuals. To obtain a mortgage broker individual license, the applicant must



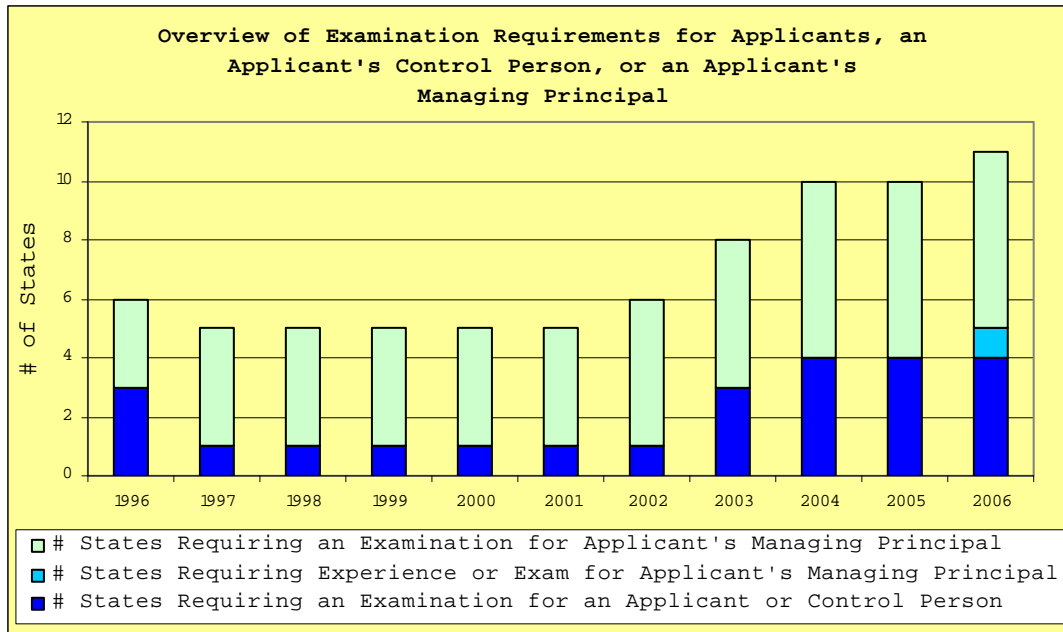
complete 24 hours of pre-licensing education and pass an examination.) Texas law is yet another alternative of the firm-principal-employee policy. Texas has no firm licensing, but requires any individually licensed mortgage broker conducting activities under a corporation or other business entity to report the corporation or entity to the state. In addition, all individuals conducting brokering activities in Texas must either be licensed as mortgage brokers or as loan originators (employees).

The common modes of mortgage broker licensing policies contain typical competency requirements can be easily compared to other professional occupational licensing policies. When comparing the two, mortgage broker licensing tends to be less restrictive overall. The number of states mandating pre-licensing education, experience, or some combination of both for the applicant or the applicant's control persons has doubled over the last decade, but is still less than half of all the states.<sup>3</sup> Just two states require pre-licensing education only; seven states require either pre-licensing education or experience; and seven states require experience only. Moreover, examination requirements for applicants or an applicant's control persons are quite rare. Currently, only four states require successful completion of an examination by an applicant or an applicant's control person.



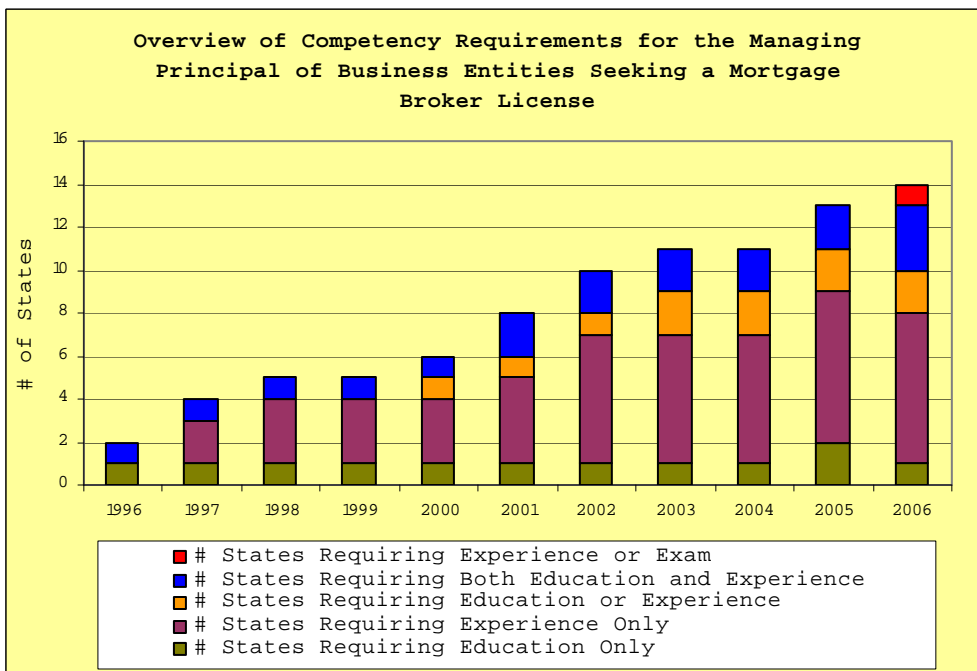
**Figure 2:** Experience and Education Requirements for Applicants Seeking Licensure as a Mortgage Broker Entity

<sup>3</sup> Control persons are typically defined as the owner thereof if the license applicant is a sole proprietor, the members thereof if the license applicant is a partnership or association, the officers and directors thereof if the license applicant is a corporation, and the managers and members that retain any authority or responsibility under the operating agreement if the license applicant is a limited liability company.



**Figure 3:** Examination Requirements for Individual Applicants, an Applicant's Control Person, or an Applicant's Managing Principal

One of the more interesting trends is the requirement for an applicant to designate an individual or "Managing Principal" that will be responsible for the applicant's operations. Many of the states that have an education, experience, or examination requirement for a control person require that the same individual also be designated as the managing principal.



**Figure 4:** Experience and Education Requirements for Managing Principals of Entities Seeking a Mortgage Broker License

Some of these states also require that the managing principal obtain a separate license or registration as an employee (generally referred to as a “Loan Originator”) if the managing principal intends to engage in brokering activities (in Indiana, Kentucky, and North Carolina, sole proprietors designating themselves in the application are also required to obtain an individual license or registration). A growing number of states allow an applicant to appoint a managing principal who is not one of the applicant’s control persons. In some cases, the managing principal must be a licensed mortgage broker or a licensed loan originator. Arizona, Connecticut, Florida, Idaho, Mississippi, Nevada, New Hampshire, New Jersey, Ohio, Oklahoma, Pennsylvania, Rhode Island, Utah, and Washington all have similar provisions for designating a person responsible, but have different requirements for the managing principal. *(See the sidebar at right for more details.)*

A key component of most occupational licensing policies is the necessity of the applicant to demonstrate financial credibility and responsibility. Depending on the occupation, a licensee may be required to maintain malpractice insurance to demonstrate the ability to compensate a claimant. Licensees may also be required to maintain a minimum net worth or financial solvency to demonstrate their ability to fulfill their financial obligations, and others may be required to obtain surety bonds that demonstrate both financial credibility and willingness to perform under the terms set forth in the bond. In 1996, 19 states had no financial credibility requirements for mortgage brokers. Currently, only six states have no such requirements.

The most common demonstration of a mortgage broker applicant’s financial credibility is the surety bond requirement. State legislatures have both enacted new bonding requirements and increased the bond amount required over the past decade. In comparison to 20 states a decade ago, only nine states have no bonding requirement today. Most states typically require a licensee to maintain a

#### **Sidebar: Summary of Separate Provisions for Responsible Individuals and Managing Principals**

Arizona applicants must designate a “Responsible Individual” (RI) who meets the statutory requirements. The responsible individual does not need to be a control person.

Connecticut requires any individual with supervisory authority to have three years of experience in the mortgage lending industry. If the individual is a control person of the applicant, the individual does not have to be separately licensed. If the individual is not a control person, the individual must be separately licensed.

Florida mortgage broker businesses must have a “Qualified Principal Broker” in order to engage in the business of brokering. The qualified principal broker must be a licensed associate and have at least one year of experience.

Idaho applicants are required to designate a “Qualified Person in Charge” who meets the experience requirement.

Applicants for licensure in Mississippi must designate a “Principal Officer.” The principal officer must be licensed as a loan officer and meet statutory experience requirements.

Nevada applicants must designate a “Qualified Employee” who meets the experience requirement for licensure.

New Hampshire law requires applicants to have one person in a supervisory capacity who has at least three years of experience.

In New Jersey, entities other than sole proprietorships must obtain both an entity license and must have at least one individual who is licensed separately.

Ohio applicants must designate an “Operations Manager” who may be either an employee or owner. The operations manager must meet the experience requirement, pass an examination, and complete annual continuing education courses. In addition, the operations manager must be licensed as a loan officer.

Oklahoma requires an applicant to designate a “Designated Person Responsible” who meets the qualifications for licensure. If the designated person responsible is someone other than a control person, the designee must obtain a license if engaging in origination activities. Regardless of whether he or she is the designated person responsible, an owner or officer must pass the examination and provide proof of three years of experience.

Each applicant for licensure in Pennsylvania must have a “Mortgage Professional” who will obtain the required continuing education.

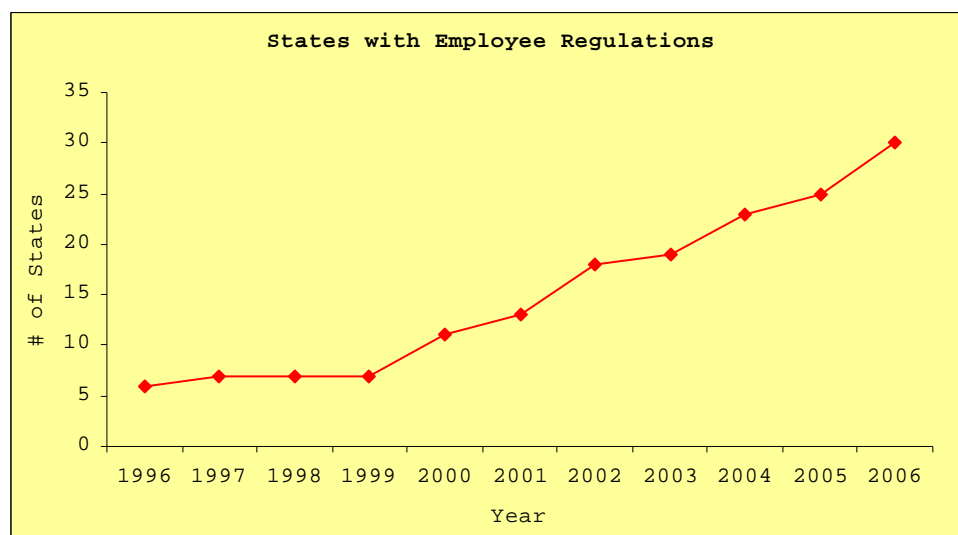
Rhode Island applicants must have a manager or person designated to operate the business who has the experience required by law.

Utah law requires an applicant to designate a licensed “Principal Lending Manager” in order to obtain a license. The principal lending manager must meet strict requirements for licensure.

In Washington, the applicant must appoint a “Designated Broker” who meets the experience or education requirement and passes an examination. The designated broker is automatically licensed as a loan originator if not already licensed as such at the time of designation.

bond between \$25,000 and \$50,000, while Tennessee, Pennsylvania, New Jersey, and Illinois require a bond in amount excess of \$50,000. Kansas and Wisconsin require licensees that do not operate an in-state office to maintain a bond in the amount of \$100,000 and \$120,000, respectively. New York and New Jersey require a licensee to maintain a bond in an amount that depends on the number of mortgage applications taken by the licensee during the previous year, Washington requires a licensee to maintain a bond in an amount that varies by the number of loan originators employed by the licensee during the previous year, and the District of Columbia and Maryland require a bond amount based on the aggregate principal amount of loans secured by the licensee during the previous year. In addition, about a quarter of states with bonding requirements also require additional penal sums for each branch office. Although the growth of branch bonding has not been rapid, the number of states mandating it has increased from five to ten over the last decade.

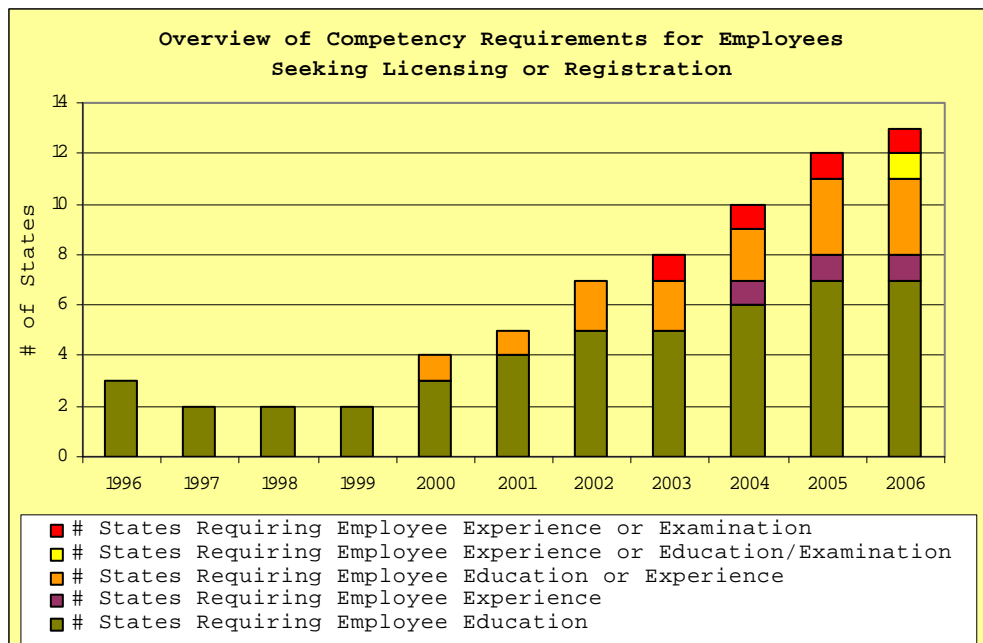
While many states have been tightening the bonding requirements over the past decade, net worth requirements—another demonstration of financial credibility and reliability—have gained little momentum in the legislative arena. In 1996, eight states required that licensees maintain a minimum net worth and one state required licensees to either maintain a bond or a minimum net worth. Currently, only 13 states mandate a minimum net worth for licensees. An additional five states mandate that licensees either maintain a bond or a minimum net worth. Typical net worth requirements for licensees are \$25,000, with some exceptions. Illinois and New Jersey require an applicant to have \$50,000 in net worth. Kansas and Wisconsin require applicants without a bona fide office to maintain a net worth of \$50,000 and \$250,000, respectively. Louisiana requires that an applicant maintain either a \$50,000 bond or \$50,000 in net worth, Nevada requires a minimum net worth based on the amount a mortgage broker holds in trust or escrow, and New Hampshire requires proof of positive net worth.



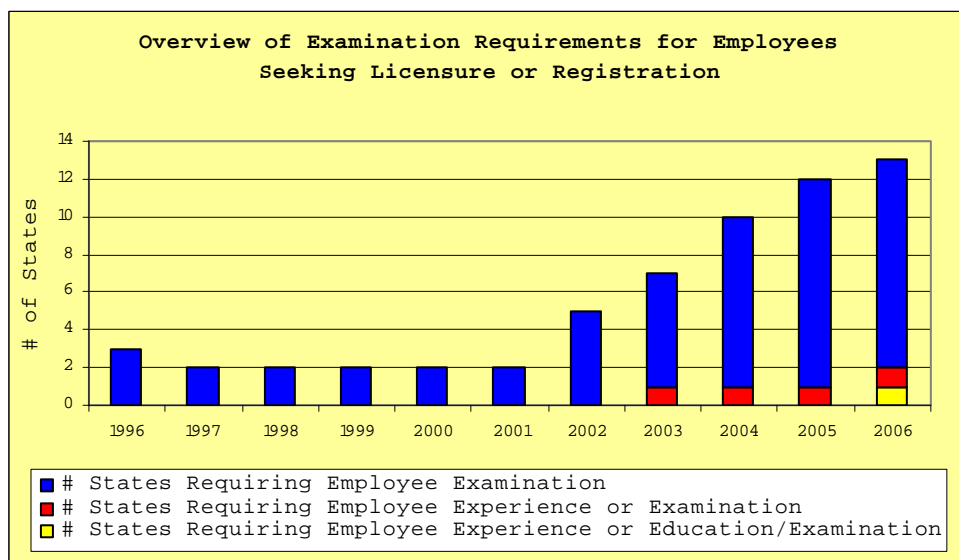
**Figure 5:** Number of States with Employee Regulations

By far the most sweeping trend in mortgage broker regulation has been the inclusion of licensing or registration requirements for employees who conduct certain brokering activities on behalf of licensees. In 1996, only six states had requirements relating to employees. Currently, 30 states require that employees of licensees either register or obtain a license. In addition, over one-third

of these states require that employees pass an examination and over two-thirds require that employees obtain continuing education to renew their license or registration. Montana is the only state that requires an employee seeking a license as a loan originator to have six months experience in a related field. Maryland, Oklahoma, South Carolina, and Texas also have an experience requirement for employees of mortgage brokers, but if the applicant cannot satisfy the experience requirement, the applicant may substitute education and/or pass an examination, depending on the state. Seven states require that an applicant fulfill specific pre-licensing education requirements. These requirements range from one course to 40 hours of classroom instruction.



**Figure 6:** Growth in Competency Requirements for Employees of Licensees



**Figure 7:** Growth in Examination Requirements for Employees of Licensees

## About the Data

Most of the data catalogued in this document was acquired from state statutes relating to the licensing or registration of individuals and businesses engaged in mortgage brokering activities. Historical and current statutes were reviewed for reference to common barriers to entry, such as pre-licensing education, experience, and examination requirements for sole proprietors, officers, principals, directors, managers, and employees; net worth and bonding requirements; and office requirements.

(See [www.minneapolisfed.org/community/pubs/mortgagebrokerregs/navigationguide.pdf](http://www.minneapolisfed.org/community/pubs/mortgagebrokerregs/navigationguide.pdf).)

Beginning with a base year of 1996, information that was relevant to any of the variables was recorded. In each subsequent year, any amendment that took effect in that year that substantially altered the significance of a previously recorded variable or made any new reference to a previously unrecorded variable was cataloged. Information for 2006 was cross-checked against information in the iComply database maintained by Lotstein and Buckman.

Given the intertwined scope of work in both the mortgage lending and brokering industries, many states grant licensed or registered mortgage lenders the right to broker loans under their mortgage lending license or registration. Similarly, most financial institutions regulated by state or federal agencies are allowed to broker mortgage loans without obtaining a separate mortgage broker license or registration. While the vast range of exempted institutions and professions increases the supply of mortgage brokers, most exempted entities and professions are subject to tighter regulation than a business brokering mortgage loans only. The data presented here do not address the regulations that govern exempted entities, but are limited strictly to individuals, sole proprietors, partnerships, limited liability companies, corporations, and other business entities that intend to engage solely in the business of brokering first lien mortgage loans.

Furthermore, only variables that had a direct relation to occupational entry for individuals or entities wishing to engage solely in the business of brokering mortgage loans were selected. Therefore, this research should not be construed as an exhaustive documentation of regulation in the mortgage broker profession. Most laws that govern the licensing or registration of mortgage brokers also have statutory provisions relating to how a mortgage broker can conduct his business once licensed or registered. For example, there are typically rules for trust and escrow accounts, advertising practices, disclosure requirements, and others that were not documented during this review. Although one could conceivably argue that stringent rules governing how a broker may conduct his business while licensed or registered could act as a barrier to entry, the scope of such an analysis was beyond the focus of this particular research.

The information documented in this report should also not be construed as a legal interpretation of the laws that have governed mortgage brokers over the past decade. Generally, the exact language of the statute was cataloged, leaving interpretation to the reader. Readers must be aware that in many instances, the statutory language was either nonexistent or ambiguous and required a certain level of personal interpretation. Administrative rules and regulations that often clarify such ambiguity were not readily available prior to 2002. Inaccessible administrative codes also present another potential limitation because they may have contained regulations specific to the barriers researched for this project. While the constraint exists, it is unlikely that

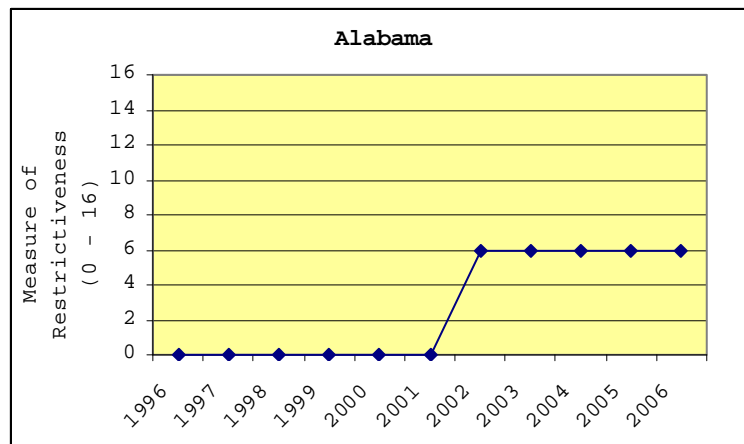
rules and regulations contained in the older administrative codes would have had a substantial impact on the data presented here.

## Alabama

§5-25-1 et seq.

<http://www.banking.alabama.gov/>

Regulation effective since: January 1, 2002



Alabama's State Banking Department administers the Mortgage Brokers Licensing Act. In 2002, Alabama licensed 340 mortgage brokers and in 2003, the state licensed 415 mortgage brokers.<sup>4</sup> Since its effective date in January 2002, few substantive changes have been made to the licensing statute. In comparison to other licensing statutes, the provisions of the Mortgage Brokers Licensing Act may be characterized as somewhat unrestrictive. The act requires that the applicant or the applicant's officers and principals who will actively engage in the business obtain 12 hours of pre-licensing education. The applicant must maintain a \$25,000 surety bond and a physical presence in the state. The Mortgage Brokers Licensing Act requires applicants to submit six letters of reference, including three concerning the applicant's good name and reputation in the community and three letters of reference from individuals or companies in the lending industry concerning the applicant's experience and expertise. Alabama does not separately license or register employees of licensed mortgage brokers at this time.

## Alabama

### Year Status

1996	No regulation
1997	No regulation
1998	No regulation
1999	No regulation
2000	No regulation
2001	No regulation
2002	Change: Licensing implemented

### Mortgage Broker Applicant Requirements

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

<sup>4</sup> <http://www.bank.state.al.us/pdfs/Annual%20Reports/State%20Banking%20Bd%2004.pdf>



Experience	• None
Education	• The applicant or the officers and principals who are or will be actively engaged in the daily operation of a mortgage company in the state of Alabama are required to complete twelve hours of pre-licensing education.
Examination	• None
Fitness	• The applicant is required to submit six letters of reference; three concerning the applicant's good name and reputation in the community and three letters of reference from individuals or companies in the lending industry concerning the applicant's experience and expertise.
	• The applicant and its officers, directors, and principals are required to demonstrate good character, an ethical reputation, reasonable financial responsibility, and the ability to operate honestly and fairly.
Net Worth	• The applicant must maintain \$25,000 in net worth. (The applicant must submit a recent financial statement to show proof of net worth.)
Bond	• None
Background Investigation	• The applicant must agree to a criminal background and credit history check. (Assumption: this applies to officers, directors, and principals of the applicant.)
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• A natural person, who is employed by a licensed mortgage broker when acting within the scope of employment with the licensee, is exempt.
	• A natural person, who solicits mortgage loans exclusively on behalf of a licensed mortgage broker when the natural person is acting within the scope of the agency of the licensee, is exempt.

## Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
	• Insurance companies
	• Consumer loan companies
	• Securities broker-dealers
Safe Harbor	• Any person who acted as a mortgage broker on no more than one mortgage loan during the preceding calendar year is exempt.

## Branch Offices

In-state Requirement	• A licensee is required to maintain an office in-state.
License Requirement	• A licensee is required to obtain a separate license for each branch office.
Branch Manager	• None

## Licensing Fees

Initial Application	• \$100 Investigation Fee
	• \$500 Licensing Fee
Branch Application	• \$100 Investigation Fee
	• \$500 Licensing Fee
Renewal Application	• \$500 Licensing Fee (Annually)
	• \$500 Branch Renewal Fee

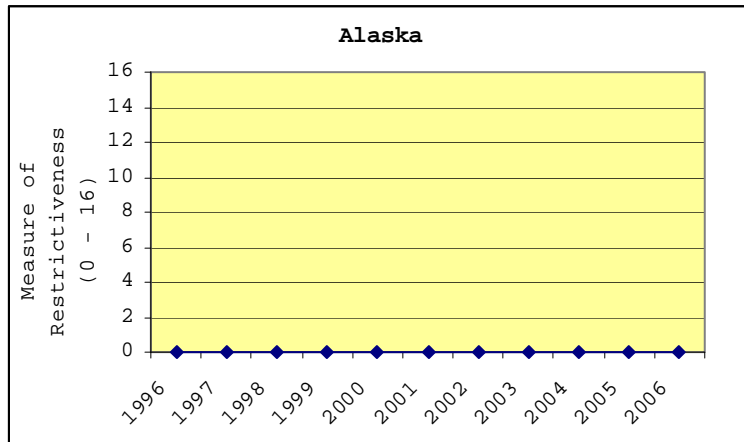
## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

2003	No change
2004	No change

2005	No change
2006	No change

## Alaska



Alaska is the only state that does not regulate the mortgage brokering industry. Two bills that would have enacted licensing statutes for mortgage brokers were introduced during the most recent legislative session but failed to successfully pass through both chambers. Senate Bill 272 passed in the Senate on May 2, 2006, but remained in the House Labor and Commerce Committee when the Legislature adjourned on May 8, 2006; House Bill 424 was referred to the House Judiciary Committee where no action has been taken since March 2006.

## Alaska

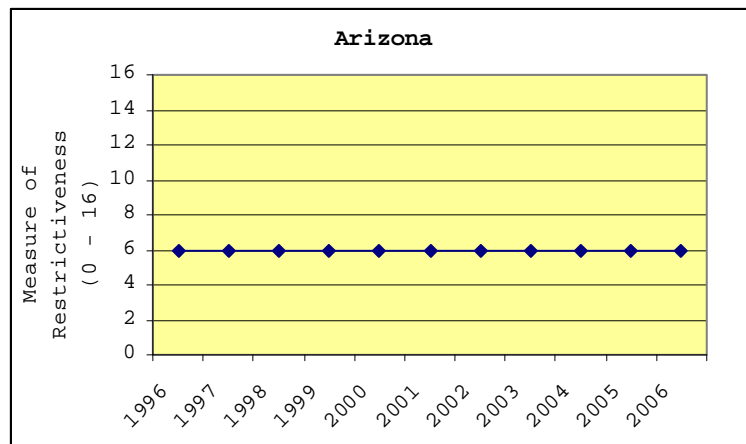
Year	Status
1996	No regulation
1997	No regulation
1998	No regulation
1999	No regulation
2000	No regulation
2001	No regulation
2002	No regulation
2003	No regulation
2004	No regulation
2005	No regulation
2006	No regulation

## Arizona

§6-901 et seq.

<http://azdfi.gov/index.html>

Regulation effective since: August 13, 1971



The State of Arizona regulates mortgage brokers under Chapter 9 of Title 6 of the Arizona State Revised Statutes. Arizona's Department of Financial Institutions currently regulates approximately 2,201 mortgage broker licensees and an additional 821 branch offices throughout the state.<sup>5</sup> Although Arizona has fairly strict competency requirements, in comparison to other mortgage broker regulations, the statute is less restrictive. The policy requires that either the applicant or the person designated by the applicant have at least three years of experience as a mortgage broker or equivalent mortgage lending experience, complete a course of study, and pass an examination before a license will be issued. Arizona also has bonding requirements of either \$10,000 or \$15,000 and requires a physical presence in the state.

Arizona does not require that employees of licensees register or obtain a license, but it does require that licensees conduct a reasonable investigation of the background, honesty, truthfulness, integrity, and competency of any individual seeking employment with the licensee.

## Arizona

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience

- None
- None
- The applicant or **one** officer, director, member, partner, employee, or trustee of the applicant must be designated in the license as the individual responsible and must have at least three years' experience as a mortgage broker or equivalent lending experience in a related business during the five years immediately preceding the time of application.
- The applicant or **one** officer, director, member, partner, employee, or trustee of the applicant must be designated in the license as the individual responsible and must have

Education

<sup>5</sup> [http://azdfi.gov/Lists/MB\\_List.HTML](http://azdfi.gov/Lists/MB_List.HTML)

	satisfactorily completed a course of study approved by the superintendent during the three years immediately preceding the time of application.
Examination	<ul style="list-style-type: none"> <li>The applicant or <b>one</b> officer, director, member, partner, employee, or trustee of the applicant must be designated in the license as the individual responsible and must pass an examination.</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>The applicant is required to demonstrate experience, background, honesty, truthfulness, integrity, and competency.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>The bond required is \$10,000 for a licensee whose investors are limited solely to institutional investors and \$15,000 for a licensee whose investors include any noninstitutional investors.</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>If the applicant is a sole proprietor and is not a resident of Arizona, an employee of the applicant must be designated in the license as the individual responsible for the applicant.</li> <li>If the applicant is a person other than a natural person, one officer, director, member, partner, employee, or trustee of the applicant must be designated in the license as the individual responsible for the applicant.</li> <li>A responsible individual may not be an independent contractor.</li> <li>A responsible individual must be a resident of Arizona, must be in active management of the activities of the licensee, and must meet the qualifications set forth for a licensee. (See experience, education, and examination requirements above.)</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>The license issued entitles all officers, directors, members, partners, trustees and employees of the licensed corporation, partnership, association or trust to engage in the mortgage business.</li> <li>A person who is employed by a licensee to act in the capacity of a mortgage broker shall not be concurrently employed by any other licensee to act as a mortgage broker, except with the prior written approval of all the concurrently employing licensees.</li> </ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>Regulated financial institutions</li> <li>Lawyers</li> <li>Insurance companies</li> <li>Consumer loan companies</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>Limited. A natural person may <b>make</b> up to five mortgage loans in a calendar year if he or she makes the mortgage loans with his or her own monies, for his or her own investment, without the intent to resell them.</li> </ul>

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>The licensee is required to maintain an office in-state.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>The licensee is required to obtain a separate license for each branch office.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>A person designated to oversee the operations of a branch office must be knowledgeable about the branch activities of the licensee, must supervise compliance by the branch with applicable law and rules, and must have sufficient authority to ensure such compliance.</li> <li>One person may oversee more than one branch.</li> </ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>\$800 Licensing Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>\$250 Licensing Fee</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$250 or \$500 Renewal Fee (Annually—A licensee that negotiates or closes in the aggregate 50 loans or less in the immediately preceding calendar year must pay a renewal fee of \$250 and a licensee that negotiates or closes in the aggregate more than 50 loans in the immediately preceding calendar year must pay a renewal fee of \$500.)</li> <li>\$200 Branch Renewal Fee</li> </ul>

## Employee Requirements

Age	<ul style="list-style-type: none"> <li>None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>A licensee shall not employ any person unless the licensee conducts a reasonable investigation of the background, honesty, truthfulness, integrity, and competency of the</li> </ul>

Continuing Education  
License Fee  
Renewal Fee

- employee before hiring.
- None
- None
- None

1997 No change  
1998 No change  
1999 No change  
2000 No change  
2001 No change  
2002 No change  
2003 No change  
2004 No change  
2005 No change  
2006 No change

Changes with unknown effective date

Background Investigation

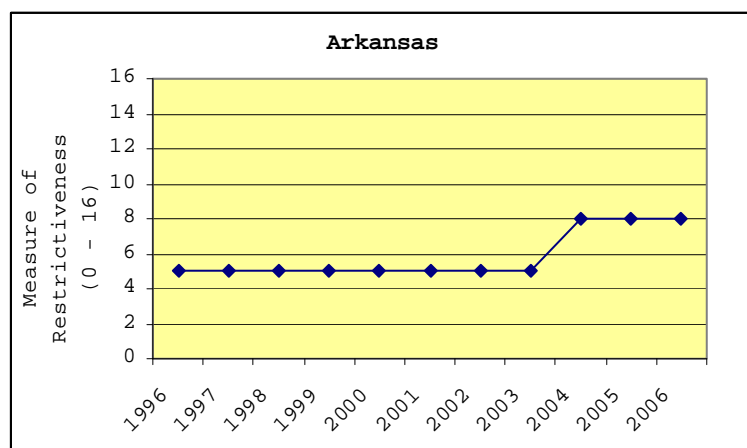
- If the applicant is an individual, the individual must submit fingerprints. If the applicant is a corporation, each of the five highest corporate officers and the Responsible Individual must submit fingerprints. In the event the corporation has only one officer, then any manager(s), director(s), or anyone in a managerial/responsible position must submit fingerprints.

## Arkansas

§23-39-501 et seq.

<http://www.securities.arkansas.gov/>

Regulation effective since: March 28, 1977



An amendment passed in 2003 made sweeping changes to Arkansas' regulatory structure for mortgage brokers. Prior to January 1, 2004, mortgage brokers were registered with the state as loan brokers and were required to have \$25,000 in net worth and a \$25,000 bond. Since 2004, the state has required that both mortgage brokers and their employed loan officers obtain a license from the Arkansas Securities Department pursuant to the Fair Mortgage Lending Act. Requirements for licensure as a mortgage broker include three years of experience (if the applicant is a person other than a sole proprietor, then at least one manager, officer, or partner must meet the experience requirement) and evidence of a \$50,000 bond.

Applicants for a loan officer license have minimal requirements, but are required to demonstrate their business history. The state currently has no continuing education requirements, but the

statute does permit the director of the Securities Department to promulgate rules requiring continuing education of licensees not to exceed eight hours per year.

## Arkansas

### Year Status

1996 Regulation in effect

#### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- A natural person applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility and experience.
Net Worth	• The applicant must maintain \$25,000 in net worth.
Bond	• The applicant must maintain a \$25,000 bond.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register.

#### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> <li>• Securities broker-dealers</li> <li>• Loan brokers are exempt if they do not receive a fee or other consideration other than from the lender after financing is actually obtained.</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>• A mortgage broker may <b>broker</b> six or less loans without registering.</li> </ul>

#### Branch Offices

In-state Requirement	• None
License Requirement	• None
Branch Manager	• None

#### Licensing Fees

Initial Application	• \$250 Licensing Fee
Branch Application	• None
Renewal Application	• \$150 Renewal Fee (Annually)

#### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997 No change  
1998 No change  
1999 No change

2000 Change

## Mortgage Broker Applicant

Bond

- The applicant must maintain a bond in the amount of \$35,000.

2001 No change

2002 No change

2003 No change

2004 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience

- The applicant must have three years of experience; if the applicant is a general or limited partnership, at least one of its general partners must fulfill the experience requirement; if the applicant is a corporation, at least one of its principal officers must fulfill the experience requirement; and if the applicant is a limited liability company, at least one of its managers must fulfill the experience requirement.

Education

- None

Examination

- None

Fitness

- The applicant must demonstrate qualifications, financial condition, and business history.

Net Worth

- The applicant must submit audited financial statements reflecting a net worth of \$25,000.

Bond

- The applicant must maintain a \$50,000 bond.

Background Investigation

- The applicant and any of its partners, directors, executive officers, and/or controlling persons must consent to a financial and business responsibility background investigation.
- May be required after rules are promulgated; not to exceed eight hours.

Continuing Education

- The person meeting the experience requirement for the applicant must be designated as the managing principal and must operate the business under that person’s full charge, control, and supervision. The managing principal for a licensee may also serve as the branch manager of one or more of the licensee’s branch offices.

Managing Principal

(As of February 1, 2005, managing principals were required to submit a separate application.)

Employee Exemptions

- An employee of a licensee whose responsibilities are limited to clerical and administrative tasks for his or her employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer is not required to be licensed.
- A loan officer is not allowed to be employed simultaneously by more than one licensed mortgage broker.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- Securities broker-dealers
- None

Safe Harbor

## Branch Offices

In-state Requirement

- The licensee is not required to maintain an office in-state.

License Requirement

- The licensee is required to obtain a separate license for each branch office.

Branch Manager

- A person designated to oversee the operations of a licensee’s branch office must be a licensed loan officer.

(As of February 1, 2005, branch managers were required to submit a separate application.)

## Licensing Fees

Initial Application

- \$750 Investigation Fee

Branch Application

- \$100 Licensing Fee

Renewal Application

- \$350 Renewal Fee (Annually)
- \$100 Branch Renewal Fee

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A natural person applying for a license as a “Loan Officer.”

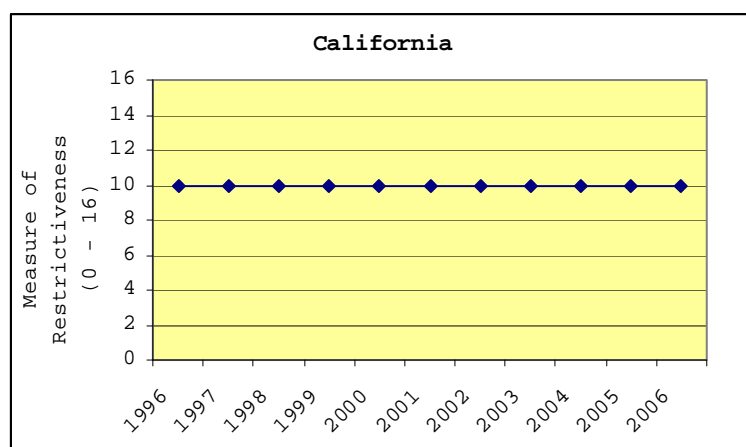
Age	• The applicant must be 18 years of age.
Residency	• None
Education	• May be required after rules are promulgated.
Experience	• None
Examination	• May be required after rules are promulgated.
Fitness	• The applicant must demonstrate financial responsibility, honesty, and experience.
Net Worth	• None
Bond	• None
Background Investigation	• The applicant must consent to a background investigation.
Continuing Education	• May be required after rules are promulgated; not to exceed eight hours.
License Fee	• \$50
Renewal Fee	• \$50 (Annually)

2005	No change
2006	No change

## California

Business and Professions Code §10000 et seq.

[http://www.dre.cahwnet.gov/licensees\\_sub.htm](http://www.dre.cahwnet.gov/licensees_sub.htm)



The State of California regulates mortgage brokering activities under three different laws: the Real Estate Law; the Residential Mortgage Lending Act (RMLA); and the Finance Lenders Law. A mortgage broker in California is typically licensed as a real estate broker by the Department of Real Estate. The Department of Corporations licenses lenders under the RMLA and Finance Lenders Law. These licensees are permitted to broker loans, but are restricted in how they may conduct brokering activities. Under the RMLA, licensees may only provide brokerage services to a borrower if the licensee first enters into a written agreement with the borrower and an institutional lender. RMLA licensees are also restricted in the types of loans that they may broker and the fees or charges that they can impose. Licensed finance lenders are allowed to broker loans only to other licensed finance lenders; additionally, licensed finance lenders may only sell and service loans they have originated or have been originated by other licensed lenders.

Because they are typically licensed as real estate brokers, mortgage brokers in California have tougher pre-licensing education and experience requirements. For example, an applicant for a real estate broker license must have two years experience as a licensed real estate salesperson;



must have completed at least eight courses as specified by the commissioner; and must have passed an examination. No corporate entity may be granted a license unless a person is designated responsible that meets the requirements for a real estate broker. Each broker employed by the corporation must also fulfill the same requirements and may not be simultaneously employed by more than one corporate entity. In addition, a license as an individual broker and a license as a broker-officer are separate entities and the status is not transferable from one to the other.

Employees of real estate brokers—real estate salespersons—also have tougher licensing requirements. An applicant for a real estate salesperson must complete at least one course prior to licensure and two additional courses within 18 months of being licensed; the applicant must also pass an examination.

## California

### Year Status

1996 Regulation in effect

#### Real Estate Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A natural person applying for an individual broker license;
- A natural person applying for a license as a broker-officer of a corporate entity.

*A license as an individual broker and a license as a broker-officer are separate entities and the status is not transferable from one to the other. The status as a broker-officer of one corporation is not transferable to being a broker-officer of another corporation.*

*There are no provisions in the Business and Professions Code that authorize a limited liability company to become licensed as a real estate broker.*

Age  
Residency

- Unknown
- An applicant who is not a resident of California is eligible for a real estate license provided that the applicant qualifies for licensure under the statute and that the state or other jurisdiction which is the place of residence of the applicant permits a resident of California to qualify for and obtain a real estate license in that jurisdiction.
- A foreign corporation may only be eligible if, and for so long as, at least one of the officers of the corporation who is designated and licensed as a real estate broker pursuant to Section 10158 or 10211 is a resident of the state.

Experience

- An applicant for a real estate broker's license must have held a real estate salesman's license for at least two years and qualified for renewal within the five-year period immediately prior to the date of application for the broker's license.

Education

- If the applicant does not have two years' experience as a real estate salesperson but can show the equivalent of two years' general real estate experience or graduation from a four-year college or university, which courses included specialization in real estate, the applicant may be granted a license upon the commissioner's approval and meeting the other prerequisites.
- The applicant must fulfill the pre-licensing education requirement. The applicant must complete a three-semester unit course, or the quarter equivalent thereof, in each of the following: real estate practice; legal aspects of real estate; real estate appraisal; real estate financing; and real estate economics or accounting; and three of any of the following courses: advanced legal aspects of real estate; advanced real estate finance; advanced real estate appraisal; business law; escrows; real estate principles; property management; real estate office administration; or mortgage loan brokering and lending.

Examination  
Fitness

- The applicant must pass an examination.
- The applicant, or the officers, directors, or persons owning more than 10 percent of the stock of any corporation must demonstrate honesty and truthfulness.

Net Worth

- None

Bond

- None

Background Investigation

- Unknown

Continuing Education

- The licensee is required to complete 45 hours of continuing education during a four-year licensing period.

Managing Principal

- A corporation may be licensed as a real estate broker through one or more of its officers who are brokers or have qualified for a broker license by examination within the 12 months preceding receipt of application. All acts of the licensed broker/officer(s) under this license must be performed only on behalf of the corporation.

Employee Exemptions

- Employees that are acting as real estate salespersons are required to be separately licensed.
- Every partner through whom a partnership acts must be a licensed real estate broker.
- When a real estate license is issued to a corporation, if it desires any of its officers, other than the officer designated by it pursuant to Section 10211, to act under its license as a real estate broker, it shall procure an additional license for each additional officer(s).

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Insurance companies
- Consumer loan companies
- Securities broker-dealers
- None

Safe Harbor

## Branch Offices

In-state Requirement

License Requirement

Branch Manager

- A licensee is required to maintain an office in the state.
- A licensee must obtain a separate license for each branch office.
- No requirements.

## Licensing Fees

Initial Application

- Exact fees unknown, but could have ranged from \$165–\$215. (Since current (2006) licensing fees are \$165, it was likely \$165.)

Branch Application

Renewal Application

- None
- Exact fees unknown, but could have ranged from \$165–\$215. (Every four years. Since current (2006) licensing fees are \$165, it was likely \$165.)

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A natural person applying for a license as a “Real Estate Salesperson.”

Age

Residency

- Unknown
- An applicant who is not a resident of California is eligible for a real estate license provided that the applicant qualifies for licensure under the law and that the state or other jurisdiction which is the place of residence of the applicant permits a resident of California to qualify for and obtain a real estate license in that jurisdiction.

Education

- The applicant is required to fulfill a pre-licensing education requirement. That applicant must show successful completion, at an accredited institution, of a three-semester unit course, or the quarter equivalent thereof, in real estate principles.
- In addition, to obtain an original real estate salesperson license shall, prior to or within 18 months of issuance of the license, the licensee shall submit evidence of successful completion, at an accredited institution, of two of the following courses: real estate practice; legal aspects of real estate; real estate appraisal; real estate financing; real estate economics or accounting; business law; escrows; property management; real estate office administration; or mortgage loan brokering and lending.

Experience

Examination

Fitness

Net Worth

Bond

Background Investigation

Continuing Education

- None
- The applicant must successfully complete an examination.
- None
- None
- None
- Unknown
- A licensee who qualifies for a license based on pre-licensing/post-licensing education required prior to or within 18 months of issuance of license shall not be required for the first license renewal thereafter to complete the 45 hour continuing education requirement, except for four courses: A three-hour course in ethics, professional conduct, and legal aspects of real estate, which shall include, but not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest; a three-hour course in agency relationships and duties in a real estate brokerage practice, including instruction in the disclosures to be made and the confidences to be kept in the various agency relationships between licensees and the parties to real estate transactions; a three-hour course in trust fund accounting and handling; and a three-hour course in fair housing.
- Thereafter, the licensee must complete 45 hours of education.
- Unknown, \$120–\$170 (More than likely it was \$120 since current license fees are \$120)

License Fee

#### Renewal Fee

- Unknown, \$120–\$170 (Every four years. More than likely it was \$120 since current renewal fees are \$120.)

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	Change

#### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *A natural person applying for a license as a “Real Estate Salesperson.”*

#### Education

- The applicant is required to fulfill a pre-licensing education requirement. The applicant must show successful completion, at an accredited institution, of a three-semester unit course, or the quarter equivalent thereof, in real estate principles.
- In addition, to obtain an original real estate salesperson license shall, prior to the issuance of the license, or within 18 months after issuance, the applicant must submit evidence of successful completion, at an accredited institution, of a course in real estate practices, and one of the following courses: Legal aspects of real estate; real estate appraisal; real estate financing; real estate economics or accounting; business law; escrows, property management; real estate office administration; mortgage loan brokering and lending; or computer applications in real estate.

2004	No change
2005	No change
2006	No change
Changes with unknown effective date	

#### Real Estate Broker Applicant

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *A natural person applying for an individual broker license;*
- *A natural person applying for a license as a broker-officer of a corporate entity.*

*A license as an individual broker and a license as a broker-officer are separate entities and the status is not transferable from one to the other. The status as a broker-officer of one corporation is not transferable to being a broker-officer of another corporation.*

*There are no provisions in the Business and Professions Code that authorize a limited liability company to become licensed as a real estate broker.*

#### Age Background Investigation Managing Principal

- The applicant must be 18 years of age.
- Fingerprints are required.
- The person applying for a designated broker-officer license must hold an officer title in the corporation. Fingerprints are also required.

#### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *A natural person applying for an individual salesperson license.*

#### Age Background Investigation

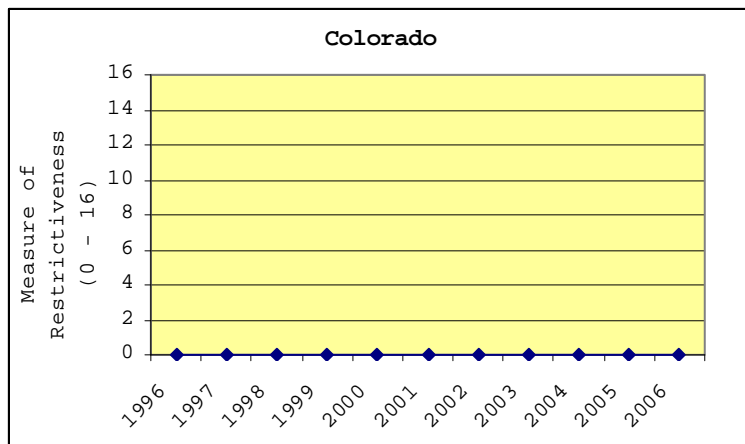
- The applicant must be 18 years of age.
- Fingerprints are required.

## Colorado

§12-61-900 et seq.

<http://www.dora.state.co.us/real-estate/index.htm>

Regulation effective since: January 1, 2007



Currently, Colorado licenses only mortgage brokers whose business is not limited to exclusively placing mortgage loans with institutional investors. Therefore, most mortgage brokers are not licensed in Colorado. However, Colorado legislators recently amended the law and effective January 1, 2007, all individuals acting as mortgage brokers must register with the Division of Real Estate. Colorado does not have the typical firm/employee regulatory policy; rather, all individuals that broker a mortgage, offer to broker a mortgage, act as a mortgage broker, or offer to act as a mortgage broker are required to register. Furthermore, “Mortgage broker” means an individual who negotiates, originates, or offers or attempts to negotiate or originate for a borrower, and for a commission or other thing of value, a loan to be consummated and funded by a mortgage lender. The policy is fairly liberal in that it does not require an applicant to have prior education, prior experience, or to demonstrate fitness. Each applicant is, however, required to obtain a \$25,000 bond, consent to a criminal background check, and pay a \$200 fee. Registrants will be required to renew every three years.

## Colorado

### Year Status

1996	* Rule 51-4.1 of the Division of Securities states “A mortgage broker-dealer whose business is limited exclusively to effecting transactions with financial institutions [as defined in section 11-51-201(6), C.R.S.] is exempt from the licensing requirements of section 11-51-401(1), C.R.S.” It is unclear when this rule was promulgated by the division.
1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	No change
2004	No change
2005	No change
2006	No change
2007	Change: Registration implemented for all individuals acting as mortgage brokers.

### Mortgage Broker Applicant Requirements

The term “applicant” or “registrant” refers to the following, unless otherwise noted:

- A natural person applying for an individual registration (every individual that meets the definition of a mortgage broker must be registered and bonded as an individual mortgage

broker).

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$25,000.
Background Investigation	• The applicant must submit a set of fingerprints and consent to a criminal background check.
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Clerical employees are not required to register or obtain a license.

### Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
Safe Harbor	• None

### Branch Offices

In-state Requirement	• None
License Requirement	• None
Branch Manager	• None

### Licensing Fees

Initial Application	• \$200 License Fee
Branch Application	• None
Renewal Application	• \$200 Renewal Fee (Triennially)

### Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *A natural person applying for an individual mortgage broker registration. (Only those mortgage brokers who are registered or exempt from registration by law may broker a mortgage, offer to broker a mortgage, act as a mortgage broker, or offer to act as a mortgage broker.)*

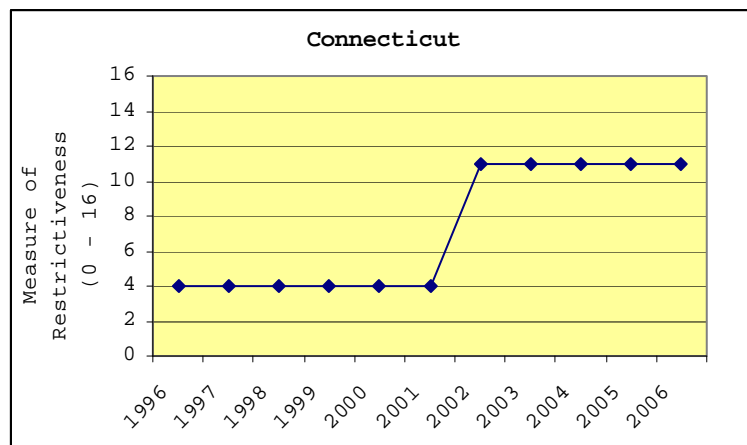
Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• The applicant must obtain a bond in the amount of \$25,000.
Background Investigation	• The applicant must submit a set of fingerprints.
Continuing Education	• None
License Fee	• \$200
Renewal Fee	• \$200 (Triennially)

## Connecticut

§36a-485 et seq.

<http://www.ct.gov/dob/site/default.asp>

Regulation effective since: January 1, 1990



Connecticut has regulated mortgage brokers since 1990. The Consumer Credit Division of the Department of Banking currently regulates approximately 1,264 First Mortgage Broker Only (FMBO) licensees (this includes principal and branch offices) and also registers mortgage originators that are employed by those licensees pursuant to Title 36a, Chapter 668 of the Connecticut General Statutes.<sup>6</sup> Connecticut has a fairly strict policy, including an experience requirement (three years in the industry within the preceding five years of the date of application) for all persons appointed in a supervisory capacity in each licensed office. The policy also requires that each licensee maintain a verifiable net worth of \$25,000 and a \$40,000 surety bond. In addition, licensees are required to register their mortgage originators and to provide notification of all changes in originator employment to the division.

## Connecticut

### Year Status

1996	Regulation in effect
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### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience

- None

Education

- None

Examination

- None

Fitness

- The applicant or the members if the applicant is a partnership or association, or the officers, directors, and principal employees if the applicant is a corporation must demonstrate financial responsibility, character, reputation, integrity, and general fitness.

Net Worth

- None

Bond

- An applicant must maintain a bond in the amount of \$40,000.

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

<sup>6</sup> [http://www.ct.gov/dob/cwp/view.asp?a=2233&q=297864&dobNAV\\_GID=1663](http://www.ct.gov/dob/cwp/view.asp?a=2233&q=297864&dobNAV_GID=1663)

#### Employee Exemptions

- Employees are not required to obtain a license or to register.

### Licensing Exemptions

#### Entities

- Regulated financial institutions
- Insurance companies
- Only persons **granting** five or fewer first mortgage loans within any period of 12 consecutive months are exempt from licensing.

#### Safe Harbor

### Branch Offices

#### In-state Requirement

- None

#### License Requirement

- A licensee must obtain a separate license for each branch office.

#### Branch Manager

- None

### Licensing Fees

#### Initial Application

- \$200 License Fee

#### Branch Application

- \$200 Branch License Fee

#### Renewal Application

- \$200 Renewal Fee (Annually)
- \$200 Branch Renewal Fee (Annually)

### Employee Requirements

#### Age

- None

#### Residency

- None

#### Education

- None

#### Experience

- None

#### Examination

- None

#### Fitness

- None

#### Net Worth

- None

#### Bond

- None

#### Background Investigation

- None

#### Continuing Education

- None

#### License Fee

- None

#### Renewal Fee

- None

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	Change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

#### Experience

- The licensee is required to have, at the location for which the license is sought, a person with supervisory authority over the brokerage activities who has at least three years’ experience in the mortgage lending or mortgage brokerage business within the five years immediately preceding the application for the license. This person is not required to be (but may be) an officer, director, or manager. If this person is not an officer, member or partner of an LLC, or a sole proprietor and is originating loans, then she or he must also be registered as a loan officer.

#### Net Worth

- The applicant is required to maintain a net worth of \$25,000.

#### Managing Principal

- Each licensee is required to have a person with supervisory authority over the brokerage activities who has at least three years’ experience in the mortgage lending or mortgage brokerage business within the five years immediately preceding the application for the license. This person is not required to be (but may be) an officer, director, or manager. If this person is not an officer, member of an LLC, partner or sole proprietor and is originating loans, then she or he must also be registered as a loan officer.

#### Employee Exemptions

- Clerical employees are not required to obtain a license or to register.
- Loan originators may only be registered with one licensee at a time and must be working out of the licensed location.
- Originators do not include an officer, if the licensee is a corporation; a general partner, if the licensee is a partnership; a member, if the licensee is a limited liability company; or a sole proprietor, if the licensee is a sole proprietorship. Officers of the company, members

of an LLC, partners of a partnership, and sole proprietors do not need to register as loan originators.

## Branch Offices

Branch Manager

- The licensee is required to have, at the location for which the license is sought, a person with supervisory authority over the brokerage activities who has at least three years' experience in the mortgage lending or mortgage brokerage business within the five years immediately preceding the application for the license.

## Licensing Fees

Initial Application

- \$400/\$200 License Fee (Each applicant for a first mortgage broker license shall, at the time of making such application, pay to the commissioner a license fee of \$400, provided if such application is filed not earlier than one year before the date such license will expire, the applicant shall pay to the commissioner a license fee of \$200.)

Branch Application

- \$400/\$200 License Fee (Each applicant for a first mortgage broker license shall, at the time of making such application, pay to the commissioner a license fee of \$400, provided if such application is filed not earlier than one year before the date such license will expire, the applicant shall pay to the commissioner a license fee of \$200.)

Renewal Application

- \$400/\$200 Renewal Fee (Biennially—each applicant for a first mortgage broker license shall, at the time of making such application, pay to the commissioner a license fee of \$400, provided if such application is filed not earlier than one year before the date such license will expire, the applicant shall pay to the commissioner a license fee of \$200.)
- \$200 Branch Renewal Fee (Biennially—each applicant for a first mortgage broker license shall, at the time of making such application, pay to the commissioner a license fee of \$400, provided if such application is filed not earlier than one year before the date such license will expire, the applicant shall pay to the commissioner a license fee of \$200.)

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- A natural person applying for a license as an “Originator.”

Age

- None

Residency

- None

Education

- None

Experience

- None

Examination

- None

Fitness

- The applicant must demonstrate general fitness.

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- \$100/\$50 Registration Fee (A licensee filing an application for registration of an originator shall, at the time of making such application, pay to the commissioner a registration fee of \$100 for such originator, provided if such application is filed not earlier than one year before the date the license of the applicant will expire, the applicant shall pay to the commissioner a registration fee of \$50 for such originator.)

Renewal Fee

- \$100/\$50 Renewal Fee (Biennially—A licensee filing an application for registration of an originator shall, at the time of making such application, pay to the commissioner a registration fee of \$100 for such originator, provided if such application is filed not earlier than one year before the date the license of the applicant will expire, the applicant shall pay to the commissioner a registration fee of \$50 for such originator.)

2003	No change
2004	No change
2005	No change
2006	No change

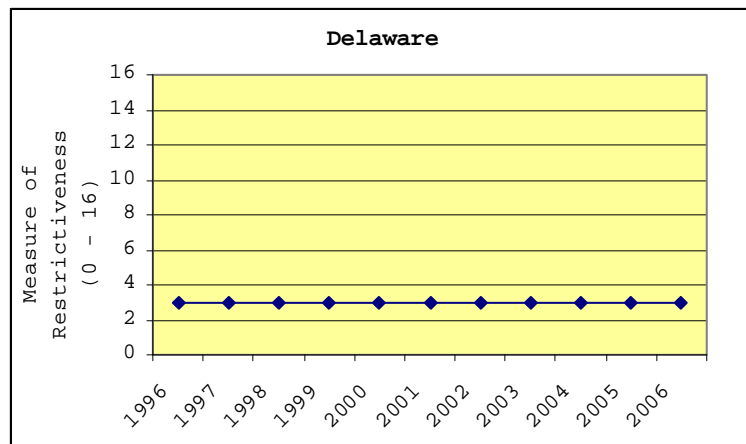


## Delaware

5 Del. Code §§2101 et seq.

<http://www.state.de.us/bank/>

Regulation effective since: July 7, 1992



The State of Delaware has licensed mortgage brokers since 1992 and has not made any substantive changes to its law since it was enacted. The Office of the State Banking Commissioner currently licenses approximately 447 principal and branch offices of mortgage brokers pursuant to the Mortgage Loan Brokers Act.<sup>7</sup> The Mortgage Loan Brokers Act imposes few requirements on applicants; an applicant must only obtain a bond in the amount of \$25,000, demonstrate general fitness, and consent to a background investigation. A licensee must obtain a license for each branch office, but is not required to maintain an office within the state. Employees of licensees are not required to obtain a license or to register at this time.

## Delaware

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, experience, character, and general fitness.
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$25,000.
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees of licensees are not required to obtain a license or to register.

<sup>7</sup> <http://www.state.de.us/bank/information/nondepsearch.shtml>

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- A person who acts as a mortgage loan broker with respect to five or fewer mortgage loans within any 12-month period is not deemed to be transacting the business of a mortgage loan broker.

Safe Harbor

## Branch Offices

In-state Requirement

- A licensee is not required to maintain an office in the state.
- A licensee is required to obtain a license for each office or other place of business from which its mortgage loan brokerage business is conducted.

License Requirement

Branch Manager

- None

## Licensing Fees

Initial Application

- \$250 License Fee
- \$250 Application Fee
- \$250 Branch License Fee
- \$250 Branch Application Fee
- \$250 Renewal Fee (Annually)
- \$250 Branch Renewal Fee (Annually)

Branch Application

Renewal Application

## Employee Requirements

Age

- None

Residency

- None

Education

- None

Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1997 No change

1998 No change

1999 No change

2000 No change

2001 No change

2002 No change

2003 No change

2004 No change

2005 No change

2006 No change

Changes with unknown effective date

## Mortgage Broker Applicant Requirements

Fitness

- In addition to the fitness requirement, the department requires a minimum of three letters of reference from businesses currently doing business with the applicant company. These can be the CPA, attorney, bank, or other type of business. (One letter must be from a bank.) Each letter must refer to the applicant company, not an individual within the company.

Net Worth

- The applicant or the members, officers, or principals must submit a personal financial statement; the applicant must also submit a business balance sheet.

Background Investigation

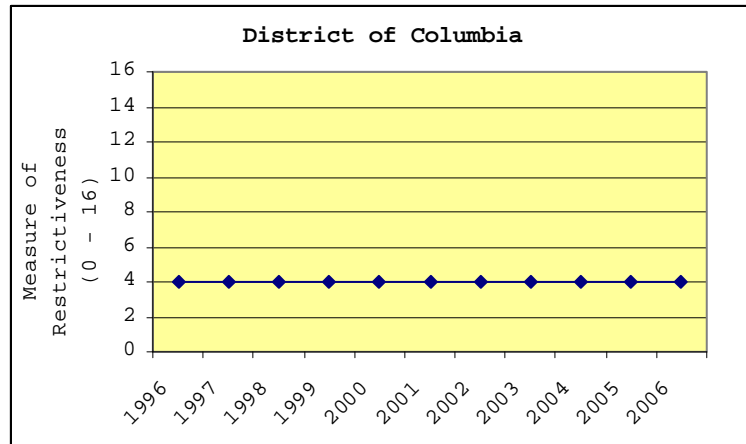
- Background checks are conducted.

## District of Columbia

§26-1101 et seq.

<http://disb.dc.gov/>

Regulation effective since: September 9, 1996



The District of Columbia Office of Banking and Financial Institutions administers the Mortgage Lender and Broker Act. Since its enactment, few substantive changes have been made to the Mortgage Lender and Broker Act. The only major change has been the repeal of the safe harbor clause. The District of Columbia has steep licensing, application, and renewal fees. Currently, an applicant for a mortgage broker license must pay \$600 in application fees and a \$500 license fee for each office. At the time of examination, the mortgage broker must pay a \$400 fee and \$6.60 per loan brokered during the previous year. In addition to the annual examination and per-loan fees, a mortgage broker must pay an annual renewal fee of \$900.

## District of Columbia

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- A natural person applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- If the applicant is not a resident of the District of Columbia, the applicant must maintain a resident registered agent.

Experience

- None

Education

- None

Examination

- None

Fitness

- The applicant must demonstrate good moral character, sufficient financial responsibility, business experience, and general fitness.

Net Worth

- The applicant must provide a statement from a depository institution verifying that the applicant has at least \$10,000 on deposit or in an established line of credit for operation of the business, or some combination of both.

Bond

- The applicant must maintain a bond for each licensed office in an amount that depends on the total dollar amount of stated loans during the three calendar years preceding the date of application:

Where the total dollar amount of stated loans was \$1,000,000 or less, the bond shall be in the amount of \$12,500.

Where the total dollar amount of stated loans was more than \$1,000,000 but not more than \$2,000,000, the bond shall be in the amount of \$17,500.

Where the total dollar amount of stated loans was more than \$2,000,000 but not more than \$3,000,000, the bond shall be in the amount of \$25,000.

Where the total dollar amount of stated loans was more than \$3,000,000, the bond shall be in the amount of \$50,000.

Subject to approval by the superintendent, if an applicant files four or more original or renewal applications at the same time, the applicant may provide a blanket surety bond for all licensed offices in the amount of \$200,000.

Background Investigation  
Continuing Education  
Managing Principal  
Employee Exemptions

- Unknown
- None
- None
- Employees of licensees are not required to obtain a license or to register.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- A mortgage broker brokering three or fewer loans does not need to obtain a license.

Safe Harbor

## Branch Offices

In-state Requirement

- A licensee is not required to maintain an office in the District; however, the licensee may not receive any application for a loan or allow any note or contract for a loan or mortgage, evidence of any note or contract for a loan or mortgage, or evidence of indebtedness to be signed or executed at any location for which the mortgage broker does not have a license, except at the office of the attorney for the borrower or for the broker or at the office of a title insurance company, a title company, or an attorney for a title insurance company or a title company.

License Requirement

- A licensee is required to obtain a separate license for each branch office. A licensee must also obtain a bond for each office (see bonding requirements above).

Branch Manager

- None

## Licensing Fees

Initial Application

- \$100 Investigation Fee
- \$500 Application Fee
- \$500 License Fee
- \$100 Investigation Fee
- \$500 Application Fee
- \$500 License Fee

Branch Application

Renewal Application

- Every licensee is required to pay an annual renewal fee calculated in accordance with a schedule set by regulation promulgated by the superintendent. All such fees shall be assessed on or before April 25, for that calendar year, and on or before April 25 for every calendar year thereafter.

## Employee Requirements

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997	No change
1998	No change
1999	No change
2000	No change

2001 Change

### Mortgage Broker Applicant Requirements

#### Licensing Fees

Renewal Application

- \$900 Renewal Fee (Annually)
- \$900 Branch Renewal Fee (Annually)

2002 Change

### Mortgage Broker Applicant Requirements

#### Licensing Exemptions

Safe Harbor

- None

2003 No change

2004 No change

2005 No change

2006 No change

Changes with unknown effective date

### Mortgage Broker Applicant Requirements

Net Worth

- The applicant must provide a financial statement of the business and a personal financial report for each president, senior vice president, secretary, treasurer, and directors, as well as any other person(s) owning or controlling 10 percent or more of the equity ownership of the organization.

Background Investigation

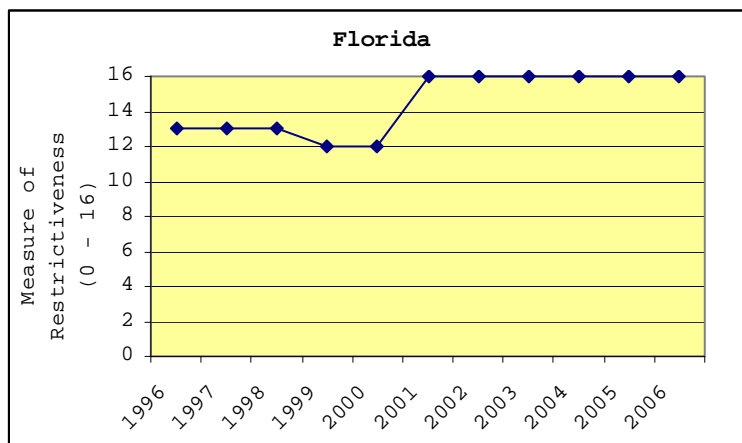
- The applicant and any president, senior vice president, secretary, treasurer, directors, and other persons owning or controlling 10 percent or more of the equity ownership of the organization must complete a Release of Personal Information Form; the applicant must also provide a company credit report.

## Florida

§26-1101 et seq.

<http://www.flofr.com/licensing/>

Regulation effective since: September 9, 1996



The State of Florida has licensed mortgage brokers since 1991. The Securities and Finance Division of the Department of Financial Services regulates both firms and employees pursuant to

Chapter 494 of the Florida Statutes. The division currently has approximately 9,879 mortgage broker business licensees and 68,564 mortgage broker individual licensees.<sup>8</sup>

In comparison to most states, Florida has had a restrictive licensing policy in effect over the past decade. Although Florida law has no financial credibility requirements, it does have relatively strict licensing requirements for both firms and individuals. Florida law requires that all entities seeking a “Mortgage Broker Business” license designate a qualified principal broker who has been licensed as a “Mortgage Broker Individual” for at least one year or who can demonstrate being actively engaged in a mortgage-related business for at least one year. Mortgage broker business licensees must maintain a physical presence in the state and may only conduct brokering activities through licensed mortgage broker individuals. Mortgage broker individuals (also known as associates) must be at least 18 years of age, must complete 24 hours of pre-licensing education, and must pass an examination. Both qualified principal brokers and mortgage broker individuals must complete 14 hours of continuing education annually.

## Florida

### Year Status

1996 Regulation in effect

### Mortgage Broker Business Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience  
Education  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation

- None
- None
- None
- None
- None
- None
- None
- None
- The department may require that each officer, director, and ultimate equitable owner of a 10 percent or greater interest in the applicant submit a complete set of fingerprints taken by an authorized law enforcement officer.
- None
- Each applicant must designate a qualified principal broker. A qualified principal broker must be a licensed mortgage broker individual (see employee requirements below).
- Clerical employees are not required to obtain a license. However, any individual acting as an associate for a licensee must obtain a mortgage broker individual license.

Continuing Education  
Managing Principal

Employee Exemptions

### Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Insurance companies
- Securities broker-dealers
- None

Safe Harbor

### Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- A licensee is required to maintain an office in the state.
- A licensee must obtain a permit for each branch office.
- A licensee must designate a branch manager that is licensed as a mortgage broker individual (see employee requirements below).

### Licensing Fees

Initial Application

- \$350 Application Fee (Special assessments are also collected.)

<sup>8</sup> <http://www.flofr.com/licensing/download.htm>

Branch Application  
Renewal Application

- Branch application fee may not exceed \$150.
- Renewal fee may not exceed \$300. (Biennially)
- Branch renewal fee may not exceed \$150. (Biennially)

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual seeking a “Mortgage Broker Individual” license.

Age  
Residency  
Education  
  
Experience  
Examination

- The applicant must be 18 years of age.
- None
- The applicant must have completed 24 hours of classroom education on primary and subordinate financing transactions and the laws and rules of ss. 494.001–494.0077.
- None
- The applicant must pass a written test adopted by the department that is designed to determine competency in primary and subordinate mortgage financing transactions as well as to test knowledge of ss. 494.001–494.0077 and the rules adopted pursuant thereto.

Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- The applicant must provide a set of fingerprints and consent to a background check.
- None
- License fee is not to exceed \$200.
- Renewal fee is not to exceed \$150. (Biennially)

1997 No change  
1998 No change  
1999 Change

## Mortgage Broker Business Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

## Branch Offices

License Requirement

- A branch office license is required for each branch office maintained by a licensee.

## Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$425 Application Fee
- \$225 Application Fee
- \$375 Renewal Fee (Biennially)
- \$225 Branch Renewal Fee (Biennially)

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual seeking a “Mortgage Broker Individual” license.

License Fee  
Renewal Fee

- \$200 Application Fee
- \$150 Renewal Fee (Biennially)

2000 No Change  
2001 Change

## Mortgage Broker Business Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Managing Principal

- Each applicant must designate a qualified principal broker. A qualified principal broker must be a licensed associate. In addition, the designated principal broker must have been a licensed mortgage broker individual in Florida for at least one year prior to being designated as a principal broker, or shall demonstrate to the satisfaction of the department that such principal broker has been actively engaged in a mortgage-related business for at least one year prior to being designated as a principal broker. The qualified principal broker must complete 14 hours of continuing education.

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual seeking a “Mortgage Broker Individual” license.

Continuing Education

- Each licensee must complete 14 hours of continuing education.

2002 No change

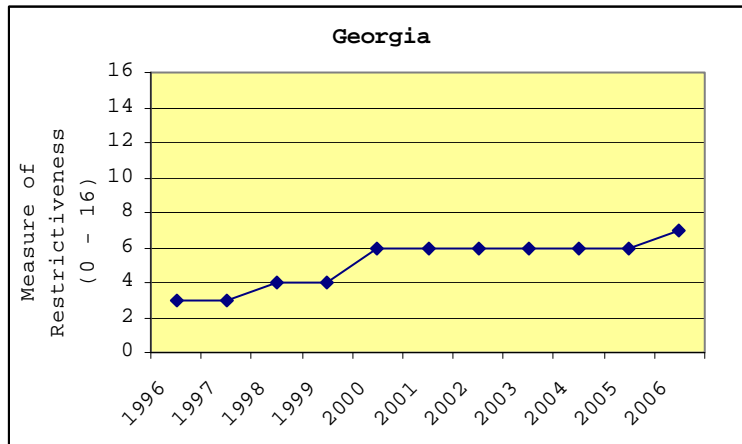
2003	No change
2004	No change
2005	No change
2006	No change

## Georgia

§7-1-1000 et seq.

[http://www.ganet.org/dbf/mortgage\\_forms.html](http://www.ganet.org/dbf/mortgage_forms.html)

Regulation effective since: July 1, 1993



Enacted in 1993, the Residential Mortgage Act requires that mortgage brokers obtain a license prior to engaging in brokering activities in Georgia. Today, the Georgia Department of Banking and Finance administers the Residential Mortgage Act and licenses approximately 5,164 mortgage brokers (this includes 3,524 branch licenses, 56 restricted licensees, and 1,584 primary licenses).<sup>9</sup>

Each applicant for a license must obtain a bond in the amount of \$50,000 and must have a person in charge of its business who meets either the education or experience requirement. All branch managers must also be approved by the department. Both the person in charge and branch managers must complete 12 hours of continuing education annually.

Although the Georgia Residential Mortgage Act does not have any licensing or registration requirements for employees of licensees, it does require that applicants and licensees complete background checks on all covered employees. (Covered employees include those employees who physically work in the state of Georgia and who may enter, delete, or verify any information on any mortgage loan application form or document.)

In addition, any person who acts as the collecting agent at a closing of a mortgage loan transaction subject to the Georgia Residential Mortgage Act is liable for payment of the \$6.50 fee to the department. Brokers are only required to collect the \$6.50 fee if they are the person who closes the mortgage loan (a mortgage loan is deemed to have been closed by a person if

<sup>9</sup> <https://dbfweb.dbf.state.ga.us/WebMBData.html>



such person is indicated as the secured party on the security deed or any other loan document that establishes a lien on the residential real estate taken as collateral for the mortgage loan).

## Georgia

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant and its officers, directors, and principals must demonstrate good character and ethical reputation; the applicant must demonstrate reasonable financial responsibility; the applicant must have reasonable policies and procedures to receive and process customer grievances and inquiries promptly and fairly; and the applicant must have and maintain an agent for service in the state.
Net Worth/Bond	• The applicant must have \$25,000 in verifiable tangible net worth OR the applicant must obtain a \$50,000 surety bond. The applicant must also submit financial statements.
Background Investigation	• The department is authorized to obtain conviction data with respect to any applicant or any person who is a director, officer, partner, agent, employee, or ultimate equitable owner of 10 percent or more of the applicant. For such purpose, the department may submit to the Georgia Crime Information Center two complete sets of fingerprints of the applicant or any person who is a director, officer, partner, agent, employee, or ultimate equitable owner of 10 percent or more of the applicant, the required records search fees, and such other information as may be required.
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to obtain a license or to register.

### Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
Safe Harbor	• Limited. Any natural person who <b>makes</b> five or fewer mortgage loans in any one calendar year is exempt. A person other than a natural person who <b>makes</b> five or fewer mortgage loans in any one calendar year shall not be exempt from the licensing requirements unless such person applies for and is granted an exemption by the department in accordance with regulations promulgated by the department.

### Branch Offices

In-state Requirement	• Statute is unclear.
License Requirement	• A licensee must obtain the department's approval to open a branch office.
Branch Manager	• None

### Licensing Fees

Initial Application	• Unknown
Branch Application	• No fee is required for the first branch office if registered initially with the broker application. Subsequent applications must be accompanied by a \$350 fee.
Renewal Application	• Unknown

### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None

Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	Change

## Mortgage Broker Applicant Requirements

### Branch Offices

#### In-state Requirement

- If the applicant for a mortgage broker license or a renewal of such license does not have a physical place of business in Georgia, a license or renewal may only be issued if the applicant's home state does not require that in order to be licensed a mortgage broker must have a physical place of business in such home state.

1999	No Change
2000	Change

## Mortgage Broker Applicant Requirements

#### Experience/Education

- The applicant or the individual in charge of the applicant's operations must have two years of verifiable experience working full-time for a licensed mortgage broker or lender (if the applicant's experience is received from an employer not required to be a Georgia Residential Mortgage Act licensee, such applicant must also complete four hours of education provided by an approved school in Georgia, which education specifically covers the Georgia Residential Mortgage Act and rules and regulations of the department) OR the applicant or the individual in charge of the applicant's operations must complete a minimum of 40 course hours of prescribed courses from a department-approved provider of mortgage training courses.

#### Managing Principal

- The applicant or the person designated responsible is the managing principal. This individual is required to fulfill either the experience or education requirement listed above.

### Branch Offices

#### Branch Manager

- All branch managers in Georgia must be approved by the department. A licensee may place a new branch manager subject to the department's approval but must file for approval within 15 days of the placement and must remove the person immediately should the department deny approval. According to Ga. Comp. R. & Regs. r. § 80-11-1-.04(2), "In determining whether a branch manager may supervise more than one location, the department should consider the proximity of branches to each other, business volume of each, the experience level of the proposed manager and plans to handle the supervision." The department is authorized to do a background check, obtain a credit report, and require a financial statement and such other pertinent information as it may require to satisfy itself that the location will be operated by the branch manager responsibly and in compliance with the laws and rules of Georgia.

2001	No change
2002	Change

## Employee Requirements

#### Background Investigation

- Applicants and licensees must complete background checks on all covered employees. Covered employees include those employees who physically work in the state of Georgia and who may enter, delete or verify any information on any mortgage loan application form or document. Employees of a licensee or applicant who are not involved in the mortgage loan business are not covered employees.

2003	Change
------	--------

## Mortgage Broker Applicant Requirements

#### Net Worth/Bond

- The applicant must have \$100,000 in verifiable tangible net worth OR the applicant must obtain a \$50,000 surety bond.

- The applicant must also submit financial statements.

2004 Change

### **Mortgage Broker Applicant Requirements**

- |           |  |
|-----------|--|
| Net Worth | • None   |
| Bond      | • The applicant must maintain a \$50,000 bond. |

2005 No change

2006 Change

### **Mortgage Broker Applicant Requirements**

- |                      |   |
|----------------------|---|
| Continuing Education | • The licensee or the person designated and employed as the manager of the licensee's business must earn 12 hours of credit by March 31, 2007 to qualify for renewal by the April 1, 2007 renewal deadline. |
| Managing Principal   | • The licensee or the person designated and employed as the manager of the licensee's business must earn 12 hours of credit by March 31, 2007 to qualify for renewal by the April 1, 2007 renewal deadline. |

### **Licensing Fees**

- |                     |  |
|---------------------|--|
| Initial Application | • \$250 Application Fee<br>• \$500 License Fee   |
| Branch Application  | • The annual and renewal application and license fee for a licensee shall be \$500, which covers the main office and one additional branch office. Subsequent applications must be accompanied by a \$350 fee.                           |
| Renewal Application | • \$500 Renewal Fee (The annual and renewal application and license fee for mortgage brokers shall be \$500, which covers the main office and one additional branch office.)<br>• It is unclear what additional branch renewal fees are. |

### **Branch Offices**

- |                |   |
|----------------|---|
| Branch Manager | • A person designated and employed as the manager of the licensee's business must earn 12 hours of credit by March 31, 2007 to qualify for renewal by the April 1, 2007 renewal deadline. |
|----------------|---|

Changes with unknown effective dates

### **Mortgage Broker Applicant Requirements**

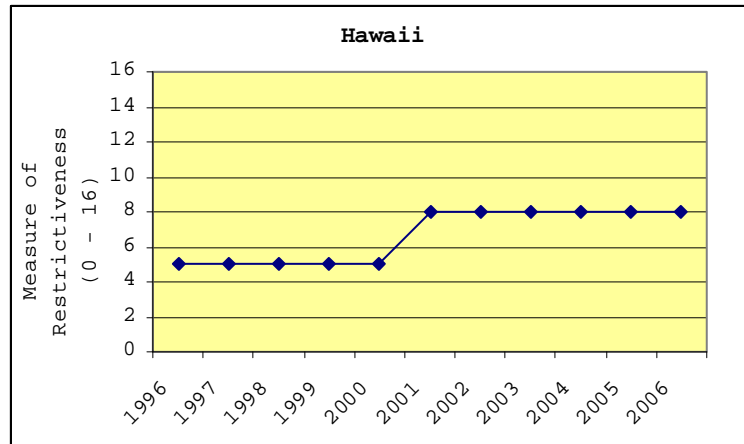
- |                          |  |
|--------------------------|--|
| Background Investigation | <ul style="list-style-type: none"> <li>• Financial and Biographical Reports are required for each director, senior officer, partner, ultimate equitable owner of 10 percent or more of the applicant, or any individual who directs the affairs or establishes policy for the licensee or for the applicant. (For this purpose senior officer should include any person occupying the positions of chief executive and/or operating officer and president and any other employee, regardless of title, who is authorized to establish policy for the applicant regarding its mortgage brokering or processing activities.)</li> <li>• A current credit report and fingerprint cards are required for each natural person, director, partner, ultimate equitable owner of 10 percent or more of the applicant, or any individual who directs the affairs or establishes policy for the licensee.</li> </ul> |
|--------------------------|--|

## Hawaii

§454-1 et seq.

<http://www.hawaii.gov/dcca/areas/pvl/programs/mortgage/>

Regulation effective since: January 2, 1968



Hawaii has licensed mortgage brokers and mortgage solicitors since 1968. Hawaii has two licensing schemes both administered by different divisions of the Department of Commerce and Consumer Affairs. The Mortgage Brokers and Solicitors Act regulates in-state mortgage brokers and the Mortgage Loans Act regulates foreign lenders (out-of-state lenders). Foreign lenders are eligible for an exemption from licensing pursuant to the Mortgage Loans Act only if the lender does not establish a physical or legal presence in Hawaii and conducts all of its Hawaii lending from offices outside of Hawaii or by using licensed Hawaii mortgage brokers. Foreign lenders exempt from the Mortgage Loans Act are also exempt from the Mortgage Brokers and Solicitors Act, which is administered by the Professional and Vocational Licensing Division (PVL). The PVL licenses approximately 581 mortgage brokers, 140 branch offices, and 6,071 mortgage solicitors.<sup>10</sup>

Pursuant to the Mortgage Brokers and Solicitors Act, an applicant for a mortgage broker license must designate a licensed “Designated Principal Mortgage Solicitor” that has at least two years of mortgage lending experience; must maintain an in-state office; and must maintain a \$15,000 bond. Branch offices must be licensed separately and be operated by a licensed mortgage solicitor with at least two years’ experience. Mortgage solicitor licensees are required to be at least 18 years of age.

## Hawaii

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

<sup>10</sup> [http://www.hawaii.gov/dcca/areas/pvl/main/reports/pvl\\_geo\\_report.pdf](http://www.hawaii.gov/dcca/areas/pvl/main/reports/pvl_geo_report.pdf)

Age	<ul style="list-style-type: none"> <li>The applicant must be 18 years of age. (Does not state who this requirement would apply to for a business entity.)</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>The applicant must demonstrate experience, integrity, and competency in financial transactions involving primary or subordinate mortgage financing.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>The applicant must maintain a bond in the amount of \$15,000.</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>The applicant must designate a “Designated Principal Mortgage Solicitor.” The designee must be licensed as a mortgage solicitor.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>Mortgage solicitors are required to obtain a license.</li> </ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>Regulated financial institutions</li> <li>Lawyers</li> <li>Real estate agents</li> <li>Insurance companies</li> <li>Consumer loan companies</li> <li>None</li> </ul>
Safe Harbor	

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>A licensee must maintain an in-state office.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>A licensee must obtain a license for each branch office.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>Each licensee must designate a licensed mortgage solicitor to be in charge of each branch office.</li> </ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>\$100 Application Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>\$2 Application Fee</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$100 Renewal Fee (Annually)</li> <li>Branch renewal fee unclear.</li> </ul>

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Mortgage Solicitor.”*

Age	<ul style="list-style-type: none"> <li>The applicant must be 18 years of age.</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>None</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>\$25 License Fee</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>\$25 Renewal Fee (Annually)</li> </ul>

1997	No change
1998	No change
1999	No change
2000	No change
2001	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;*
- A sole proprietor applying for a business license;*
- Any other business entity, however incorporated, applying for a business license.*

Experience	<ul style="list-style-type: none"> <li>The applicant’s designated principal mortgage solicitor must have two years of experience in financial transactions involving primary or subordinate mortgage financing, or equivalent experience as determined by the commissioner.</li> </ul>
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Fitness	<ul style="list-style-type: none"> <li>The applicant must demonstrate experience, financial integrity, and competency in financial transactions involving primary or subordinate mortgage financing.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>The applicant must submit financial statements.</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>The applicant must appoint a "Designated Principal Mortgage Solicitor." The designee must be licensed as a mortgage solicitor. The designee must also have two years of experience in financial transactions involving primary or subordinate mortgage financing, or equivalent experience as determined by the commissioner.</li> </ul>

### Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>Unknown (Biennially)</li> </ul>

### Branch Offices

Branch Manager	<ul style="list-style-type: none"> <li>Each licensee must designate a licensed mortgage solicitor to be in charge of the branch office. The designee must also have two years of experience in financial transactions involving primary or subordinate mortgage financing, or equivalent experience as determined by the commissioner.</li> </ul>
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### Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for a mortgage solicitor license.*

License Fee	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>Unknown (Biennially)</li> </ul>

2002	No change
2003	No change
2004	No change
2005	No change
2006	No change
	Changes with unknown effective date

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;*
- A sole proprietor applying for a business license;*
- Any other business entity, however incorporated, applying for a business license.*

Managing Principal	<ul style="list-style-type: none"> <li>The applicant must appoint a "Designated Principal Mortgage Solicitor." The designee must be licensed as a mortgage solicitor. The designee must also have two years of experience in financial transactions involving primary or subordinate mortgage financing, or equivalent experience as determined by the commissioner.</li> <li>The designated principal mortgage solicitor must apply for the special designation (it is unclear if this actually constitutes a license).</li> </ul>
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### Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>If applying in an odd-number year, a mortgage broker applicant must pay a \$100 license fee, a \$70 CRF, a \$100 1/2 renewal fee, and a \$50 investigation fee (total \$320).</li> <li>If applying in even-number year, a mortgage broker applicant must pay a \$100 license fee, a \$35 CRF, and a \$50 investigation fee (total \$185).</li> <li>An individual applying for designation as a designated principal mortgage solicitor must pay \$195 if applying during an odd-number year and \$110 if applying during an even-number year.</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>If applying during an odd-number year, a mortgage broker applicant must pay a \$50 license fee, a \$70 CRF, a \$50 1/2 renewal fee, and a \$25 investigation fee (total \$195).</li> <li>If applying during an even-number year, the applicant must pay a \$50 license fee, a \$35 CRF, and a \$25 investigation fee (total \$110).</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$200 Renewal Fee (Biennially)</li> <li>\$100 Branch Renewal Fee (Biennially)</li> </ul>

### Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for a license as a "Mortgage Solicitor."*

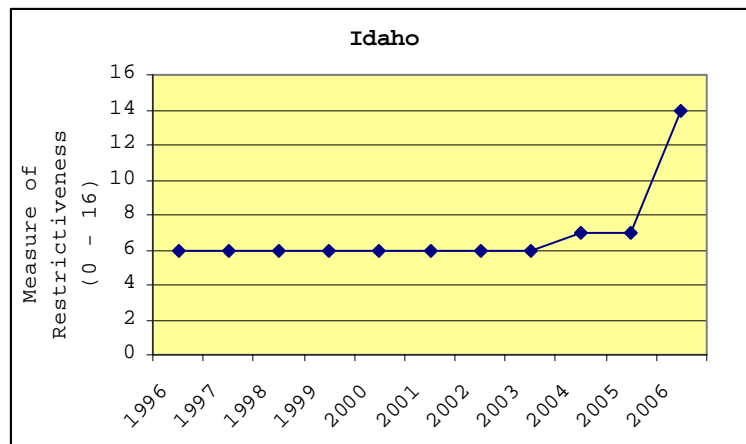
License Fee	<ul style="list-style-type: none"> <li>If applying in an odd-number year, \$25 application fee, \$25 license fee, \$70 CRF, \$25 1/2 renewal fee (total \$145)</li> <li>If applying in an even-number year, \$25 application fee, \$25 license fee, \$35 CRF (total \$85)</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>\$50 Renewal Fee (Biennially)</li> </ul>

## Idaho

§26-3101 et seq.

<http://finance.idaho.gov/MortgageForm.aspx>

Regulation effective since: July 1, 1996



Idaho's Department of Finance has licensed mortgage brokers since July of 1996, and currently licenses approximately 930 mortgage brokers pursuant to the Residential Mortgage Practices Act.<sup>11</sup> Mortgage brokers applying for a license in Idaho must designate a "Qualified Person in Charge" (QPIC) for each office within the state. The QPIC must have three years of experience in residential mortgage lending and must obtain a loan originator license if originating loans (a sole proprietor designated as the QPIC is not required to obtain a loan originator license if the sole proprietor does not originate loans for anyone but himself). Mortgage brokers have no net worth requirements, but are required to obtain a \$25,000 bond for the principal office and a \$10,000 bond for each additional office.

Idaho began licensing loan originators employed by mortgage brokers in January of 2006. There are few requirements for applicants seeking an originator license, but unlike most states, loan originators in Idaho must obtain a \$10,000 bond. Loan originators and QPICs are responsible for completing 16 hours of continuing education during the licensing period.

\* Idaho is one of several states that have adopted the national uniform mortgage licensing forms.

## Idaho

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience

- None
- None
- The applicant or each of the individuals in charge of the applicant's places of business in

<sup>11</sup> <http://finance.idaho.gov/MortgageLicense.aspx>

	the state must each have a minimum of three years' experience in residential mortgage lending.
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate responsibility, character, and fitness.
Net Worth	• The applicant must maintain \$10,000 in net worth.
Bond	• The applicant must maintain a \$10,000 bond and a \$5,000 bond for each additional office.
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None; however, the applicant OR each of the individuals in charge of the applicant's places of business in the state must each have a minimum of three years' experience in residential mortgage lending.
Employee Exemptions	• Employees are not required to be licensed.

## Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
Safe Harbor	• None

## Branch Offices

In-state Requirement	• A licensee is not required to maintain an office in the state.
License Requirement	• A licensee must obtain a separate license for each place of business.
Branch Manager	• None; however, the applicant OR each of the individuals in charge of the applicant's places of business in the state must each have a minimum of three years' experience in residential mortgage lending.

## Licensing Fees

Initial Application	• \$200 Application Fee
Branch Application	• \$200 Application Fee
Renewal Application	• \$100 Renewal Fee (Annually)
	• \$100 Branch Renewal Fee (Annually)

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997 Change

## Mortgage Broker Applicant Requirements

Experience	• None
Managing Principal	• Each applicant must designate a "Qualified Person in Charge" (QPIC). This person does not have to be an owner, officer, member, partner, or director. The QPIC must have a minimum of three years' experience in residential mortgage lending.

## Licensing Exemptions

Safe Harbor	• Limited. Any person or entity not <b>making</b> more than five loans primarily for personal, family, or household use and primarily secured by a security interest on residential real property, with his own funds for his own investment, in any period of 12 consecutive months is exempt.
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## Branch Offices

Branch Manager	• Each of the individuals in charge of the applicant's places of business in the state must
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each have a minimum of three years' experience in residential mortgage lending.

1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	Change

### **Mortgage Broker Applicant Requirements**

- |      |   |
|------|---|
| Bond | <ul style="list-style-type: none"> <li>• The applicant must obtain a \$10,000 bond and a \$10,000 bond for each additional office.</li> </ul> |
|------|---|

### **Licensing Exemptions**

- |          |   |
|----------|---|
| Entities | <ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> </ul> |
|----------|---|

<b>2004</b>	Change
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### **Mortgage Broker Applicant Requirements**

- |           |   |
|-----------|---|
| Net Worth | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Bond      | <ul style="list-style-type: none"> <li>• The applicant must obtain a \$25,000 bond and a \$10,000 bond for each additional office.</li> </ul> |

### **Licensing Fees**

- |                     |   |
|---------------------|---|
| Initial Application | <ul style="list-style-type: none"> <li>• \$350 Application Fee</li> </ul>   |
| Branch Application  | <ul style="list-style-type: none"> <li>• \$350 Application Fee</li> </ul>   |
| Renewal Application | <ul style="list-style-type: none"> <li>• \$150 Renewal Fee (Annually)</li> <li>• \$150 Branch Renewal Fee (Annually)</li> </ul> |

2005	No change
2006	Change (Because of the many amendments made since 1996, this is a complete compilation of the current statute.)

### **Mortgage Broker Applicant Requirements**

- |                          |   |
|--------------------------|---|
| Age                      | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Residency                | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Experience               | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Education                | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Examination              | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Fitness                  | <ul style="list-style-type: none"> <li>• The applicant must demonstrate responsibility, character, and fitness.</li> </ul>  |
| Net Worth                | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Bond                     | <ul style="list-style-type: none"> <li>• The applicant must obtain a \$25,000 bond and a \$10,000 bond for each additional office.</li> </ul>   |
| Background Investigation | <ul style="list-style-type: none"> <li>• The State conducts background checks on control persons (no fingerprints are required in Idaho).</li> </ul>  |
| Continuing Education     | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Managing Principal       | <ul style="list-style-type: none"> <li>• Each applicant must designate a "Qualified Person in Charge" (QPIC). This person does not have to be an owner, officer, member, partner, or director.</li> <li>• The QPIC must have a minimum of three years' experience in residential mortgage lending.</li> <li>• The QPIC must obtain a loan originator license if conducting loan origination activities.</li> <li>• Only sole proprietors who hold a mortgage broker-lender license in their own name will not be required to obtain an additional loan originator license as long as they remain exclusive to themselves and do not originate for any other entity.</li> <li>• Regardless of whether the QPIC is conducting origination activities, the QPIC must complete 16 hours of continuing education annually.</li> <li>• Clerical employees are not required to be licensed.</li> <li>• Loan originators must obtain a license. Loan originators may not be simultaneously employed by more than one licensed mortgage broker or mortgage lender or enter into concurrent contractual relationships for delivery of loan origination services to more than one licensee.</li> </ul> |

### **Employee Exemptions**

### **Licensing Exemptions**

- |          |  |
|----------|--|
| Entities | <ul style="list-style-type: none"> <li>• Regulated financial institutions</li> </ul> |
|----------|--|

Safe Harbor

- Lawyers
- Limited. Any person or entity not **making** more than five loans primarily for personal, family, or household use and primarily secured by a security interest on residential real property, with his own funds for his own investment, in any period of 12 consecutive months is exempt.

## Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- An applicant is not required to maintain an office in the state.
- An applicant must obtain a separate license for each place of business.
- Each applicant must designate a "Qualified Person in Charge" (QPIC). This person does not have to be an owner, officer, member, partner, or director.
- The QPIC must have a minimum of three years' experience in residential mortgage lending.
- The QPIC must obtain a loan originator license if conducting loan origination activities.
- Regardless of whether the QPIC is conducting origination activities, the QPIC must complete 16 hours of continuing education annually.

## Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$350 Application Fee
- \$350 Application Fee
- \$150 Renewal Fee (Annually)
- \$150 Branch Renewal Fee (Annually)

## Employee Requirements

*The term "applicant," "registrant," or "licensee" refers to the following, unless otherwise noted:*

- *An individual applying for a license as a "Loan Originator."*

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee

- None
- None
- None
- None
- None
- The applicant must demonstrate financial responsibility, character, and fitness.
- None
- The applicant must obtain a bond in the amount of \$10,000.
- No fingerprints are required, but background checks are conducted.
- The licensee must complete 16 hours of continuing education annually.
- \$100 License Fee (This is a one-time reduced fee for initial licensing compliance, e.g., applications submitted before March 1, 2006.)
- \$200 License Fee (All applications submitted after March 1, 2006 must pay this amount.)
- \$100 Renewal Fee (Annually)

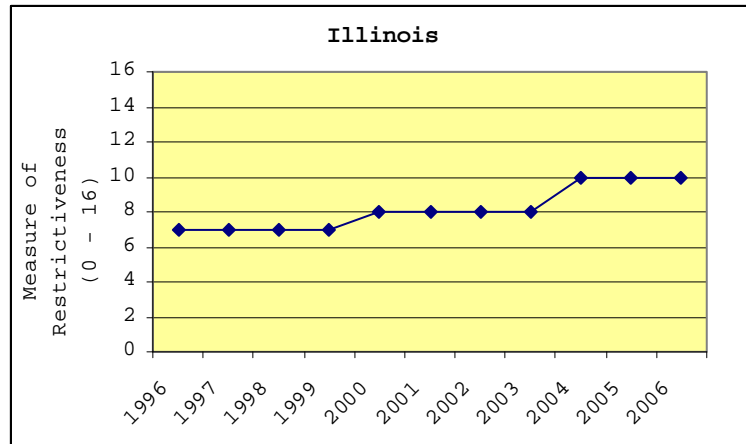
Renewal Fee

## Illinois

205 ILCS 635/1 et seq.

<http://www.obre.state.il.us/RESFIN/mortbank.htm>

Regulation effective since: January 1, 1988



The Division of Banking of the Illinois Department of Financial and Professional Regulation is responsible for administering the Residential Mortgage License Act of 1987 and currently licenses approximately 1,556 mortgage bankers and brokers.<sup>12</sup>

Illinois' education and experience requirement is stricter than most states; it mandates that *all* owners and managing executives have at least three years of residential mortgage lending experience or complete the required education before seeking licensure. Pursuant to the Residential Mortgage License Act, licensees may only broker loans to other licensees or entities that are exempt from the Illinois licensing requirement.

Illinois has required registration of loan originators since 2004. To qualify for registration, a loan originator must pass an examination and to maintain a license, a loan originator must complete six hours of continuing education annually.

## Illinois

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- The applicant or its members, directors, or principals as may be appropriate, must be at least 18 years of age.

Residency

- None

Experience/Education

- The applicant or the members thereof if the applicant is a partnership or association, the members or managers thereof that retain any authority or responsibility under the operating agreement if the applicant is a limited liability company, or the officers and directors thereof if the applicant is a corporation must have three years experience immediately preceding application in real estate finance OR must have satisfactorily completed a

<sup>12</sup> <http://www.obre.state.il.us/MBLookup/MBList.htm>

Examination	program of education in real estate finance, as approved by the commissioner, within nine months of receiving the initial license.
Fitness	<ul style="list-style-type: none"> <li>• None</li> <li>• The applicant and of the members thereof if the license applicant is a partnership or association, of the officers and directors thereof if the license applicant is a corporation, and of the managers and members that retain any authority or responsibility under the operating agreement if the license applicant is a limited liability company must demonstrate financial responsibility, experience, character, and general fitness.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>• The applicant must maintain \$35,000 in net worth.</li> </ul>
Bond	<ul style="list-style-type: none"> <li>• The applicant must maintain a bond in the amount of \$20,000.</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>• Unknown</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>• None</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>• None</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>• Any person employed by the licensee to assist in the performance of regulated activities who is compensated in any manner by only that licensee is exempt from licensure.</li> </ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Real estate agents</li> <li>• Insurance companies</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>• None</li> </ul>

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>• A licensee is required to maintain an office in the state.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>• A licensee is required to obtain a license for each branch office.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>• None</li> </ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$1,000 Application Fee</li> <li>• \$800 License Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>• Unknown</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>• \$2,600 (Biennially—\$800 shall be paid upon the issuance of the license, and the second installment of \$1,800 one year after the effective license date.)</li> <li>• Branch renewal fees unknown.</li> </ul>

## Employee Requirements

Age	<ul style="list-style-type: none"> <li>• None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>• None</li> </ul>
Education	<ul style="list-style-type: none"> <li>• None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>• None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>• None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>• None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>• None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>• None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>• None</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>• None</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>• None</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>• None</li> </ul>

1997	No change
1998	No change
1999	Change

## Mortgage Broker Applicant Requirements

Experience/Education	<ul style="list-style-type: none"> <li>• The applicant or the members thereof if the applicant is a partnership or association, the members or managers thereof that retain any authority or responsibility under the operating agreement if the applicant is a limited liability company, or the officers and directors thereof if the applicant is a corporation must have three years experience immediately preceding application in real estate finance OR must have satisfactorily completed a program of education in real estate finance, as approved by the commissioner, prior to receiving the initial license.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>• The applicant must maintain \$35,000 in net worth.</li> <li>• In lieu of maintaining a full-service office in the state of Illinois, a licensee whose principal place of business is located outside the state of Illinois must submit a certified audit</li> </ul>

Bond	<p>evidencing a minimum net worth of \$100,000, which must be maintained at all times, and shall submit and maintain a fidelity bond in the amount of \$100,000.</p> <ul style="list-style-type: none"> <li>• The applicant must obtain a \$20,000 surety bond.</li> <li>• In lieu of maintaining a full-service office in the state of Illinois, a licensee whose principal place of business is located outside the state of Illinois must submit a certified audit evidencing a minimum net worth of \$100,000, which must be maintained at all times, and shall submit and maintain a fidelity bond in the amount of \$100,000.</li> </ul>
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## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>• Licensees incorporated under Illinois law, licensees that maintain their principal place of business in Illinois, and out-of-state licensees that do not maintain the required net worth and fidelity bond must maintain an office in the state. (In lieu of maintaining a full service office in the state of Illinois, a licensee whose principal place of business is located outside the state of Illinois must submit a certified audit evidencing a minimum net worth of \$100,000, which must be maintained at all times, and shall submit and maintain a fidelity bond in the amount of \$100,000.)</li> </ul>
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2000 Change

## Mortgage Broker Applicant Requirements

### Employee Requirements

Continuing Education	<ul style="list-style-type: none"> <li>• Each licensee that employs persons within Illinois to take residential mortgage applications from consumers is required to have those persons complete a minimum of three hours of education in real estate finance each calendar year at a source approved by the commissioner. Any person who becomes an employee of a licensee later than September 1 of any year shall be exempt from this education requirement in the year of his or her hire.</li> </ul>
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2001 No change  
2002 No change  
2003 Change

## Mortgage Broker Applicant Requirements

### Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$1,500 Application Fee</li> <li>• \$1,200 License Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>• \$250 Application Fee</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>• \$2,700 Renewal Fee (Annually)</li> <li>• Branch renewal fee unknown.</li> </ul>

2004 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

	<ul style="list-style-type: none"> <li>• An individual applying for an individual license;</li> <li>• A sole proprietor applying for a business license;</li> <li>• Any other business entity, however incorporated, applying for a business license.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>• The applicant must maintain \$50,000 in net worth.</li> <li>• In lieu of maintaining a full service office in the state of Illinois, a licensee whose principal place of business is located outside the state of Illinois must submit a certified audit evidencing a minimum net worth of \$100,000, which must be maintained at all times, and shall submit and maintain a fidelity bond in the amount of \$100,000.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>• Clerical employees are exempt.</li> <li>• Loan originators must register with the state.</li> </ul>

### Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

	<ul style="list-style-type: none"> <li>• An individual applying for registration as a “Loan Originator.”</li> </ul>
Age	<ul style="list-style-type: none"> <li>• None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>• None</li> </ul>
Education	<ul style="list-style-type: none"> <li>• None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>• None</li> </ul>

Examination	<ul style="list-style-type: none"> <li>The applicant must successfully complete an examination. An applicant is <i><b>not</b></i> required to pass an examination if the applicant limits his or her activity to soliciting residential mortgage loan applications, which includes collecting personal or financial information from prospective borrowers for the sole purpose of conveying this information to a licensee and its registered loan originator. The employing licensee must assume full and direct legal responsibility for the solicitation activity performed on behalf of or in the name of the licensee in writing.</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>The applicant must demonstrate character and general fitness.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>An applicant must submit fingerprints and consent to a background investigation.</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>A registrant must complete six hours of continuing education.</li> <li>Any registrant who possesses a professional certification approved by the director shall be exempt from the continuing education requirements of this section. For a professional certification to be eligible for approval, it must require at a minimum 18 hours of continuing education related to residential mortgage lending every three years. A Loan Originator who is admitted to practice law pursuant to the Illinois Supreme Court rule shall be exempt from the continuing education requirements.</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>Loan Originator Examination—\$74 per sitting</li> <li>Civil Background Check—\$115</li> <li>Criminal Background Check—varies per vendor</li> <li>\$125 Initial Registration Fee</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>Unknown</li> </ul>

2005 No change  
2006 No change  
Changes with unknown effective date

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

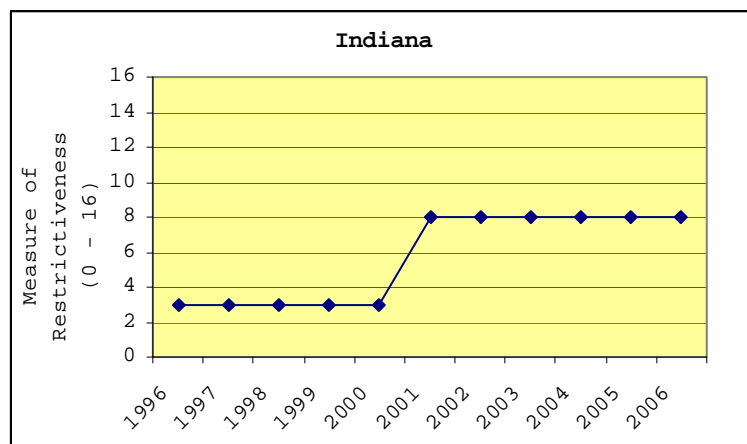
Background Investigation	<ul style="list-style-type: none"> <li>The applicant must consent to financial and business responsibility background check.</li> </ul>
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## Indiana

§23-2-5-1

[http://www.in.gov/sos/securities/faq\\_loanbroker.html](http://www.in.gov/sos/securities/faq_loanbroker.html)

Regulation effective since: May 15, 1985



Indiana has regulated mortgage brokers since 1985. The Indiana Division of Securities licenses mortgage brokers pursuant to the Loan Broker Act. Loan brokers are required to maintain a

\$50,000 bond and register ***all*** individuals that communicate with or provide assistance to a borrower or prospective borrower in the selection of loan products or terms as loan originators. Each licensee must employ at least one registered loan originator.

Loan originators are required to complete 24 hours of pre-licensing education. Loan originators must also complete 12 hours of continuing education during the licensing period.

## Indiana

### Year Status

1996 Regulation in effect

#### Loan Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- *An individual applying for an individual registration;*
- *A sole proprietor applying for a business registration;*
- *Any other business entity, however incorporated, applying for a business registration.*

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$25,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register.

#### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> <li>• Securities broker-dealers</li> </ul>
Safe Harbor	• None

#### Branch Offices

In-state Requirement	• A licensee is not required to maintain an office in the state.
License Requirement	• A licensee must obtain approval from the State before opening a branch office.
Branch Manager	• None

#### Licensing Fees

Initial Application	• \$250 License Fee
Branch Application	• Unknown
Renewal Application	• \$100 Renewal Fee (Biennially)
	• Branch renewal fee unknown.

#### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None

Renewal Fee

- None

1997	No change
1998	No change
1999	Change

## Loan Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Bond

- The applicant must obtain a bond in the amount of \$50,000.

## Licensing Fees

Initial Application

- \$200 License Fee

2000	No change
2001	Change

## Loan Broker Applicant Requirements

Education

- If the applicant is a sole proprietor or individual, the sole proprietor or individual must complete at least 24 hours of academic instruction related to the loan brokerage business during the preceding 24 months of the application date. (The sole proprietor or individual would need to meet this requirement as a registered loan originator—which all loan brokers are required to employ. Entities would need to employ a registered loan originator that meets this requirement.)

Continuing Education

- A licensee that is a sole proprietor or an individual and is renewing his license or certificate of registration must provide to the commissioner evidence that during the 24-month period immediately preceding the application, the person completed at least 12 hours of academic instruction related to the loan brokerage business. Other entities would need to provide proof that their registered loan originators completed this requirement.

Employee Requirements

- Each licensed loan broker is required to have at least one registered loan originator. The loan originator is subject to pre-education requirements and continuing education requirements.

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Loan Originator.”

Age

- None

Residency

- None

Education

- During the 24 month period immediately preceding the application, the applicant must have completed at least 24 hours of academic instruction related to the loan brokerage business.

Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- A registrant renewing a certificate of registration must provide to the commissioner evidence that during the 24-month period immediately preceding the application, the registrant completed at least 12 hours of academic instruction related to the loan brokerage business.

License Fee

- None

Renewal Fee

- None

2002	No change
2003	No change
2004	No change
2005	No change
2006	Change

## Employee Requirements

Background Investigation

- Regulations effective March 1, 2006 indicate the commissioner may require the licensee to conduct and file with the Securities Division an FBI criminal background check on each individual the licensee applies to register as an originator under IC 23-2-5-5(c)(6).

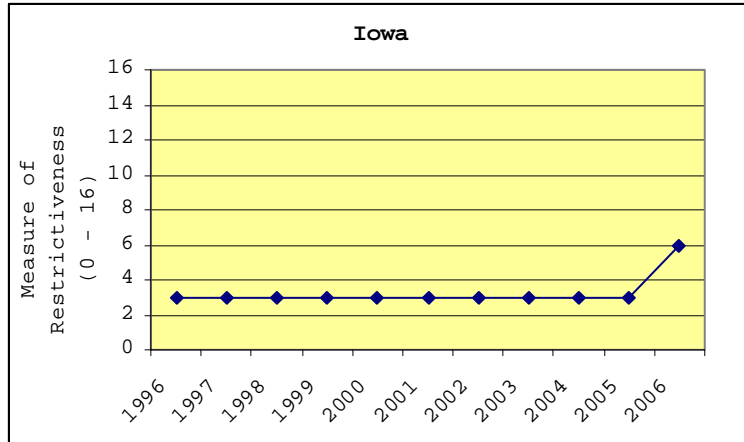


## Iowa

§535B.1 et seq.

<http://www.idob.state.ia.us>

Regulation effective since: May 3, 1988



The Iowa Division of Banking currently licenses approximately 707 mortgage brokers pursuant to Chapter 535B of the Iowa Code.<sup>13</sup> Natural persons who are mortgage brokers and who are employed by, under contract with, or an agent of a licensee are also required to register annually with the administrator. Sole proprietors and individuals that procure a mortgage broker license are not required to register with the state; however, control persons of corporations and limited liability companies are required to register if they originate loans secured by residential real property located in Iowa.

Overall, Iowa has a fairly unrestrictive licensing policy. There are no education, experience, or continuing education requirements for applicants, only a bonding requirement.

\*\* Iowa is one several states that have adopted the national uniform mortgage licensing forms.

## Iowa

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience  
Education  
Examination  
Fitness

- None
- None
- None
- None
- None
- The applicant or the members thereof if the applicant is a partnership, association, or other organization, or of the officers, directors, and principal employees if the applicant is a corporation must demonstrate financial responsibility, character, and general fitness.

Net Worth

- The applicant must submit financial statements.

<sup>13</sup> [http://www.idob.state.ia.us/public/license/Financesrch/license\\_results.asp](http://www.idob.state.ia.us/public/license/Financesrch/license_results.asp)

Bond  
Background Investigation  
Continuing Education  
Managing Principal  
Employee Exemptions

- The applicant must maintain a bond in the amount of \$15,000.
- Unknown
- None
- None
- Any individual who is acting solely as an employee or agent of a licensed mortgage broker is not required be separately licensed.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Insurance companies
- Consumer loan companies
- None

Safe Harbor

## Branch Offices

In-state Requirement

- Statute does not specifically state whether there was an in-state office requirement. However, changes to the statute in 2006 clearly indicate that there is no in-state office requirement.

License Requirement  
Branch Manager

- None
- None

## Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$500 License Fee
- None
- \$200 Renewal Fee (Annually)

## Employee Requirements

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	No change
2004	No change
2005	No change
2006	Change

## Mortgage Broker Applicant Requirements

Bond  
Employee Requirements

- The applicant must maintain a bond in the amount of \$50,000.
- An applicant is not eligible for licensing unless all individual registrants who are employed by, under contract with, or agents of the person have successfully completed the registration and required background checks.
- Sole proprietors and individuals who obtain a mortgage broker license are not required to register with the state.
- Control persons of licensed corporations and limited liability companies or partnerships must register with the state if they will originate loans secured by residential real property located in Iowa.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Real estate agents

Safe Harbor

- Insurance companies
- Consumer loan companies
- A mortgage broker is defined as “a person who arranges or negotiates, or attempts to arrange or negotiate, at least four first mortgage loans or commitments for four or more such loans on residential real property located in the state in a calendar year.”

### Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- None
- A licensee must notify the state if it opens a branch office.
- None

### Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for registration as a “Mortgage Broker.”

*A natural person who is a mortgage banker or mortgage broker and who is employed by, under contract with, or is an agent of a licensee shall register annually with the administrator.*

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- An applicant for registration must be 18 years of age.
- None
- None
- None
- None
- None
- None
- None
- The applicant must consent to a background and criminal history check.
- The registrant must complete 12 hours of continuing education.
- \$50 License Fee (\$50 is stated in the application; \$100 is stated in the statute.)
- \$100 (Annually)

Changes with unknown effective dates

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Background Investigation

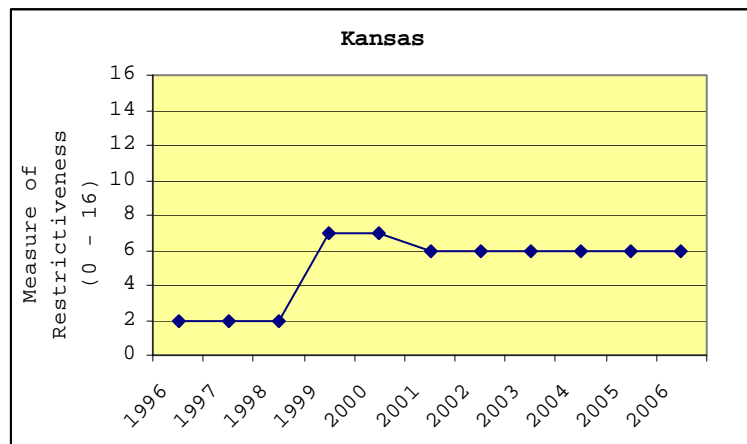
- Criminal background checks may be conducted as part of the investigation process.

## Kansas

§9-2201 et seq.

<http://www.osbckansas.org/DOCML.html>

Regulation effective since: November 1, 1996



Mortgage brokers in Kansas are regulated by both the Loan Broker Act and the Mortgage Business Act. The Loan Broker Act, administered by the Office of the Securities Commissioner, is only applicable to mortgage brokers who collect advance fees other than bona fide third party fees; any person whose fee is wholly contingent on the successful procurement of a loan from a third party and to whom no fee, other than a bona fide third party fee, is paid before the procurement is exempt from the Loan Broker Act. Pursuant to the Loan Broker Act, an applicant must maintain a bond in the amount of \$25,000 in favor of the state and pay a \$250 application fee. Registrations must be renewed annually and accompanied by a \$100 renewal fee.

The Mortgage Business Act requires that all mortgage brokers obtain a license and all loan originators register with the Division of Consumer and Mortgage Lending of the Office of the State Bank Commissioner. Although the Mortgage Business Act has no experience or education requirements for applicants, it does require that all applicants with a bona fide office obtain a \$50,000 bond. Applicants without a bona fide office must maintain a \$100,000 bond and \$50,000 in net worth. In addition, any individual (including owners, officers, and directors) conducting origination activities must register with the state and complete eight hours of continuing education annually.

## Kansas

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility and condition, character, qualifications, and fitness.
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register.

### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Consumer loan companies</li> <li>• Loan brokers</li> </ul>
Safe Harbor	• None

### Branch Offices

In-state Requirement	• None
License Requirement	• None
Branch Manager	• None

### Licensing Fees

Initial Application	• Not less than \$100.
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- Branch Application • None
- Renewal Application • Renewal fee unknown. (Annually)

### Employee Requirements

- Age • None
- Residency • None
- Education • None
- Experience • None
- Examination • None
- Fitness • None
- Net Worth • None
- Bond • None
- Background Investigation • None
- Continuing Education • None
- License Fee • None
- Renewal Fee • None

1997	No change
1998	No change
1999	Change

### Mortgage Broker Applicant Requirements

- Net Worth/Bond • If the applicant has a bona fide office, the applicant may either maintain a net worth of \$100,000 OR obtain a bond in the amount of \$25,000.
- If the applicant does not have a bona fide office, the applicant must maintain a net worth of \$50,000 AND a bond for \$100,000.

### Branch Offices

- License Requirement • A licensee must notify the state if it intends to open a branch office.

### Licensing Fees

- Renewal Application • Renewal fee unknown. (Biennially)

2000	No change
2001	Change

### Mortgage Broker Applicant Requirements

- Net Worth • If the applicant does not have a bona fide office, the applicant must maintain a net worth of \$50,000.
- Bond • If the applicant has a bona fide office, the applicant must maintain a bond in the amount of \$50,000.
- If the applicant does not have a bona fide office, the applicant must maintain a bond in the amount of \$100,000.
- Continuing Education • Any owner, officer, director, or manager conducting loan origination activities must also register as a loan originator and complete eight hours of continuing education annually.
- Employee Requirements • All persons conducting loan origination activities must register with the state (including owners, officers, directors, etc.). A registrant shall only engage in mortgage business on behalf of one mortgage company.

### Branch Offices

- In-state Requirement • A licensee is not required to maintain an office in the state.
- License Requirement • A licensee must obtain a license for each branch office.
- Branch Manager • None

### Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for registration as a “Loan Originator.”*
- Age • None
- Residency • None
- Education • None
- Experience • None
- Examination • None

Fitness	• The applicant must demonstrate fitness.
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• License fee not to exceed \$50.
Renewal Fee	• Renewal fee unknown. (Annually)

2002	No change
2003	No change
2004	No change
2005	No change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

#### Background Investigation

- The applicant or each individual owner/member with an ownership interest of 10 percent or more, officer, or partner must submit fingerprints.

### Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$600 Application Fee (Applicant must also pay \$54 for fingerprint processing.)
- \$200 Branch Application Fee
- \$400 Renewal Fee (Biennially)
- \$200 Branch Renewal Fee (Biennially)

### Employee Requirements

Background Investigation  
License Fee  
Renewal Fee

- The applicant must submit fingerprints and consent to a background check.
- \$75 License Fee (Applicant must also pay \$54 for fingerprint processing.)
- \$50 (Annually)

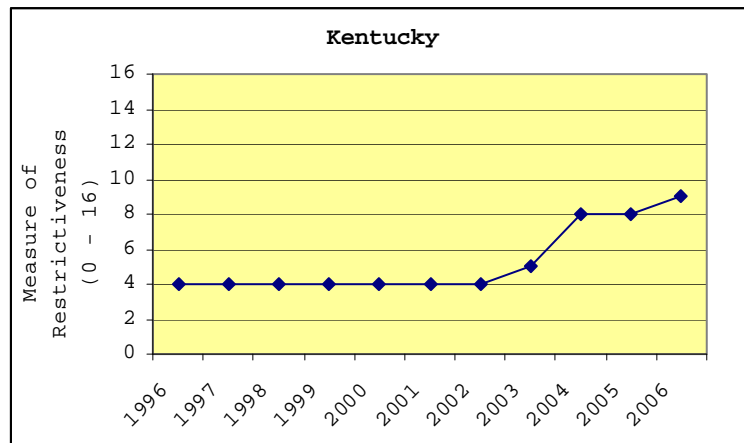
2006	No change
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## Kentucky

§294.010 et seq.

<http://www.kfi.ky.gov/>

Regulation effective since: July 15, 1980



The Department of Public Protection of the Office of Financial Institutions regulates both mortgage loan brokers and their employees pursuant to the Mortgage Loan Company and

Mortgage Loan Broker Act. The Commonwealth has approximately 290 principal licenses, 23 branch licenses, and 1,008 originator licenses issued.<sup>14</sup>

To obtain a license in Kentucky, at least one individual (the sole proprietor, primary owner, or designated manager) must complete 30 hours of pre-licensing education and an additional 12 hours of continuing education annually. The applicant must also submit proof that at least one owner (of 20 percent or more) has at least two years of experience in the industry and maintain a bond in the amount of \$50,000.

Kentucky has a stricter registration requirement than most states. *All* persons who discuss or negotiate the rates, terms, and conditions of a loan with a borrower or prospective borrower must register with the department, including licensed sole proprietors and designated principals of licensed corporations, partnerships, etc. Registrants must obtain 12 hours of pre-licensing education and complete an additional 12 hours of continuing education annually.

## Kentucky

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- No mortgage loan broker’s license may be granted to a person unless the person is a bona fide resident of the state for a period of at least six months immediately preceding the date of licensing.

Experience

- None

Education

- None

Examination

- None

Fitness

- The applicant must demonstrate financial responsibility, financial condition, business expertise, character, and general fitness.

Net Worth

- The applicant must submit financial statements.

Bond

- The applicant must maintain a bond in the amount of not less than \$25,000.

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- If a licensee is a person other than a natural person, the license issued to it shall entitle all officers and employees of the person, if a corporation, and all members, partners, trustees, and employees, if an association, partnership, or trust, to engage in the mortgage loan business.

### Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- Consumer loan companies
- Securities broker-dealers

Safe Harbor

- Persons *making* five or less mortgage loans in any period of 12 consecutive months are exempt.

### Branch Offices

In-state Requirement

- A licensee must maintain an in-state office.

License Requirement

- A licensee must notify the department if it intends to open a branch office.

<sup>14</sup> <http://www.fi.ky.gov/scr/ifs/ifssearch.asp?div=cs>

Branch Manager

- None

### Licensing Fees

Initial Application

- \$150 Application Fee
- \$300 License Fee

Branch Application

- \$40 Application Fee
- \$200 License Fee

Renewal Application

- \$300 Renewal Fee (Annually)
- \$200 Branch Renewal Fee (Annually)

### Employee Requirements

Age

- None

Residency

- None

Education

- None

Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1997 No change  
1998 Change

### Mortgage Broker Applicant Requirements

Education

- If the applicant is a natural person, or is a corporate entity owned by a natural person(s), the primary owner responsible for day-to-day management must take 30 hours of pre-licensing education. If the applicant is owned by a corporate entity, the designated manager must take 30 hours of pre-licensing education.

Bond

- The applicant must maintain a bond in the amount of not less than \$50,000.

### Branch Offices

In-state Requirement

- A licensee is not required to have an office in-state.

License Requirement

- A licensee must register each branch office.

### Licensing Fees

Initial Application

- \$300 Application Fee
- \$450 License Fee

Branch Application

- \$150 Application Fee
- \$250 License Fee

Renewal Application

- \$350 Renewal Fee (Annually)
- \$250 Branch Renewal Fee (Annually)

1999 No change  
2000 No change  
2001 No change  
2002 No change  
2003 Change

### Branch Offices

In-state Requirement

- A licensee is required to have an office in-state.

2004 Change

### Mortgage Broker Applicant Requirements

Continuing Education

- The individual designated responsible (and completing the 30 hours of pre-licensing education) must complete 12 hours of continuing education annually.

Employee Exemptions

- Anyone (including sole proprietors, designated individuals, owners, officers, principals, etc.) who discusses or negotiates the rates, terms, and conditions of a loan with a borrower



or prospective borrower must be registered.

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for registration as a “Loan Officer.”*

Age	• None
Residency	• None
Education	• The applicant must successfully complete 12 classroom hours of education courses related directly to the mortgage loan process or brokerage business.
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Check	• The applicant must submit a complete set of fingerprints and consent to an FBI criminal background check.
Continuing Education	• The registrant must complete 12 hours of continuing education annually.
License Fee	• \$50 Registration Fee
Renewal Fee	• \$50 Renewal Fee (Annually)

2005	No change
2006	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for an individual license;*
- *A sole proprietor applying for a business license;*
- *Any other business entity, however incorporated, applying for a business license.*

Experience	• The applicant must submit sufficient proof that the applicant or at least one owner of 20 percent or more has a minimum of two years’ experience working in the mortgage industry.
Bond	• The applicant must maintain a bond in the amount of \$50,000.

Changes with unknown effective date

## Mortgage Broker Applicant Requirements

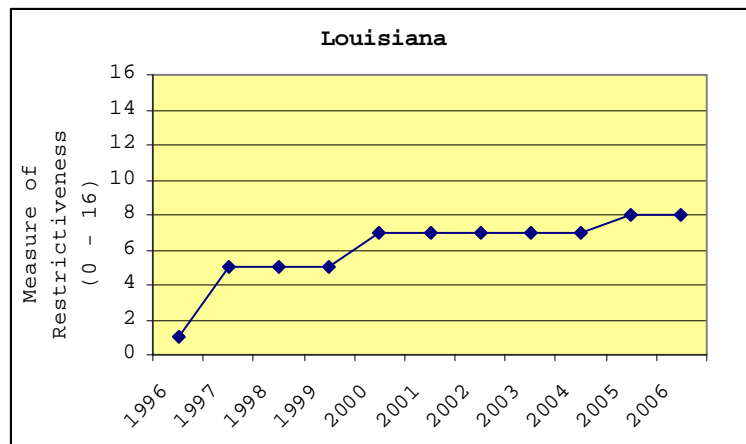
Net Worth	• The applicant must submit current, signed and dated, financial statements (balance sheet) on any person or entity owning 10 percent or more of the applicant.
Background Check	• The applicant (or any person named on application) must consent to background and credit history check.

## Louisiana

§6:1081 et seq.

<http://www.ofi.state.la.us/newrml.htm>

Regulation effective since: July 1, 1988



Mortgage brokers in Louisiana have been regulated pursuant to three different laws over the past decade. Mortgage brokers were originally licensed under the Mortgage Brokers and Lenders Law until the law was repealed in 1997. Regulation of mortgage brokers then fell under the Consumer Credit Law until 2000 when the Residential Mortgage Lending Law was enacted. The Residential Mortgage Lending Law permits partnerships, limited liability companies, and corporations to obtain a license, but only allows the entity to engage in residential mortgage lending activity through natural persons who are licensed as mortgage brokers or originators. Therefore, every control person and employee that engages in brokering activities is required to obtain a loan originator license, including sole proprietors. One originator must be designated on the licensee's record. Although there are no specific educational or experience requirements for the entity's control persons, as loan originators they would be required to complete ten hours of pre-licensing education. Louisiana also requires that a mortgage broker licensee maintain either \$50,000 in net worth or a \$50,000 surety bond.

The Office of Financial Institutions currently licenses approximately 972 mortgage brokers and lenders and 5,821 loan originators (this number includes licensed loan originators that are working for mortgage lenders).<sup>15</sup>

## Louisiana

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

<sup>15</sup> <http://www.ofi.state.la.us/newrml.htm> (accessed September 1, 2006)

Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant, its owners, and of the members thereof, if the applicant is a partnership or association, and of the officers and directors thereof, if the applicant is a corporation must demonstrate financial responsibility, character, and fitness.
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are exempt.

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> </ul>
Safe Harbor	• Persons <b>making</b> ten or less mortgage loans in any period of 12 consecutive months are exempt.

## Branch Offices

In-state Requirement	• A licensee is not required to maintain an office in the state.
License Requirement	• If a license is required for an applicant that has multiple office locations, all such offices can be included under a single license by including in the application for such license the address and the location of each office operated by the same applicant.
Branch Manager	• None

## Licensing Fees

Initial Application	• \$100 License Fee
Branch Application	• None
Renewal Application	• Unknown (Annually)

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	Change (Original Mortgage Brokers and Lenders Law was repealed, moving regulation of mortgage brokers under the Consumer Credit Law.)
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## Consumer Loan Broker Applicant

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for an individual “Consumer Loan Broker” registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant and its principals, owners, officers, directors, partners, members, and managers must demonstrate financial responsibility, character, and fitness.
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$25,000. An applicant who will be

Background Investigation	covered by a corporate bond (e.g. the employer bond) is not required to obtain a bond.
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• None
	• All consumer loan brokers must obtain a license.
	• A corporation that is a loan broker shall be licensed and shall act as a consumer loan broker only through natural persons who are registered consumer loan brokers.

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> <li>• None</li> </ul>
Safe Harbor	

## Branch Offices

In-state Requirement	• A registrant is required to maintain an office in the state.
License Requirement	• Not clear
Branch Manager	• None

## Licensing Fees

Initial Application	• \$100 License Fee
Branch Application	• None
Renewal Application	• \$100 (Annually)

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for a license as a “Consumer Loan Broker.” (This is the SAME as the requirements above.)*

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, character, and fitness.
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$25,000. An applicant who will be covered by a corporate bond (e.g., his employer bond) is not required to obtain a bond.
Background Investigation	• None
Continuing Education	• None
License Fee	• \$100 License Fee
Renewal Fee	• \$100 Renewal Fee (Annually)

1998	No change
1999	No change
2000	Change (Mortgage Brokers and Lenders Law was enacted again.)

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for an individual license;*
- *A sole proprietor applying for a business license;*
- *Any other business entity, however incorporated, applying for a business license.*

Age	• None
Residency	• None
Experience	• None
Education	• Each applicant must have a licensed loan originator on record. The licensed loan originator must obtain ten hours of professional education prior to the date on which the application is submitted.
Examination	• None
Fitness	• The applicant, its owners, and its members, if the applicant is a partnership, and its officers and directors, if the applicant is a corporation, must demonstrate financial responsibility, character, and fitness.
Net Worth/Bond	• The applicant must have \$50,000 in net worth or obtain a bond in the amount of \$50,000.
Background Investigation	• None
Continuing Education	• Each applicant must have a licensed loan originator on record. The licensed loan

Managing Principal

- originator is required to obtain ten hours of continuing education courses annually.
- Any licensee under the Residential Mortgage Lending Act may engage in Residential Mortgage Lending Activity only through natural persons who are licensed as a Mortgage Broker, Mortgage Lender, or Originator, or who are registered or exempt from the Residential Mortgage Lending Act.
- If an individual or sole proprietor is going to engage in brokering activities, the individual or sole proprietor must be the **licensed** loan originator on record. The individual or sole proprietor would then need to meet the pre-licensing education and post-licensing education requirements.
- Clerical employees are exempt.

Employee Exemptions

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Insurance companies
- Consumer loan companies
- Any person, who contracts for no more than four residential loan transactions over any calendar year, including those acting as originators, is exempt.

Safe Harbor

## Branch Offices

In-state Requirement

License Requirement

Branch Manager

- A licensee is not required to maintain an office in the state.
- A licensee must notify the state when it intends to open a branch office.
- None

## Licensing Fees

Initial Application

Branch Application

Renewal Application

- License Fee not to exceed \$400.
- \$100 License Fee for all offices opened (not including those registered with original application).
- Renewal Fee not to exceed \$300. (Annually)

## Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- *An individual applying for a license as an "Originator."*

Age

Residency

Education

Experience

Examination

Fitness

Net Worth

Bond

Background Investigation

Continuing Education

License Fee

Renewal Fee

- None
- None
- The applicant must complete ten hours of professional education prior to the date on which the application is submitted.
- None
- None
- The applicant must demonstrate financial responsibility, character, and fitness.
- None
- None
- None
- The applicant must complete ten hours of continuing education courses annually.
- License Fee not to exceed \$100.
- Renewal Fee not to exceed \$100. (Annually)

2001 No change

2002 No change

2003 No change

2004 No change

2005 Change

## Licensing Exemptions

Safe Harbor

- None

## Employee Requirements

Examination

- The applicant is required to successfully complete an examination. Individuals who have received a bachelors or masters degree in an area related to finance, banking, or business administration from an accredited college or university and have had within the three years immediately preceding the date of the application 12 months' experience in the mortgage lending field as evidenced by documentary proof of full-time employment by a mortgage broker, mortgage lender, originator, or a person exempt are not required to take the examination. Individuals who have had within the three years immediately preceding the date of the application 24 months' experience in the mortgage lending field as evidenced by documentary proof of full-time employment by a mortgage broker,

mortgage lender, originator, or by a person exempt are not required to take the examination.

2006 Change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Background Investigation

- The applicant or its owners, directors, and officers must submit fingerprints and consent to a background check.

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Loan Originator.”

Background Investigation

- The applicant is required to submit a set of fingerprints and submit to a background check.

License Fee

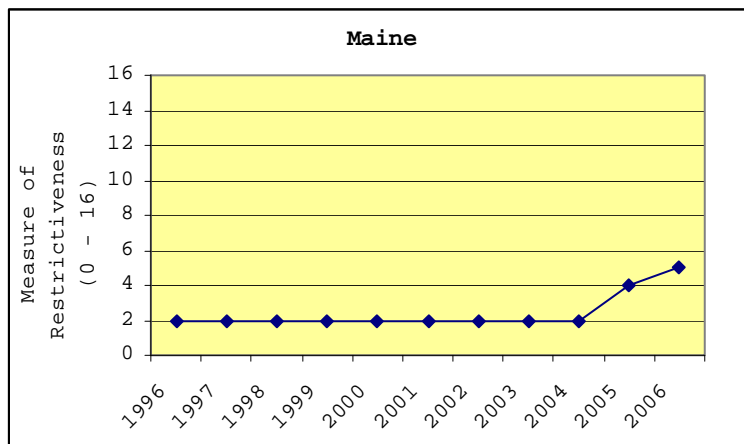
- \$100 License Fee and \$50 Fingerprint Fee

## Maine

Tit. 9-A §10-101 et seq.

[http://www.state.me.us/pfr/ccp/ccp\\_index.htm](http://www.state.me.us/pfr/ccp/ccp_index.htm)

Regulation effective since: January 1, 1990



Pursuant to the Consumer Credit Code, the Office of Consumer Credit Regulation of the Maine Department of Professional and Financial Regulation licenses approximately 554 loan brokers.<sup>16</sup> Maine recently began registering loan officers as well.

Overall, Maine has a relatively unrestrictive licensing policy. Applicants for a loan broker license are only required to maintain a bond in the amount of \$25,000. Control persons of entities such as partnerships and corporations who have direct contact with Maine consumers are required to register as loan officers; sole proprietors, on the other hand, are not required to register themselves as loan officers.

<sup>16</sup> [http://www.state.me.us/pfr/ccp/ccp\\_licensing.htm](http://www.state.me.us/pfr/ccp/ccp_licensing.htm)

## Maine

### Year Status

1996 Regulation in effect

#### Credit Services Organization

##### Applicant Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for an individual registration;*
- *A sole proprietor applying for a business registration;*
- *Any other business entity, however incorporated, applying for a business registration.*

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant and where applicable, its partners, officers, or directors must demonstrate financial responsibility, character, and fitness to warrant belief that the business will be operated honestly and fairly within the purposes of this Title.
Net Worth	• None
Bond	• The applicant must obtain a bond in the amount of \$10,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• It is unclear whether all individual employees of a credit services organization were required to register separately.

#### Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
Safe Harbor	• None

#### Branch Offices

In-state Requirement	• None
License Requirement	• None stated.
Branch Manager	• None

#### Licensing Fees

Initial Application	• \$200 License Fee
Branch Application	• Unknown
Renewal Application	• \$100 Renewal Fee

#### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	No change

2004	No change
2005	Change

## Loan Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant, and where applicable, its partners, officers, or directors must demonstrate financial responsibility, character, and fitness.
	• In addition, the applicant must submit one resume and two letters of professional reference for the applicant and each principal officer, owner, or partner; and two letters of reference regarding the applicant’s background in the financial services field.
Net Worth	• None
Bond	• The applicant must obtain a bond in the amount of \$25,000 and an additional \$25,000 bond for each licensed branch office.
Background Investigation	• None specifically stated.
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Clerical employees are exempt from licensure. (Loan officers are no longer exempt, but are not required to register until 2006.)

## Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
Safe Harbor	• None

## Branch Offices

In-state Requirement	• None
License Requirement	• A licensee must obtain a license for each branch office.
Branch Manager	• A licensee must submit a résumé of the branch manager and two professional letters of reference for that individual.

2006	Change
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## Loan Broker Applicant Requirements

Employee Exemptions	• Clerical employees are exempt from licensure.
	• An individual who holds a lender or loan broker license under a D/B/A (Doing Business As) name does not need to register himself or herself as a loan officer.
	• 1099 employees are considered contract workers and must be separately licensed in a branch location, which can be their home residence. W-2 employees working at a licensed location (main office or branch) need not be individually licensed.

## Licensing Fees

Initial Application	• \$400 License Fee
Branch Application	• \$200 License Fee (May have been effective in 2005).
Renewal Application	• \$100 Renewal Fee (Annually)

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for registration as a “Loan Officer.”

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• The applicant must demonstrate character and fitness.
Net Worth	• None



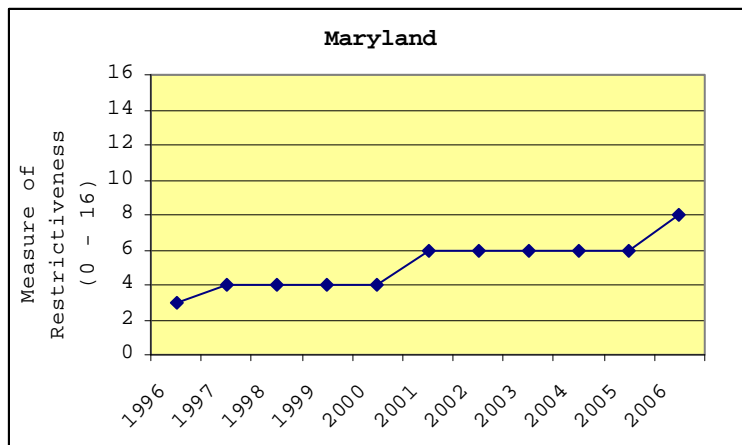
Bond	• None
Background Investigation	• None specifically stated.
Continuing Education	• None
License Fee	• The Registration Fee is \$20 per loan officer per year, up to a maximum of \$200 per company per year.
Renewal Fee	• None

## Maryland

Fin. Inst. Code §11-501 et seq.

[http://www.dllr.state.md.us/license/fin\\_reg/mortlend/](http://www.dllr.state.md.us/license/fin_reg/mortlend/)

Regulation effective since: July 1, 1968



Maryland has a long history of mortgage broker regulation. Pursuant to the Maryland Mortgage Lender Law, the Office of Financial Regulation licenses mortgage lenders, which include persons engaging in brokering activities; in addition, Maryland just recently began licensing mortgage originators pursuant to Subtitle 6 of the Consumer Credit Title. The Mortgage Lender Law has experience, fitness, financial credibility, and continuing education requirements for mortgage lender licensees.

Although Maryland does not require that a licensed mortgage lender maintain a physical presence in the state, applicants for a mortgage originator license are not eligible for licensing until the employing mortgage lender has established an office in the state. Therefore, out-of-state mortgage lenders without a physical presence in Maryland that intend to register their mortgage originators may not do so until the lender opens an office in Maryland that is staffed by at least one eligible employee.

Mortgage originator licensees are required to fulfill an experience requirement or an education and examination requirement. Mortgage originators are also required to complete continuing education hours during the licensing period. Only individuals that own 25 percent or more of the mortgage lender license are exempt from mortgage originator licensing.

**Maryland**  
**Year      Status**

## Mortgage Lender Applicant Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience  
Education  
Examination  
Fitness

- None
- None
- None
- None
- None
- The applicant must demonstrate good moral character and sufficient financial responsibility, business experience, and general fitness.
- None
- If the applicant has not conducted a mortgage lender’s business in Maryland in any of the three calendar years preceding the year in which an original application for license is filed, the surety bond required is \$12,500.
- If the applicant has conducted a mortgage lender’s business in Maryland in any of the three calendar years preceding the year in which an original or renewal application is filed, the applicant shall provide a sworn statement setting forth the total dollar amount of mortgage loans applied for and accepted or mortgage loans applied for, procured, and accepted by the mortgage lender during the latest calendar year such business was conducted and the bond required shall be determined as follows:

Where the total dollar amount of stated loans was \$1,000,000 or less, the bond shall be in the amount of \$12,500.

Where the total dollar amount of stated loans was more than \$1,000,000 but not more than \$2,000,000, the bond shall be in the amount of \$17,500.

Where the total dollar amount of stated loans was more than \$2,000,000 but not more than \$3,000,000, the bond shall be in the amount of \$25,000.

Where the total dollar amount of stated loans was more than \$3,000,000, the bond shall be in the amount of \$50,000.

Subject to approval by the commissioner, if the applicant files four or more original or renewal applications at the same time, the applicant may provide a blanket surety bond for all licensed offices in the amount of \$200,000.

Background Investigation  
Continuing Education  
Managing Principal  
Employee Exemptions

- Unknown
- None
- None
- Employees are not required to register or obtain a license.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Real estate agents
- Insurance companies
- A person may act as a mortgage broker on up to three loans without obtaining a license.

Safe Harbor

## Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- A licensee is not required to maintain an office in the state.
- A licensee must obtain an additional license for each branch office.
- None

## Licensing Fees

Initial Application

- \$500 License Fee
- \$100 Application Fee and cost of fingerprints
- \$500 Branch License Fee
- \$500 Renewal Fee (Annually)
- \$500 Branch Renewal Fee (Annually)

Branch Application  
Renewal Application

## Employee Requirements

Age  
Residency

- None
- None

Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997 Change

## Mortgage Lender Applicant Requirements

Experience	<ul style="list-style-type: none"> <li>• The applicant must have at least three years of experience in the mortgage lending business. If the applicant is a sole proprietor, the applicant shall have the required experience. If the applicant is a joint venture, or general or limited partnership, at least one of the coventurers or general partners shall have the required experience. If the applicant is a business entity of any other kind, type, or classification, at least one of the principal officers or members shall have the required experience.</li> </ul>
Bond	<ul style="list-style-type: none"> <li>• If the applicant has not conducted a mortgage lending business any time during the 36 months prior to the filing of an original application for a license, the applicant shall provide a sworn statement setting forth that fact, and shall file with the original application a surety bond in the amount of \$15,000.</li> <li>• If an applicant has conducted a mortgage lending business any time during the 36 months prior to the filing of an original application, but during that time has not acted as a mortgage lender in Maryland, the applicant shall provide with the original application a sworn statement setting forth the aggregate principal amount of loans secured or to be secured by residential real property located in states other than Maryland and applied for, procured, and accepted by the mortgage lender during the 12 months preceding the month in which the application is filed.</li></ul> <p>Where the aggregate principal amount of loans set forth in the sworn statement was \$3,000,000 or less, a surety bond in the amount of \$25,000.</p> <p>Where the aggregate principal amount of loans set forth in the sworn statement was more than \$3,000,000 but not more than \$10,000,000, a surety bond in the amount of \$50,000.</p> <p>Where the aggregate principal amount of loans set forth in the sworn statement was more than \$10,000,000, a surety bond in the amount of \$75,000.</p> <p>Notwithstanding any other provisions of this section, and subject to approval by the commissioner, if an applicant files five or more original or renewal applications at the same time, the applicant may provide a blanket surety bond for all licensed offices in the amount of \$375,000.</p>
Background Investigation	<ul style="list-style-type: none"> <li>• The applicant must submit fingerprints. (According to current information, fingerprinting is required of the president, all officers who own 10 percent or more, and any other individual requested by the commissioner of a corporation; the president, all officers who own 10 percent or more, and any other individual requested by the commissioner of a partnership, LLP, or unincorporated association. The current information does indicate that sole proprietors or individuals must submit fingerprints.)</li> </ul>

## Licensing Exemptions

Safe Harbor	<ul style="list-style-type: none"> <li>• A person may act as a mortgage broker on one loan without obtaining a license.</li> </ul>
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## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$1000 License Fee (\$1,000 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an even-numbered year; effective January 1, 1999, \$500 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an odd-numbered year.)</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>• \$100 Application Fee and cost of fingerprinting</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>• \$500 Branch License Fee</li> <li>• \$1000 Renewal Fee (Biennially)</li> <li>• \$500 Branch Renewal Fee (Biennially)</li> </ul>

1998 No change

1999	No change
2000	No change
2001	Change

## **Mortgage Lender Applicant Requirements**

### Continuing Education

- All covered employees, defined as, “the manager of each branch office maintained by a licensee and all employees who have the authority to accept loan applications, and as part of their official duties, directly contact borrowers to negotiate or advise regarding loan terms,” must satisfy the continuing education requirements during each licensing period (20 hours biennially).

## **Branch Offices**

### Branch Manager

- All covered employees, defined as, “the manager of each branch office maintained by a licensee and all employees who have the authority to accept loan applications, and as part of their official duties, directly contact borrowers to negotiate or advise regarding loan terms,” must satisfy the continuing education requirements during each licensing period (20 hours biennially).

## **Employee Requirements**

### Continuing Education

- All covered employees, defined as, “the manager of each branch office maintained by a licensee and all employees who have the authority to accept loan applications, and as part of their official duties, directly contact borrowers to negotiate or advise regarding loan terms” must satisfy the continuing education requirements during each licensing period (20 hours biennially).

2002	No change
2003	No change
2004	Change

## **Mortgage Lender Applicant Requirements**

### Experience

- The applicant must have at least three years of experience in the mortgage lending business. If the applicant is a sole proprietor, the applicant shall have the required experience. If the applicant is a joint venture, or general or limited partnership, at least one of the coventurers or general partners shall have the required experience. If the applicant is a business entity of any other kind, type, or classification, at least one of the principal officers or members shall have the required experience.
- The commissioner may issue a license to an applicant who is a sole proprietor and who does not meet the experience requirement if the applicant is a licensed insurance producer in good standing under §10-103 of the Insurance Article and holds an appointment as an insurance producer for an insurer that controls, is controlled by, or is under common control with a financial institution described in §11-502(b)(1) of this subtitle.

The applicant must limit his activities to brokering mortgage loans made by the single financial institution identified above; the financial institution and affiliated insurer with which the applicant holds a current appointment are identified in the applicant’s application; the commissioner approves the selection of the financial institution based on statutory criteria.

The applicant has successfully completed at least 20 hours of classroom instruction in residential mortgage lending courses as provided in regulations adopted by the commissioner and achieved a passing grade on a written exam developed and administered by the person that conducts the classroom education course.

An authorized representative of the financial institution signs the license application; and the financial institution agrees to: supervise the applicant, including providing direction through written instructions or electronic means and by periodically examining the applicant’s books, records, and other aspects of the business; and be held jointly and severally liable with the applicant for claims arising out of the applicant’s mortgage brokering activities.

2005	No change
2006	No change
2007	Change

## **Mortgage Lender Applicant**

## Requirements

Net Worth

- The applicant must submit financial statements. According to current information, the applicant must submit a current (within the last 12 months) reviewed or audited financial statement by public accounting firm or CPA, including assets, liabilities, net worth, and income. If the business is a new entity, the following is acceptable: a balance sheet for the entity by a public accounting firm or CPA and a current personal financial statement(s) for the president, partners and any stakeholder or stockholder who owns or controls 10 percent or more of the corporation or LLC. The personal financial statement must be notarized and contain a statement, attesting that the information is true.

Employee Exemptions

- Clerical employees are exempt.
- Individuals acting as mortgage originators must obtain a license and are not allowed to be simultaneously employed by more than one mortgage broker.
- If an individual owns 25 percent or more of the mortgage lender licensee, the individual does not need to obtain a mortgage originator license.
- An independent contractor must obtain a mortgage lender license.

## Branch Offices

In-state Requirement

- None. BUT, mortgage originators are not eligible for a mortgage originator license until the establishment of an office in Maryland by the licensee that is staffed by at least one employee eligible to originate mortgage loans.

## Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for a license as a "Mortgage Originator."

Age

- None

Residency

- None

Education/Experience

- The applicant may take 40 hours of classroom education and pass an examination OR
- The applicant may show proof of three years' experience in the mortgage lending business AND show proof of completion of any required courses for continuing education.

Examination

- Required if the applicant does not meet the experience and continuing education requirement.

Fitness

- The applicant must demonstrate good moral character and general fitness.

Net Worth

- None

Bond

- None

Background Investigation

- The applicant must submit fingerprints and agree to a background check.
- All covered employees, defined as, "the manager of each branch office maintained by a licensee and all employees who have the authority to accept loan applications, and as part of their official duties, directly contact borrowers to negotiate or advise regarding loan terms," must satisfy the continuing education requirements during each licensing period (20 hours biennially).

Continuing Education

License Fee

- \$300 License Fee

Renewal Fee

- \$100 Application Fee
- \$300 Renewal Fee (Biennially)

Changes with unknown effective dates

## Licensing Fees

Initial Application

- \$1000 License Fee (\$1,000 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an even-numbered year; effective January 1, 1999, \$500 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an odd-numbered year.)

Branch Application

- \$100 Application Fee and cost of fingerprints
- \$1000 Branch License Fee

Renewal Application

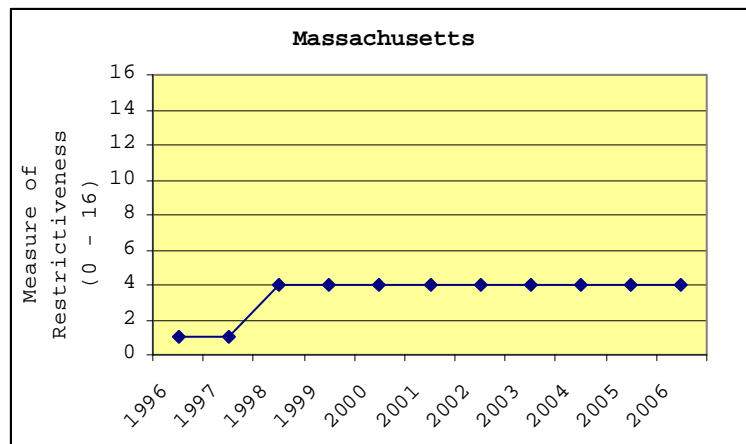
- \$100 Application Fee
- \$1000 Renewal Fee (Biennially)
- \$1000 Branch Renewal Fee (Biennially)

## Massachusetts

Gen. L. Ch. 255 E et seq.

<http://www.mass.gov/oca/>

Regulation effective since: January 1, 1992



The Massachusetts Division of Banks regulates approximately 1,649 mortgage brokers pursuant to Chapter 255E of the Massachusetts General Laws.<sup>17</sup> Mortgage broker applicants are required to demonstrate to the commissioner's satisfaction that the applicant, and its applicable officers and employees, possess the necessary educational and business experience to engage in the business of a mortgage broker. Although applicants are not required to maintain a bond or a minimum net worth, according to the division's web site, "The division assesses the applicant's financial responsibility and does not consider a negative or zero net worth to be financially responsible. An applicant must be capitalized in order to maintain a positive net worth." Applicants are not required to maintain an office within the commonwealth and there are no requirements for employees of licensees at this time.

\*\* Massachusetts is one several states that have adopted the national uniform mortgage licensing forms.

## Massachusetts

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience  
Education  
Examination  
Fitness

- None
- None
- None
- None
- None
- The applicant or the partners or members thereof if the applicant is a partnership or association, and of the officers, directors, and principal employees if the applicant is a corporation must demonstrate financial responsibility, character, reputation, integrity, and

<sup>17</sup> <http://db.state.ma.us/dob/licenseelist.asp>

Net Worth	• general fitness.
Bond	• None
Background Investigation	• None
Continuing Education	• Unknown
Managing Principal	• None
Employee Exemptions	• None
	• Any person who is employed by or associated with a licensed mortgage broker in the capacity of a mortgage broker under the direction of said licensed mortgage broker shall not be required to obtain such license.

## Licensing Exemptions

Entities	• Regulated financial institutions
	• Real estate agents
	• Insurance companies
	• Consumer loan companies
Safe Harbor	• A person may broker up to four loans without obtaining a mortgage broker license.

## Branch Offices

In-state Requirement	• None
License Requirement	• A licensee must notify the state if the licensee intends to open a branch location.
Branch Manager	• None

## Licensing Fees

Initial Application	• Unknown
Branch Application	• Unknown
Renewal Application	• Unknown

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	Change

## Mortgage Broker Applicant Requirements

Experience/Education	<ul style="list-style-type: none"> <li>• The applicant shall provide evidence of one year of experience working for a licensed mortgage broker, mortgage lender, or financial institution exempt from licensing under G.L. c. 255E, or a similar institution licensed or chartered in a state other than Massachusetts.</li> <li>• If the applicant demonstrates less than one year, but more than six months of experience, the completion of a formal course of training that covers, at a minimum, Massachusetts laws covering the mortgage lending transaction, as well as mortgage processing issues, may take the place of six months of professional experience.</li> <li>• Where an applicant shall oversee other individuals who will engage in the activities of a mortgage broker under the applicant's license, the individual shall demonstrate not less than two years' experience.</li> </ul>
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(Regarding who must demonstrate experience/education: "an applicant shall demonstrate to the commissioner's satisfaction that the applicant, and its applicable officers and employees, possess the necessary educational and business experience to engage in the business of a mortgage lender or a mortgage broker" as cited in Regulatory Bulletin 5.1-102. This bulletin was first issued on May 15, 1998 to formalize standards which the division has used as guidance in licensing under G.L. chapter 255E. The bulletin was revised in 2002 as a result of amendments to G.L. c. 140 by Chapter 50 of the Acts of

- Examination
- 2000.)
- None

## Branch Offices

### Branch Manager

- Where an applicant shall oversee other individuals who will engage in the activities of a mortgage broker under the applicant's license, the individual shall demonstrate not less than two years' experience.

(Regarding who must demonstrate experience/education: "an applicant shall demonstrate to the commissioner's satisfaction that the applicant, and its applicable officers and employees, possess the necessary educational and business experience to engage in the business of a mortgage lender or a mortgage broker" as cited in Regulatory Bulletin 5.1-102. This bulletin was first issued on May 15, 1998 to formalize standards which the division has used as guidance in licensing under G.L. chapter 255E. The bulletin was revised in 2002 as a result of amendments to G.L. c. 140 by Chapter 50 of the Acts of 2000.)

1998	No change
1999	No change
2000	No change

## Licensing Exemptions

### Entities

- Regulated financial institutions
- Real estate agents
- Insurance companies

2001	No change
2002	No change
2003	No change
2004	No change
2005	No change
2006	No change
Changes with unknown effective dates	

## Mortgage Broker Applicant Requirements

### Net Worth

- An applicant is required to demonstrate and provide the commissioner with evidence of its financial responsibility and submit a sworn statement which states that the applicant meets the foregoing requirement. (From the web site: "While there is no specific regulatory net worth requirement for mortgage brokers, the division must assess the applicant's financial responsibility. The division does not view the maintenance of a negative or zero net worth as a demonstration of financial responsibility. A broker must be capitalized to ensure that it maintains a positive net worth.")

### Background Investigation

- The applicant, each control person listed on the application, and branch managers must file a Biographical Statement and Consent form. The division does not require fingerprint cards; however criminal background investigations are run during the license application process.

## Branch Offices

### License Requirement

- A licensee must obtain a separate license for each branch office.

## Licensing Fees

### Initial Application

### Branch Application

### Renewal Application

- \$600 License Fee
- \$50 Branch License Fee
- \$600 Renewal Fee (Annually)
- \$50 Branch Renewal Fee (Annually)

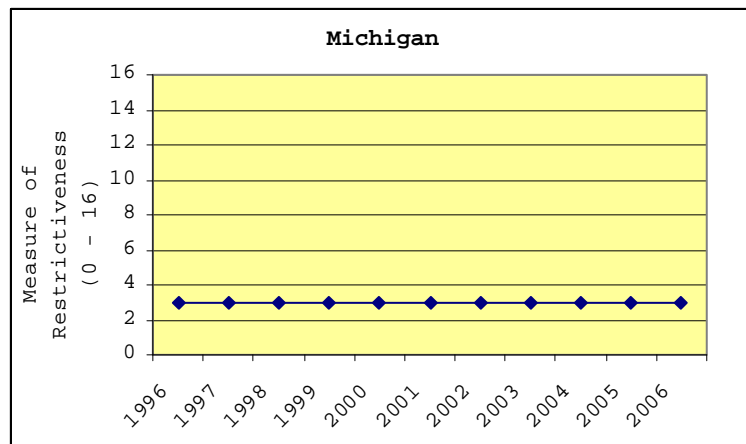


## Michigan

§445.1651 et seq.

<http://www.michigan.gov/cis>

Regulation effective since: November 18, 1987



Pursuant to the First Mortgage Act, Michigan's Office of Financial and Insurance Services licenses approximately 1,668 mortgage brokers.<sup>18</sup> The First Mortgage Act requires that applicants for a mortgage broker license demonstrate fitness and financial credibility. Applicants who receive funds from a prospective borrower prior to the closing of a mortgage loan are also required to maintain a minimum net worth of \$25,000 and a \$25,000 surety bond. Michigan does not require specific experience or education of applicants, nor does it regulate employees of licensees.

## Michigan

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience

- None

Education

- None

Examination

- None

Fitness

- The applicant and its officers, directors, shareholders, partners, and affiliates must demonstrate experience, character, business reputation, and general fitness.

Net Worth/Bond

- An applicant who receives funds from a prospective borrower prior to the closing of the mortgage loan shall have a minimum net worth of \$25,000 and maintain a bond in the amount of \$25,000.

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- A person who is solely performing services as a full-time employee of a mortgage broker is not required to register or obtain a license.

<sup>18</sup> [http://www.dleg.state.mi.us/fis/ind\\_srch/cons\\_fin/ofis\\_consumer\\_finance\\_criteria.asp](http://www.dleg.state.mi.us/fis/ind_srch/cons_fin/ofis_consumer_finance_criteria.asp)

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Consumer loan companies
- None

Safe Harbor

## Branch Offices

In-state Requirement

- None

License Requirement

- A licensee must notify the State when opening a branch office.

Branch Manager

- None

## Licensing Fees

Initial Application

- Unknown
- The applicant shall pay an application fee of not less than \$400 or more than \$1,000.

Branch Application

- Unknown

Renewal Application

- A licensee shall annually pay an operating fee based upon the number of closed mortgage loans brokered to other parties as of December 31 of the previous calendar year. The operating fee during the first year after enactment of this amendatory language shall be not less than \$250 and not more than \$2,500.

## Employee Requirements

Age

- None

Residency

- None

Education

- None

Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1997 No change

1998 No change

1998 No change

1999 No change

2000 No change

2001 No change

2002 No change

2003 No change

2004 No change

2005 No change

2006 No change

Changes with unknown effective dates

## Mortgage Broker Applicant

### Requirements

Net Worth

- All applicants must maintain a net worth of \$25,000.
- The applicant must also submit financial statements.

Background Investigation

- Each individual applicant, partner, officer, director, shareholder and affiliate identified on the application must submit individual Personal Disclosure Statements and Confidential Background Information Consent Forms.

## Licensing Fees

Initial Application

- \$150 License Fee
- \$450 Application Fee

Branch Application

- Unknown

Renewal Application

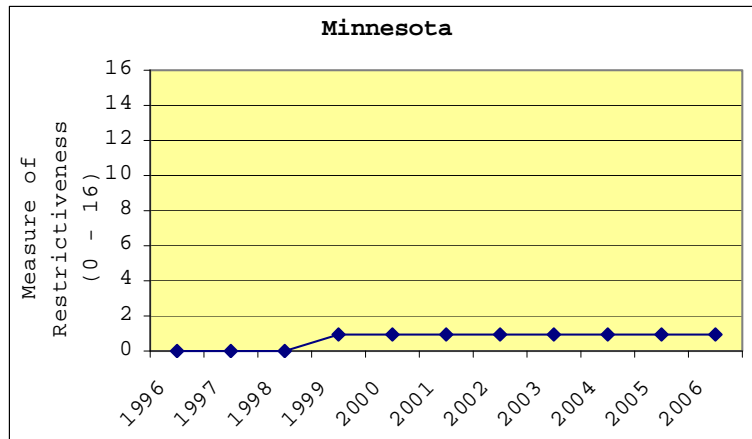
- \$150 Renewal Fee

## Minnesota

§58 et seq.

<http://www.state.mn.us/>

Regulation effective since: August 1, 1999



The Minnesota Department of Commerce regulates mortgage brokers pursuant to the Residential Mortgage Originator and Servicer Licensing Act (Chapter 58). Requirements for licensees include: age, fitness, and financial solvency. The Minnesota legislature recently amended the statute so that any individual who has been convicted of a criminal offense involving dishonesty or a breach of trust or money laundering, or has agreed to or entered into a pretrial diversion or similar program in connection with a prosecution for such offense, may not obtain a license as residential mortgage originator or be employed in that capacity by a person licensed as a mortgage originator, unless the commissioner grants an exception. Therefore, licensees are required to conduct a thorough criminal background investigation on all their employees. There are no other requirements for employees of licensees.

The department currently has 5,764 *inactive and active* licensees on its roster.<sup>19</sup>

## Minnesota

### Year Status

1996	No regulation
1997	No regulation
1998	No regulation
1999	Regulation in effect

### Residential Mortgage Originator Applicant Requirements

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age  
Residency  
Experience  
Education  
Examination  
Fitness

- The applicant or persons in control of the license must be 18 years of age.
- None
- None
- None
- None
- The applicant must provide information as to the mortgage lending, servicing, or brokering

<sup>19</sup> [https://www.egov.state.mn.us/Commerce/license\\_lookup.do?action=lookupForm](https://www.egov.state.mn.us/Commerce/license_lookup.do?action=lookupForm) accessed 12/10/2006.

Net Worth	<ul style="list-style-type: none"> <li>experience of the applicant and persons in control of the applicant.</li> </ul>
Bond	<ul style="list-style-type: none"> <li>An applicant must provide proof of financial solvency.</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>None</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>None</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>None</li> <li>Employees of a licensee are not required to register or obtain a license.</li> <li>Independent contractors are required to obtain a license.</li> </ul>
<b>Licensing Exemptions</b>	
Entities	<ul style="list-style-type: none"> <li>Regulated financial institutions</li> <li>Real estate agents</li> <li>Insurance companies</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>A person who is not in the business of making residential mortgage loans and who <i>makes</i> no more than five such loans, with his or her own funds, during any 12-month period is exempt.</li> </ul>
<b>Branch Offices</b>	
In-state Requirement	<ul style="list-style-type: none"> <li>A licensee is not required to maintain an office in the state.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>A licensee must notify the state when opening a branch office, but may operate multiple branch offices under its original license.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Licensing Fees</b>	
Initial Application	<ul style="list-style-type: none"> <li>\$800 Application Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>None</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$400 Renewal Fee (Biennially)</li> </ul>
<b>Employee Requirements</b>	
Age	<ul style="list-style-type: none"> <li>None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>None</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>None</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>None</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>None</li> </ul>
2000	Change
<b>Residential Mortgage Originator Applicant Requirements</b>	
<b>Licensing Exemptions</b>	
Safe Harbor	<ul style="list-style-type: none"> <li>A person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with his or her own funds, during any 12-month period is exempt.</li> </ul>
2001	No change
<b>Residential Mortgage Originator Applicant Requirements</b>	
<b>Licensing Fees</b>	
Initial Application	<ul style="list-style-type: none"> <li>\$850 Application Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>None</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$450 Renewal Fee (Biennially)</li> </ul>
2002	No change

2003	No change
2004	No change
2005	No change
2006	No change

## Employee Requirements

### Background Investigation

- Except with the prior written consent of the commissioner, any individual who has been convicted of a criminal offense involving dishonesty or a breach of trust or money laundering, or has agreed to or entered into a pretrial diversion or similar program in connection with a prosecution for such offense, may not serve as a residential mortgage originator or be employed in that capacity by a person licensed as a mortgage originator.

Changes with unknown effective dates

## Residential Mortgage Originator

### Applicant Requirements

#### Background Investigation

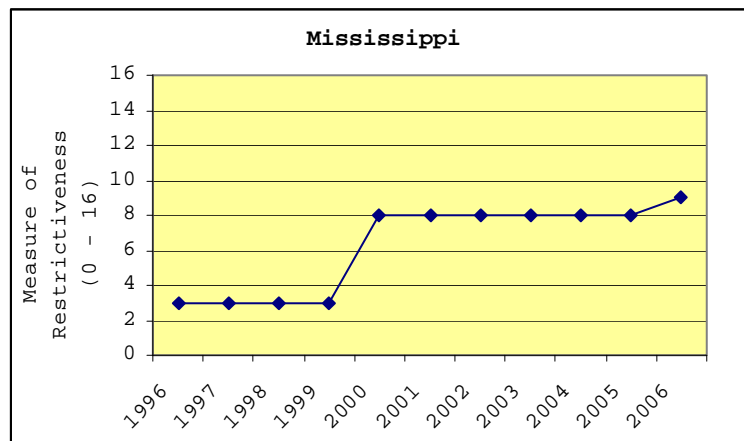
- The Department of Commerce may conduct criminal history checks and/or verify tax identification information and for revenue recapture as authorized by Minnesota Statutes, Chapter 270A.

## Mississippi

§81-18-1 et seq.

[http://www.dbcf.state.ms.us/mortgage\\_lending.htm](http://www.dbcf.state.ms.us/mortgage_lending.htm)

Regulation effective since: July 1, 1992



Pursuant to the Mississippi Mortgage Consumer Protection Law (MMCPL), mortgage brokers are required to obtain a license from the Department of Banking and Consumer Finance. The MMCPL also requires that loan originators register with the department. The MMCPL has a sunset clause and is currently effective only until July 1, 2007.

To qualify for a mortgage broker license, the applicant must designate an employee as the “Principal Officer.” The principal officer does not need to be an owner or officer. The principal officer must have two years of experience in mortgage lending or pass a written examination, reside within 125 miles of the principal office location, and if the individual meets the definition of a loan originator, then the principal officer must be registered as a loan originator. The principal officer is required to complete continuing education hours regardless of his status as a

loan originator. In addition, applicants are required to demonstrate fitness, maintain a bond in the amount of \$25,000, and consent to criminal background investigations.

To qualify for registration as a loan originator pursuant to the MMCPL, the applicant must consent to a criminal background investigation and complete 12 hours of continuing education during the licensing period. All company personnel (including owners and other officers) who directly or indirectly solicit, place, or negotiate mortgage loans for others, or offer to solicit, place, or negotiate mortgage loans for others must be registered as loan originators.

Mississippi has approximately 702 mortgage company licensees, 468 mortgage company branch licensees, and 4,421 loan originator registrants (mortgage companies include both lender and broker companies; loan originator registrants include all individuals working for either a lender or a broker).<sup>20</sup>

## Mississippi

### Year Status

1996 No regulation

#### Consumer Loan Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial soundness, experience, character, reputation, and general fitness to operate honestly and in compliance with this chapter and the regulations of the department.
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$25,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees of a licensee are not required to register or obtain a license.

#### Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Insurance companies
Safe Harbor	• None

#### Branch Offices

In-state Requirement	• Unknown
License Requirement	• No more than one place of business may be operated under one license; however, a licensed entity may operate multiple locations, each separately licensed.
Branch Manager	• None

#### Licensing Fees

Initial Application	• \$300 License Fee
Branch Application	• Unknown
Renewal Application	• \$300 Renewal Fee

<sup>20</sup> <http://www.dbcf.state.ms.us/companies.asp> (November 4, 2006)

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	Change

## Mortgage Broker Applicant Requirements

Experience/Examination	<ul style="list-style-type: none"><li>• The applicant or partner of a partnership, or at least one executive officer of a corporation or limited liability corporation, or a trust must have a minimum of two years' experience directly in mortgage lending.</li><li>• In lieu of the experience requirement, the applicant may pass an examination covering mortgage lending.</li></ul>
Fitness	<ul style="list-style-type: none"><li>• The applicant must demonstrate reasonable financial responsibility; the applicant must have reasonable policies and procedures to receive and process customer grievances and inquiries promptly and fairly.</li></ul>
Background Investigation	<ul style="list-style-type: none"><li>• The applicant, or individuals operating as a sole proprietorship that plan to conduct a mortgage brokering or lending business in the state of Mississippi, partners in a partnership or principal owners of a limited liability company that are or will be actively engaged in the daily operation of a mortgage brokering or lending business in the state of Mississippi, the chief executive officer of a corporation, or his designee, which supervises the Mississippi location(s), any shareholders owning 25 percent or more of the outstanding shares of the corporation that are or will be actively engaged in the daily operation of a mortgage brokering or lending business in the state of Mississippi, and all loan originators must submit fingerprints.</li></ul>
Continuing Education	<ul style="list-style-type: none"><li>• The officers and principals who are or will be actively engaged in the daily operation of a mortgage company in the state of Mississippi and registered originators shall include evidence of the satisfactory completion of at least 12 hours of approved continuing education in primary and subordinated financing transactions at time of renewal.</li></ul>
Employee Exemptions	<ul style="list-style-type: none"><li>• Clerical employees are exempt.</li><li>• Loan originators must register with the state. An originator cannot be employed by more than one Mississippi licensed or registered mortgage company. If the originator is working for more than one company, the originator is considered brokering and must obtain a residential mortgage company license.</li></ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"><li>• Regulated financial institutions</li><li>• Lawyers</li><li>• Real estate agents</li><li>• Insurance companies</li></ul>
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## Licensing Fees

Initial Application	• \$750 License Fee
Branch Application	• \$100 License Fee
Renewal Application	• \$475 Renewal Fee
	• Branch Renewal Fee unknown.

## Employee Requirements

	<p><i>The term "applicant" or "registrant" refers to the following, unless otherwise noted:</i></p> <ul style="list-style-type: none"><li>• An individual applying for registration as a "Loan Originator."</li></ul>
Age	• None
Residency	• None
Education	• None

Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• The applicant must submit a set of fingerprints.
Continuing Education	• The registrant shall include evidence of the satisfactory completion of at least 12 hours of approved continuing education in primary and subordinated financing transactions at time of renewal.
License Fee	• \$100 License Fee
Renewal Fee	• \$50 Renewal Fee

2001	No change
2002	No change
2003	No change
2004	No change
2005	No change
2006	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Experience/Examination	• The applicant’s principal officer must fulfill the experience or examination requirement. The principal officer need only be an employee of the applicant. (See Managing Principal details for more information.)
Continuing Education	• All controlling individuals not named the principal officer and conducting origination activities would have to be registered as loan originators. As registered loan originators, they would be subject to continuing education requirements.
Managing Principal	<ul style="list-style-type: none"> <li>• An employee must be designated as the principal officer for a company applying for a mortgage company license (this person is not required to be an owner or co-owner of the company).</li> <li>• This person must fulfill the experience or examination requirement (must have a minimum of two years’ experience directly in mortgage lending or pass an examination covering mortgage lending).</li> <li>• This person must reside within 125 miles of the principal office location.</li> <li>• The person must be licensed as a loan originator if his responsibilities fall within the definition of a loan originator.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>• ALL other company personnel (including owners and other officers) who directly or indirectly solicit, place, or negotiate mortgage loans for others, or offer to solicit, place or negotiate mortgage loans for others, must also be registered as loan originators and would therefore be subject to continuing education requirements.</li> <li>• An originator cannot be employed by more than one Mississippi licensed or registered mortgage company. If the originator is working for more than one company, the originator is considered brokering and must obtain a residential mortgage company license.</li> </ul>

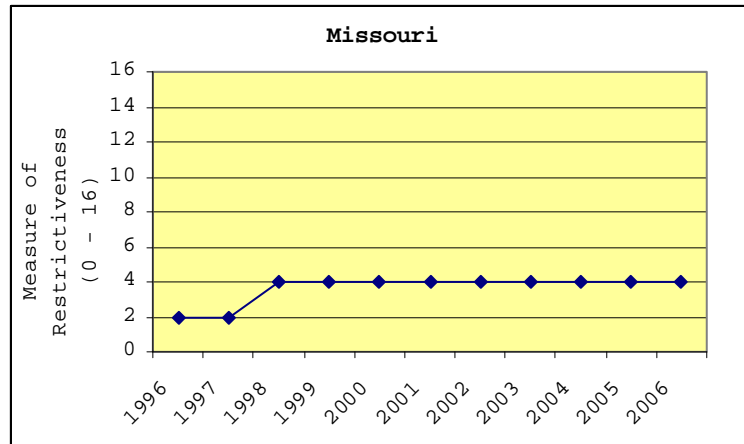


## Missouri

§443.800 et seq.

<http://www.missouri-finance.org/>

Regulation effective since: October 12, 1994



The State of Missouri has regulated mortgage brokers since 1994. Pursuant to the Residential Mortgage Brokers License Act (Act), Missouri's Division of Finance of the Department of Economic Development currently licenses approximately 633 mortgage brokers.<sup>21</sup> Although the Act has no specific education or experience requirements, the division's web site indicates that an applicant must have lender or broker experience. Applicants are also required to maintain both a minimum net worth and a surety bond. While the Act does not specifically require employees of licensees to register with the division, it does require that applicants for a mortgage broker license submit a complete list of all independent brokers and agents who are compensated by the licensee in any manner for assistance in the performance of activities regulated by the Act.

In addition, licensees are required to file CPA audit reports within 120 days from the date of the fiscal year end, or post an additional \$100,000 bond or letter of credit in lieu of the audit.

## Missouri

### Year Status

Year	Status
1996	Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- The applicant must provide an affirmation that the license applicant or the applicant's members, directors, or principals, as may be appropriate, are at least 18 years of age.

Residency

- None

Experience

- None

Education

- None

Examination

- None

Fitness

- The applicant, or the members thereof, if the applicant is a partnership or association, or the officers and directors thereof if the applicant is a corporation, must demonstrate financial responsibility, experience, character, and general fitness.

<sup>21</sup> [http://www.missouri-finance.org/upload/443list\\_as\\_of\\_9-14-06\\_-\\_excel.xls](http://www.missouri-finance.org/upload/443list_as_of_9-14-06_-_excel.xls) accessed 12/10/2006.

Net Worth  
Bond

- None
- Any person who is licensed pursuant to the provisions of sections 443.800 to 443.893, if such person is appointed or elected to any position requiring the receipt of payment, management or use of any money belonging to a residential mortgage licensee engaged in the activities of originating, servicing or purchasing mortgage loans or whose duties permit such person to have access to, or custody of, any of the licensee's money or securities or custody of any money or securities belonging to third parties or whose duties permit such person to regularly make entries in the books or other records of a licensee, shall before assuming such person's duties, maintain a surety bond in the amount of \$20,000 by a fidelity insurance company licensed to do business in the state or a letter of credit in such amount issued by a financial institution that is insured by the Federal Deposit Insurance Corporation.
- Unknown
- None
- None
- Any person employed or contracted by the licensee to assist in the performance of the activities regulated by sections 443.800 to 443.893 who is compensated in any manner by only the licensee is exempt from licensing.

Background Investigation  
Continuing Education  
Managing Principal  
Employee Exemptions

## Licensing Exemptions

Entities

- Regulated financial institutions
- Real estate agents
- Insurance companies
- Any person who originates, services, or brokers residential mortgage loans and who receives no compensation for those activities, subject to the director's rules regarding the nature and amount of compensation, is exempt.

Safe Harbor

## Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- A licensee must maintain an in-state office.
- A licensee must obtain approval from the state to open a branch office.
- None

## Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- License Fee unknown.
- Branch License Fee unknown.
- Renewal Fee unknown (licenses must be renewed on the first anniversary date of the issuance of the license, and every two years thereafter).

## Employee Requirements

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997 No change  
1998 Change

## Mortgage Broker Applicant Requirements

Net Worth

- The applicant must maintain a net worth of \$25,000.

1999 No change  
2000 No change  
2001 Change

## Mortgage Broker Applicant Requirements

#### Bond

- The applicant must maintain a bond in the amount of \$20,000.

2002	No change
2003	No change
2004	No change
2005	No change
2006	No change
Changes with unknown effective dates	

### Mortgage Broker Applicant Requirements

#### Experience

- Although the statute and rules and regulations do not mandate a specific level of experience, according to the division's web site, an applicant must have prior lending or brokering experience. Because there is no specific requirement as set out in other state statutes, for coding purposes, a "0" was coded in the "LIC-EXP."

#### Bond

- The applicant must maintain a bond in the amount of \$20,000.
- Licensees are required to file CPA audit reports within 120 days from the date of the fiscal year end, or post an additional \$100,000 bond or letter of credit in lieu of the audit.

#### Background Investigation

- The applicant must authorize the commissioner of finance to conduct a financial and business responsibility background check, including a check of criminal records, as may be required. The applicant must also submit personal financial statements. (According to the division's web site, "Background criminal and credit investigations are required on all directors, members, owners, partners, proprietors, and anyone else who influences the management of the company.")

#### Employee Exemptions

- Although employees are exempt, the applicant is required to list all independent brokers or agents who are compensated in any manner for assistance in the performance of activities regulated by the Act.

### Licensing Fees

#### Initial Application

- \$300 License Fee
- \$300 Application Fee

#### Branch Application

- \$10 Branch License Fee

#### Renewal Application

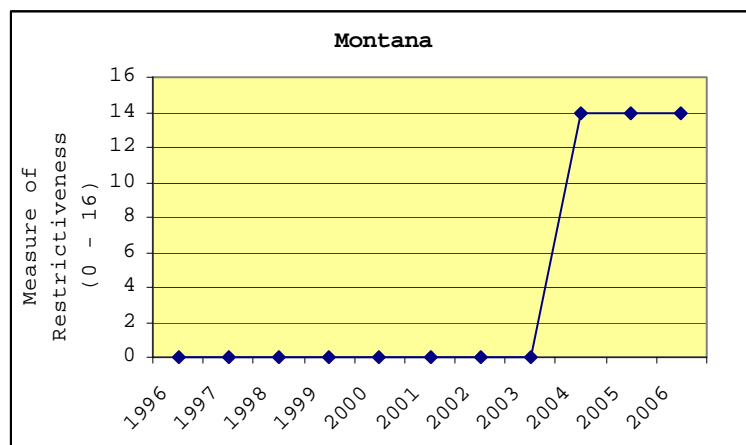
- \$300 Renewal Fee due one year after the effective date of the license; thereafter, \$600 is due biennially.

## Montana

§32-9-101 et seq.

<http://banking.mt.gov/mortgage.asp>

Regulation effective since: September 1, 2004



The State of Montana has only regulated mortgage brokering activities pursuant to the Mortgage Broker and Loan Originator Licensing Act (Act) since 2004. Montana’s Division of Banking and Financial Institutions administers the Act and currently licenses approximately 161 mortgage brokers and 68 branch offices.<sup>22</sup> To obtain a mortgage broker license, individual applicants are required to have at least three years of experience, demonstrate fitness, and obtain a \$25,000 surety bond. Applicants for a mortgage broker entity license other than sole proprietorships are required to appoint a licensed mortgage broker within the organization as the “Designated Manager.” Entities, sole proprietors, and individual licensees are also required to obtain a \$25,000 surety bond for each location the state licenses.

In addition, the Act requires that loan originators obtain a license. To qualify for licensure as a loan originator, individuals must have six months’ experience in a related field and successfully complete an examination. Montana is one of only a few states that require a loan originator to fulfill experience requirements.

Both licensed mortgage brokers and loan originators are required to complete 12 hours of continuing education during the licensing period.

Montana	
Year	Status
1996	No regulation
1997	No regulation
1998	No regulation
1999	No regulation
2000	No regulation
2001	No regulation
2002	No regulation
2003	No regulation
2004	Regulation in effect

#### Mortgage Broker Applicant

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• The applicant must have three years of experience working as a loan originator or in a related field. An applicant that is not a sole proprietorship shall designate to the department a licensed mortgage broker within its organization as the designated manager of the organization. (As a licensee, the designated manager would have to fulfill the experience requirement.)
Education	• None
Examination	• The applicant must pass an examination. An applicant that is not a sole proprietorship shall designate to the department a licensed mortgage broker within its organization as the designated manager of the organization. (As a licensee, the designated manager would have to pass an examination.)
Fitness	• None specifically stated in the statute, but the application states that all principal officers, directors, partners, members, and persons that have a 5 percent or greater equity interest must demonstrate “financial responsibility, character, and fitness.”
Net Worth	• None
Bond	• Each licensed location must maintain at all times an irrevocable letter of credit or surety bond, naming the department as a beneficiary, in the amount of \$25,000 for each location identified in the application for licensure.
Background Investigation	• The applicant investigation shall include a criminal records check based on the fingerprints of each individual applicant and a civil records check on principal officers, directors,

<sup>22</sup> [http://banking.mt.gov/pdf/Branch\\_Mortgage\\_9-11-2006.pdf](http://banking.mt.gov/pdf/Branch_Mortgage_9-11-2006.pdf) accessed 9/16/2006.

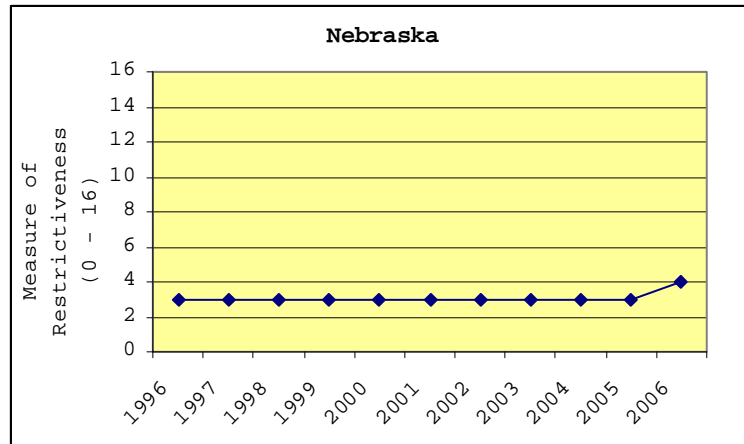
Continuing Education	<ul style="list-style-type: none"> <li>partners, members, and persons that have a 5 percent or greater equity interest.</li> <li>An individual mortgage broker licensee must complete at least 12 hours of continuing education during the licensing period.</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>An applicant that is not a sole proprietor shall designate to the department a licensed mortgage broker within its organization as the designated manager of the organization. As an individual licensee, the designated broker must have three years of experience and pass an examination.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>Clerical employees are not required to obtain a license.</li> <li>Loan originators are required to obtain a license. A loan originator may transact business only for an employing mortgage broker who is licensed.</li> </ul>
<b>Licensing Exemptions</b>	
Entities	<ul style="list-style-type: none"> <li>Regulated financial institutions</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Branch Offices</b>	
In-state Requirement	<ul style="list-style-type: none"> <li>A person or entity licensed as a mortgage broker is required to maintain at least one physical office located in the state either on its own accord or in conjunction with another licensed mortgage broker or regulated lender located in the state.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>A licensee must obtain a branch office license for each location in the state and also obtain a \$25,000 bond for the licensed location.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Licensing Fees</b>	
Initial Application	<ul style="list-style-type: none"> <li>\$500 License Fee for mortgage broker business entities, sole proprietors, and individuals.</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>None</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$300 Renewal Fee for mortgage broker individuals and sole proprietors. (Annually)</li> <li>\$50 Renewal Fee for each mortgage broker entity other than a sole proprietor. (Annually)</li> </ul>
<b>Employee Requirements</b>	
	<i>The term "applicant" or "licensee" refers to the following, unless otherwise noted:</i>
	<ul style="list-style-type: none"> <li>An individual applying for a license as a "Loan Originator."</li> </ul>
Age	<ul style="list-style-type: none"> <li>None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>The applicant must have six months' experience in a related field.</li> </ul>
Examination	<ul style="list-style-type: none"> <li>The applicant must pass an examination.</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None specifically stated, but general fitness is required overall.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>The applicant investigation shall include a criminal records check based on the fingerprints of the applicant and a civil records check.</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>A licensee shall complete at least 12 hours of continuing education during the licensing period.</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>\$400 License Fee</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>\$250 Renewal Fee (Annually)</li> </ul>
2005	No change
2006	No change

## Nebraska

§45-701 et seq.

<http://www.ndbf.org/mb/index.shtml>

Regulation effective since: March 1, 1990



The State of Nebraska has regulated mortgage brokers under the Mortgage Bankers Registration and Licensing Act since March 1, 1990. Nebraska's Department of Banking and Finance (NDB&F) is responsible for licensing approximately 665 mortgage bankers (brokers and lenders).<sup>23</sup> Nebraska's online licensee search also indicates whether the licensee has received any complaints. In total, the department has received 246 complaints about current licensees.

Mortgage brokers that are exempt from the Mortgage Bankers Registration and Licensing Act may be required to register under the Loan Broker Act, Sections 45-189 to 45-191.11 of the Nebraska Statutes. However, according to the NDB&F, if a loan broker is arranging for loans that are secured by residential real estate, then licensing pursuant to the Mortgage Bankers Registration and Licensing Act is necessary. If a loan broker is arranging for loans not secured by residential real estate, they are subject to the Loan Broker Act.

To obtain a license as a mortgage banker, applicants and their control persons are required to demonstrate fitness. Applicants applying after July 14, 2006 are required to maintain a bond in the amount of \$100,000 (mortgage bankers issued a license prior to July 14, 2006 have until March 1, 2007 to comply with this requirement). There is no net worth requirement, but the director may at his discretion impose a net worth requirement on a licensee if the financial condition of the licensee warrants such a requirement or the requirement is in the public interest. Employees of mortgage bankers are not required to register or obtain a license at this time.

## Nebraska

### Year Status

1996	Regulation in effect
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### Mortgage Banker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;

<sup>23</sup> <http://www.ndbf.org/searches/fisearch.shtml> accessed 9/16/2006.

- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant, the members thereof if the applicant is a partnership, limited liability company, association, or other organization, and the officers, directors, and principal employees if the applicant is a corporation must demonstrate character and general fitness.
Net Worth	• None
Bond	• The applicant must obtain a bond in the amount of \$50,000.
Background Investigation	• Unknown (However, none are specifically conducted now.)
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Any individual acting solely as an employee or agent of a licensee is exempt from the licensing requirement.

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>• The term "Mortgage Banking Business" is defined as "any person who employs a Mortgage Banker or Mortgage Bankers or who directly or indirectly makes, negotiates, acquires, sells, arranges for, or offers to make, originate, service, negotiate, acquire, sell, or arrange for <i>ten</i> or more Mortgage Loans in a calendar year for compensation or gain." According to the NDBF website, the "offers to" language is emphasized because it is an important distinction. The law is designed to allow the occasional referral without licensing. It is not designed to allow a mortgage banker or mortgage broker to open his or her doors to Nebraska loans without a license. For instance, if you plan to launch a web site that will accept applications from Nebraska residents, or advertise in Nebraska, or put out the word to brokers in Nebraska that you will make loans secured by Nebraska real property, you must have the license prior to starting any of these activities.</li> </ul>

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>• Unknown (However, since it is not currently required, it more than likely was not required previously.)</li> </ul>
License Requirement	• Unknown
Branch Manager	• None

## Licensing Fees

Initial Application	• \$300 License Fee
Branch Application	• Unknown
Renewal Application	• \$100 Renewal Fee (Annually)

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	Change

## Mortgage Banker Applicant

## Requirements

### Employee Exemptions

- Any individual acting solely as an employee of a licensee is exempt; any individual acting solely as an agent of a licensee is exempt if there is a written agency contract between the individual and the licensee that provides that, with respect to the mortgage banking business, the individual acts exclusively for the licensee as an agent.

2000	No change
2001	No change
2002	No change
2003	Change

## Mortgage Banker Applicant

### Requirements

#### Net Worth

- The director may require a licensee to maintain a minimum net worth, proven by an audit conducted by a certified public accountant, if the director determines that the financial condition of the licensee warrants such a requirement or that the requirement is in the public interest.

#### Bond

- The applicant must obtain a bond in the amount of \$50,000.
- At any time the director may require the filing of a new or supplemental bond if he or she determines that the bond filed under this section is exhausted or is inadequate for any reason, including the financial condition of the licensee or the applicant for a license. The new or supplemental bond shall not exceed \$1,000,000.

2004	No change
2005	Change

## Mortgage Banker Applicant

### Requirements

#### Branch Offices

##### In-state Requirement

##### License Requirement

- None
- The licensee must notify the state when opening a branch office, but is not required to obtain a separate license.
- None

##### Branch Manager

#### Licensing Fees

##### Initial Application

##### Branch Application

##### Renewal Application

- \$400 License Fee
- None
- \$200 Renewal Fee (Annually)

2006	Change
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## Mortgage Banker Applicant

### Requirements

#### Bond

- The applicant applying for licensure after July 14, 2006 must obtain a bond in the amount of \$100,000.
- Licensees issued a valid license prior to July 14, 2006 do not need to increase the bond amount to \$100,000 until March 1, 2007.
- At any time the director may require the filing of a new or supplemental bond if he or she determines that the bond filed under this section is exhausted or is inadequate for any reason, including the financial condition of the licensee or the applicant for a license. The new or supplemental bond shall not exceed \$1,000,000.

Changes with unknown effective dates

## Mortgage Banker Applicant

### Requirements

#### Background Investigation

- If the applicant is a sole proprietor, the applicant must attach a copy of applicant's current (not more than six months old) financial statement and a copy of applicant's résumé. The résumé should include work experience for the past ten years.

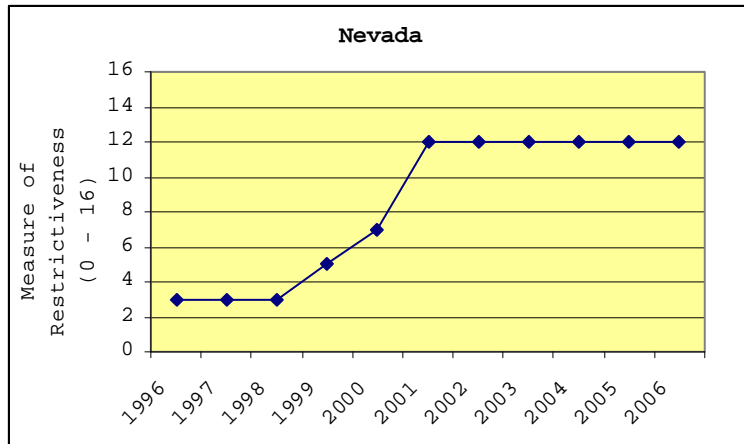


## Nevada

§645B.010 et seq.

<http://www.mld.nv.gov/>

Regulation effective since: March 1, 1973



The regulation of mortgage brokers began in 1973 in Nevada. The Financial Institutions Division of the Nevada Department of Business and Industry is currently responsible for ensuring compliance with Chapter 645B, a licensing statute for mortgage brokers and mortgage agents. According to the division's records, there are 1,073 licensed mortgage brokers in Nevada (this includes pending applications).<sup>24</sup>

Nevada's licensing requirements rank with the most restrictive in the nation. Applicants that wish to obtain an entity license must designate a "Qualified Employee" who fulfills all the requirements for a mortgage broker license. A qualified employee may be a director, officer, member, employee, manager or trustee of a partnership, corporation or limited-liability company, or an individual designated by a sole proprietorship. The qualified employee must reside in Nevada full-time during the designation and live within commutable distance from the licensed location. The qualified employee must have two years of verifiable experience in lending money for real estate or mortgages and be knowledgeable of generally accepted accounting practices and bookkeeping procedures evidenced by verifiable experience in working in these areas or appropriate educational training, or both. The qualified employee must also demonstrate fitness and complete ten hours of continuing education annually. Additionally, every owner and officer that conducts business on behalf of the licensee is required to complete ten hours of continuing education annually.

Applicants that maintain money in trust or in escrow accounts are required to maintain a minimum net worth that depends on the amount of money held in the accounts; net worth minimums range from \$25,000 to \$250,000. Applicants that do maintain trust or escrow accounts, however, are not required to maintain a surety bond.

<sup>24</sup> <http://www.mld.nv.gov/LicenseeSearch.asp> accessed 9/17/2006.

A licensee is not allowed to apply for a branch license until the principal Nevada office has been licensed for at least six months and has been examined and found to have at least a “satisfactory” rating. Licensees must also seek approval for a qualified employee that will manage the branch office. In order to be approved, the commissioner must find that the qualified employee fulfills the same requirements as above and is not in active management of another licensed location.

Pursuant to Chapter 645B, employees and independent contractors of licensees are required to obtain a mortgage agent license. Mortgage agents must demonstrate good reputation for honesty, trustworthiness, integrity, and display competence to transact the business of a mortgage agent. Licensed mortgage agents must complete ten hours of continuing education annually. Individuals licensed as a mortgage broker and general partners, officers, or directors of a mortgage broker licensee are not required to obtain a mortgage agent license.

## Nevada

### Year Status

1996 Regulation in effect

#### Mortgage Company Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience/Education

- The applicant must have two years of verifiable experience in lending money for real estate or mortgages and knowledge of generally accepted accounting practices and bookkeeping procedures evidenced by verifiable experience in working in these areas or appropriate educational training, or both.

**Note:** It is unclear who this applies to in a business entity. Furthermore, it is unclear whether this requirement was actually in effect in 1994 or whether it became effective in 2000 when the statute was amended. For coding purposes, the education or experience requirement was coded as a “1” under “LIC-EXP.”

Examination

- None

Fitness

- The applicant and each general partner, officer, or director of the applicant if the applicant is a partnership, corporation, or unincorporated association must demonstrate a good reputation for honesty, trustworthiness, integrity, and display competence to transact the business of a mortgage company.

Net Worth

- The applicant must submit financial statements.

Bond

- None

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- Employees of a licensee are not required to register or obtain a license.

#### Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- Consumer loan companies

Safe Harbor

- None

#### Branch Offices

In-state Requirement

- It is unclear whether an in-state office was required. The statute stated, “The applicant must state the location of the principal office and branch offices in the state.”

**NOTE:** For coding purposes, this was interpreted as meaning an in-state office was required and was coded as a “1” under “BRANCH-INSTA”

License Requirement

- The statute indicates that a separate license was not required, but a licensee was required to

- Branch Manager
  - pay a fee for additional offices.
  - None

## Licensing Fees

- Initial Application
  - \$1000 License Fee
  - \$1500 Application Fee
- Branch Application
  - \$60 Branch License Fee
  - \$40 Branch Application Fee
- Renewal Application
  - \$500 Renewal Fee (Annually)
  - \$100 Branch Renewal Fee (Annually)

## Employee Requirements

- Age
  - None
- Residency
  - None
- Education
  - None
- Experience
  - None
- Examination
  - None
- Fitness
  - None
- Net Worth
  - None
- Bond
  - None
- Background Investigation
  - None
- Continuing Education
  - None
- License Fee
  - None
- Renewal Fee
  - None

1997	No change
1998	No change
1999	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

- Net Worth
  - The applicant must submit financial statements.
  - If a licensee maintains any accounts described in NRS 645B.175 (relating to trust or escrow account required for money received from investor to fund loan or trust or escrow account required for money received from debtor to repay loan), the licensee must maintain a minimum net worth in the following amount based upon the average monthly balance of the accounts maintained by the mortgage broker pursuant to NRS 645B.175:

AVERAGE MONTHLY BALANCE: MINIMUM NET WORTH REQUIRED  
 \$100,000 or less: \$25,000  
 More than \$100,000 but not more than \$250,000: \$50,000  
 More than \$250,000 but not more than \$500,000: \$100,000  
 More than \$500,000 but not more than \$1,000,000: \$200,000  
 More than \$1,000,000: \$250,000

## Branch Offices

- In-state Requirement
  - The statutory language is still ambiguous concerning the in-state office requirement; however, a licensee is not able to obtain a branch office license unless the “principal Nevada office has been licensed for at least six months, and had an examination completed resulting in a “satisfactory” rating.”
- License Requirement
  - If a licensee will conduct business at one or more branch offices within the state, the licensee must apply for a license for each such branch office.
  - A branch license will not be issued until the principal Nevada office has been licensed for at least six months, and had an examination completed resulting in a “satisfactory” rating.
- Branch Manager
  - None

2000	Change
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## Mortgage Broker Applicant Requirements

*The term “Qualified Employee” means a director, officer, member, employee, manager or trustee of a partnership, corporation or limited liability company designated by the partnership, corporation or limited liability company pursuant to NAC 645B.055 to act on the behalf of the partnership, corporation or limited liability company; or a person designated by a sole proprietorship who satisfies the requirements set forth in subsection 3 of NRS 645B.020 and NAC 645B.010 and 645B.055.*

Residency	<ul style="list-style-type: none"> <li>The applicant or the applicant's qualified employee must reside in Nevada prior to issuance of the license and once the license is issued continue to reside in Nevada full-time within a commutable distance from the licensed location.</li> </ul>
Experience/Education	<ul style="list-style-type: none"> <li>The applicant or the applicant's qualified employee must have two years of verifiable experience in lending money for real estate or mortgages and knowledge of generally accepted accounting practices and bookkeeping procedures evidenced by verifiable experience in working in these areas or appropriate educational training, or both.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>Clerical employees are exempt.</li> <li>Mortgage agents must obtain a license. Mortgage agent is defined as, "a natural person who is an employee or independent contractor of a licensee who is required to be licensed pursuant to this chapter and is authorized by the licensee to engage in, on behalf of the licensee, any activity that would require the person, if the person were not an employee or independent contractor of the licensee, to be licensed as a mortgage broker pursuant to this chapter. The term does not include a person who is licensed as a mortgage broker, is a general partner, officer or director of a mortgage broker, or performs only clerical or ministerial tasks for a mortgage broker."</li> </ul>

## Branch Offices

Branch Manager	<ul style="list-style-type: none"> <li>An application for a branch office will not be approved unless the commissioner approves a qualified employee to manage the branch office. The commissioner will not approve a qualified employee to manage a branch office if the qualified employee manages or has been designated and approved to manage another office.</li> </ul>
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## Employee Requirements

	<p><i>The term "applicant" or "registrant" refers to the following, unless otherwise noted:</i></p> <ul style="list-style-type: none"> <li>An individual applying for registration as a "Mortgage Agent."</li> </ul>
Age	<ul style="list-style-type: none"> <li>None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>A broker license may be revoked if the applicant or any general partner, officer, or director of the applicant has, after October 1, 1999, employed or proposed to employ a person as a mortgage agent or authorized or proposed to authorize a person to be associated with a mortgage broker as a mortgage agent at a time when the applicant or the general partner, officer, or director knew or, in light of all the surrounding facts and circumstances, reasonably should have known that the person: had been convicted of, or entered a plea of nolo contendere to, a felony or any crime involving fraud, misrepresentation, or moral turpitude; or had a financial services license or registration suspended or revoked within the immediately preceding ten years.</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>None</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>Fees are the actual costs and expenses incurred by the division to investigate the credit history, criminal history, and background of the person.</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>Unknown</li> </ul>

2001 Change

## Mortgage Broker Applicant Requirements

	<p><i>The term "applicant" or "licensee" refers to the following, unless otherwise noted:</i></p> <ul style="list-style-type: none"> <li>An individual applying for an individual license;</li> <li>A sole proprietor applying for a business license;</li> <li>Any other business entity, however incorporated, applying for a business license.</li> </ul> <p><i>The term "Qualified Employee" means a director, officer, member, employee, manager or trustee of a partnership, corporation or limited liability company designated by the partnership, corporation or limited liability company pursuant to NAC 645B.055 to act on the behalf of the partnership, corporation or limited liability company; or a person designated by a sole proprietorship who satisfies the requirements set forth in subsection 3 of NRS 645B.020 and NAC 645B.010 and 645B.055.</i></p>
Continuing Education	<ul style="list-style-type: none"> <li>Each qualified employee and/or any owner or officer conducting business on behalf of the licensee in Nevada must complete five hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>The applicant must designate a qualified employee who meets the requirements for licensure.</li> </ul>

- The qualified employee is required to complete five hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

## Branch Offices

Branch Manager

- An application for a branch office will not be approved unless the commissioner approves a qualified employee to manage the branch office. The commissioner will not approve a qualified employee to manage a branch office if the qualified employee manages or has been designated and approved to manage another office.
- The qualified employee is required to complete five hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for registration as a “Mortgage Agent.”

Continuing Education

- The registrant is required to complete five hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

License Fee

- \$125 Registration Fee and the actual costs and expenses incurred by the division to investigate the credit history, criminal history and background of the person.

Renewal Fee

- \$125 Renewal Fee (Annually)

2002	No change
2003	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

*The term “Qualified Employee” means a director, officer, member, employee, manager or trustee of a partnership, corporation or limited liability company designated by the partnership, corporation or limited liability company pursuant to NAC 645B.055 to act on the behalf of the partnership, corporation or limited liability company; or a person designated by a sole proprietorship who satisfies the requirements set forth in subsection 3 of NRS 645B.020 and NAC 645B.010 and 645B.055.*

Continuing Education

- Each qualified employee and/or any owner or officer conducting business on behalf of the licensee in Nevada must complete ten hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

Managing Principal

- The applicant must designate a qualified employee who meets the requirements for licensure.
- The qualified employee is required to complete ten hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

## Branch Offices

Branch Manager

- An application for a branch office will not be approved unless the commissioner approves a qualified employee to manage the branch office. The commissioner will not approve a qualified employee to manage a branch office if the qualified employee manages or has been designated and approved to manage another office.
- The qualified employee is required to complete ten hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

2004	Change
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## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a licensee as a “Mortgage Agent.”

Fitness

- The applicant must demonstrate good reputation for honesty, trustworthiness, integrity, and display competence to transact the business of a mortgage agent.

Background Investigation

- The applicant must submit a set of fingerprints and consent to a background check.

Continuing Education

- The licensee is required to complete ten hours of certified courses of continuing education during the 12 months immediately preceding the date on which the license expires.

License Fee

- \$185 License Fee

#### Renewal Fee

- \$100 Renewal Fee (Annually)

2005	No change
2006	No change
	Changes with unknown effective dates

#### Mortgage Broker Applicant Requirements

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

The term "Qualified Employee" means a director, officer, member, employee, manager or trustee of a partnership, corporation or limited liability company designated by the partnership, corporation or limited liability company pursuant to NAC 645B.055 to act on the behalf of the partnership, corporation or limited liability company; or a person designated by a sole proprietorship who satisfies the requirements set forth in subsection 3 of NRS 645B.020 and NAC 645B.010 and 645B.055.

#### Background Investigation

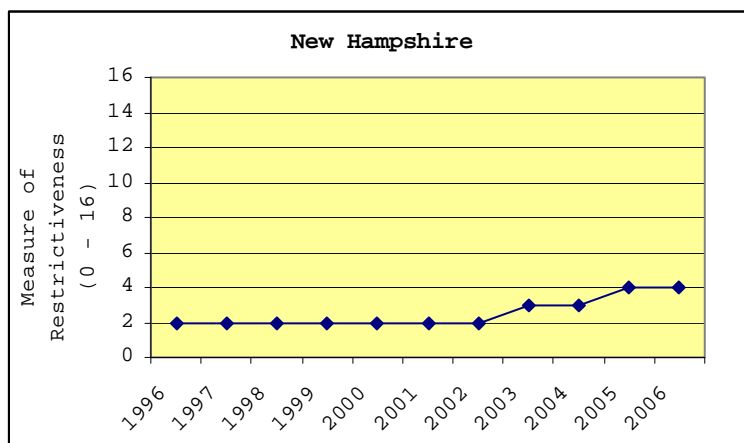
- The applicant is required to submit:
  - A financial statement dated within three months of this application and the two most recent fiscal year end financial statements (not applicable for newly formed companies), and/or a financial statement of any corporation that owns 25 percent or more of the voting stock of the applicant.
  - Non-Personal History Record for the company and for any corporation that owns 25 percent or more of the applicant's voting stock.
  - Personal Financial Questionnaire, Personal History Record, Child Support Statement, and two fingerprint cards for each principal, partner, officer, trustee, and director of the business who owns 25 percent or more of the company or plans to conduct business on behalf of the company in Nevada.
- Qualified employees are required to submit:
  - Designation of Qualified Employee Form
  - Personal History Record, Child Support Statement, and two fingerprint cards

#### New Hampshire

§397-A:1 et seq.

<http://www.state.nh.us/banking/consumer.html>

Regulation effective since: January 1, 1988



Chapter 397-A of the New Hampshire Revised Statutes governs mortgage brokering activities in New Hampshire. The Banking Department is responsible for administering and ensuring compliance with the chapter. Currently, the Banking Department licenses approximately 432 principal offices and 93 branch offices.<sup>25</sup>

The licensing statute requires that applicants provide evidence of a \$20,000 bond, positive net worth, and general fitness. In addition, the applicant must designate one employee who will be employed full-time in a supervisory capacity at the company's principal office and has been actively engaged in the mortgage business in a similar supervisory capacity for a minimum of three of the preceding five years. Branch managers must also be approved by the state and be present in the office whenever it is open for business.

The licensing statute requires that originators employed by licensees register with the state. Accordingly, mortgage broker applicants must provide a list of all individuals, and the address of the work location of each such individual, who will act as originators for the licensee. The licensee's annual report must also include a list of all individuals, and the address of the work location of each such individual, who act as originators for the licensee.

New Hampshire mortgage brokers are also subject to the Credit Services Regulation Act (Act), Chapter 359-D of the New Hampshire Revised Statutes. The Act is not a licensing or registration statute, but requires that credit services organizations maintain a surety bond or trust account in favor of the state. The amount must equal 5 percent of the total amount of the fees charged to buyers by the credit services organization during the preceding 12 months; however, the bond must be no less than \$5,000 and no more than \$25,000.

## New Hampshire

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial resources, experience, personnel, and record of past or proposed conduct.
Net Worth	• The applicant shall be required to submit to the banking department detailed financial information sufficient for the bank commissioner to determine the applicant's ability to conduct the business of a mortgage banker or a mortgage broker with financial integrity.
Bond	• The applicant must obtain a bond in the amount of \$20,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• If the licensee is a natural person, the license shall entitle all employees of the licensee to engage in the business of making or brokering first mortgage loans.
	• If a licensee is a person other than a natural person, the license issued to it shall entitle all officers, directors, members, partners, trustees, and employees of the licensed corporation,

<sup>25</sup> <http://www.state.nh.us/banking/listbroker.pdf> accessed 9/17/2006.

partnership, entity, or trust to engage in the business of making or brokering first mortgage loans; provided that one officer, director, member, partner, employee, or trustee of such person shall be designated in the license as the individual to be contacted under the provisions of this chapter.

- Independent agents under exclusive contract with a licensee are exempt unless otherwise required to be licensed as a first mortgage broker under the provisions of the statute.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Insurance companies

Safe Harbor

- Any natural person **making** not more than four mortgage loans within any period of 12 consecutive months with his own funds and for his own investment without intent to resell the loans is exempt.

## Branch Offices

In-state Requirement

- No, but no license shall be issued to any person whose principal place of business is located outside of the state unless that person designates an agent residing within the state for service of process.

License Requirement

- If the applicant or licensee desires to make or broker first mortgage loans in more than one location within the state, the bank commissioner, upon favorable action on the applicant's principal office license, shall issue a branch office license for each location where the business of making or brokering first mortgage loans is to be conducted.

Branch Manager

- None

## Licensing Fees

Initial Application

Branch Application

Renewal Application

- \$250 License Fee
- \$250 Branch License Fee
- \$250 Renewal Fee (Annually)
- \$250 Branch Renewal Fee (Annually)

## Employee Requirements

Age

- None

Residency

- None

Education

- None

Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1997 No change

1998 No change

1999 No change

2000 No change

2001 No change

2002 Change

## Mortgage Broker Applicant Requirements

Employee Exemptions

- Any independent agent who enters into an exclusive contract with more than one licensee shall not qualify for exemption from licensure. Engaging in activities governed by RSA 397-A and RSA 398-A while acting as an independent agent under two or more exclusive contracts, shall be considered operating without a license.
- Each licensee, who has exclusive contracts with ten or more independent agents for purposes of originating first mortgage loans in the state of New Hampshire, shall file a copy of the language of the form contract he or she uses and copies of any subsequent amendments made to the form contract. In addition, each licensee, who contracts with ten or more independent agents, shall file with the department on a monthly basis a list of independent agents with whom he or she has exclusive contracts, which shall include the names of the independent agents, business addresses and the independent agents' tax identification numbers. Failure of the licensee or applicant to file the form contract or list



- of independent agents without good cause shall result in license revocation or denial.
- Each licensee who contracts with less than ten independent agents shall file with the department, copies of the executed contracts that he or she currently holds and within 30 days of the effective date copies of each new exclusive contract with an independent agent entered into by the licensee. In addition, each licensee shall notify the department in writing within 30 days of the termination of any such exclusive contracts. Failure of the licensee or applicant to file the exclusive contract or notice of termination of such an exclusive contract without good cause shall result in license revocation or denial.

2003 Change

## Mortgage Broker Applicant Requirements

### Employee Exemptions

- Employees acting as originators for a licensee must be registered with the state. Each applicant shall provide a list of all individuals, and the address of the work location of each such individual, who will act as originators for the licensee. The annual report shall include a list of all individuals, and the address of the work location of each such individual, who act as originators for the licensee.
- Any independent agent who enters into an exclusive contract as defined in Ban 2409.01(b) with more than one licensee shall not qualify for exemption from licensure under RSA 397-A:4, VIII and RSA 398-A:10, VIII. Engaging in activities governed by RSA 397-A and RSA 398-A while acting as an independent agent under two or more exclusive contracts, shall be considered operating without a license and shall be deemed a violation of RSA 397-A:3, RSA 398-A:1-a, or both.
- Each licensee, who has exclusive contracts with ten or more independent agents for purposes of originating first mortgage loans in the state of New Hampshire, shall file a copy of the language of the form contract he or she uses and copies of any subsequent amendments made to the form contract. In addition, each licensee, who contracts with ten or more independent agents, shall file with the department on a monthly basis a list of independent agents with whom he or she has exclusive contracts, which shall include the names of the independent agents, business addresses and the independent agents' tax identification numbers. Failure of the licensee or applicant to file the form contract or list of independent agents without good cause shall result in license revocation or denial.
- Each licensee who contracts with less than ten independent agents shall file with the department, copies of the executed contracts that he or she currently holds and within 30 days of the effective date copies of each new exclusive contract with an independent agent entered into by the licensee. In addition, each licensee shall notify the department in writing within 30 days of the termination of any such exclusive contracts. Failure of the licensee or applicant to file the exclusive contract or notice of termination of such an exclusive contract without good cause shall result in license revocation or denial.

## Employee Requirements

The term "applicant" or "registrant" refers to the following, unless otherwise noted:

- An individual applying for registration as an "Originator."

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

2004 No change  
2005 Change

## Mortgage Broker Applicant Requirements

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Experience

- The applicant must have at least one person employed full-time in a supervisory capacity at the company's principal office that has been actively engaged in the mortgage business in a similar supervisory capacity for a minimum of three of the preceding five years.

Net Worth	<ul style="list-style-type: none"> <li>The applicant shall be required to submit to the department detailed financial information sufficient for the commissioner to determine the applicant's ability to conduct the business of a mortgage banker or a mortgage broker with financial integrity.</li> <li>The application shall include a statement of net worth. An applicant or licensee shall demonstrate and maintain a <b>positive net worth</b>.</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>Unless the applicant is a publicly traded corporation, the department shall complete a background investigation and criminal history records check on the applicant's principals and any person in a similar position or performing similar functions. If the applicant is a subsidiary, the department shall complete a background investigation and criminal history records check on the principals of each equity owner of 10 percent or more of the applicant unless such equity owner is a publicly traded corporation.</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>The applicant must have at least one person employed full-time in a supervisory capacity at the company's principal office that has been actively engaged in the mortgage business in a similar supervisory capacity for a minimum of three of the preceding five years.</li> </ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>\$500 License Fee</li> <li>The department may require the applicant or licensee to pay the actual costs of each background investigation and criminal history records check.</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>\$500 Branch License Fee</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$500 Renewal Fee (Annually)</li> <li>\$500 Branch Renewal Fee (Annually)</li> </ul>

2005	No change
2006	No change
	Changes with unknown effective dates

## Branch Offices

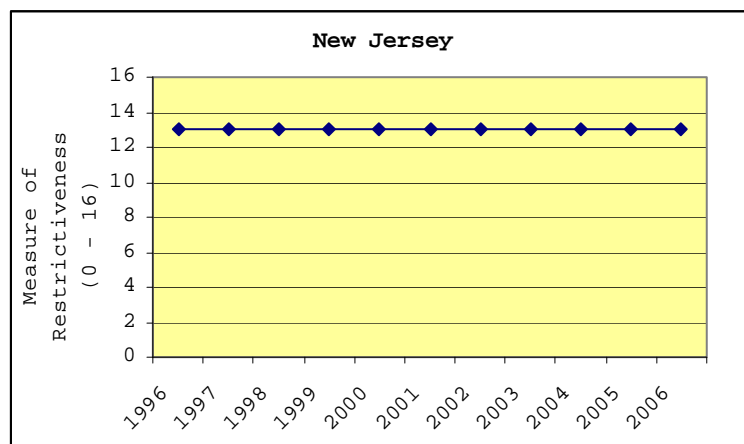
Branch Manager	<ul style="list-style-type: none"> <li>A branch manager must be approved by the State. The branch manager must be present in the office at all times in which the office is open.</li> <li>The branch manager must submit fingerprints and consent to a background check.</li> </ul>
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## New Jersey

§17:11C-1 et seq.

<http://www.state.nj.us/dobi/liclenders.htm>

Regulation effective since: July 1, 1981



Mortgage brokering activities in the state of New Jersey are regulated pursuant to the New Jersey Licensed Lenders Act. The Department of Banking and Insurance is responsible for administering the Licensed Lenders Act and has approximately 6,203 licensed lenders (licensed lenders include mortgage bankers, correspondent mortgage bankers, mortgage brokers,

secondary mortgage lenders, consumer lenders, and sales finance companies) and 37,676 registered mortgage solicitors (this includes mortgage solicitors who are employed by mortgage bankers, correspondent mortgage bankers, and mortgage brokers).<sup>26</sup>

Pursuant to the statute, each business entity seeking to become licensed must also license an individual. The individual to be licensed must be an officer, member, or partner of the business to be licensed. Each such individual must pass an examination.

Individual applicants not licensed with an entity and applicants for an entity license must maintain \$50,000 in net worth and, depending on the number of applications taken during the previous year, a bond between \$100,000 and \$250,000.

The Licensed Lender Law also requires that solicitors employed by licensed lenders register with the department. There are no qualifications for registration as a solicitor; however, registered solicitors are prohibited from working for more than one licensee simultaneously.

## New Jersey

### Year Status

1996 Regulation in effect

#### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• The applicant must pass an examination. If the applicant is a corporation, partnership, association, or any other entity, it shall not be issued or hold a license unless one officer of the corporation, or one principal of any other entity has a license of the same type sought or held (e.g. that person would need to pass the examination.)
Fitness	• The applicant must demonstrate financial responsibility, experience, character, and general fitness.
Net Worth	• The applicant must maintain a net worth of \$50,000.
Bond	• The minimum amount of the bond posted shall be: <ul style="list-style-type: none"> <li>▪ For an individual mortgage banker or broker: \$25,000.</li> <li>▪ For a corporate or noncorporate entity plus one individual licensee: \$35,000.</li> <li>▪ For a corporate or noncorporate entity plus two to five individual licenses: \$60,000.</li> <li>▪ For a corporate or noncorporate entity plus six to ten individual licensees: \$75,000.</li> <li>▪ For a corporate or noncorporate entity plus 11 to 15 individual licensees: \$100,000.</li> <li>▪ For a corporate or non-corporate entity plus 16 or more individual licensees: \$125,000.</li> </ul>
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• Corporations, partnerships, associations, and any other entity may not obtain a license unless one officer of the corporation or one principal of any other entity has a license of the same type sought or held. Sole proprietors would need to fulfill the requirement.
Employee Exemptions	• Solicitors must register.
	• A person who is simultaneously employed as a solicitor by more than one licensee does not qualify for exemption and must be licensed.

<sup>26</sup> [https://www6.state.nj.us/DOBI\\_LicSearch/Jsp/index.jsp?pager.offset=0](https://www6.state.nj.us/DOBI_LicSearch/Jsp/index.jsp?pager.offset=0) accessed 9/17/2006. Licensed lenders may apply for or more of several different authorities: mortgage banker, correspondent mortgage banker, mortgage broker, secondary mortgage lender, consumer lender, and sales finance company. Therefore, the number of licensed lenders cited here includes more than just licensed lenders with the authority to broker mortgage loans.

## Licensing Exemptions

### Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- None

### Safe Harbor

## Branch Offices

### In-state Requirement

### License Requirement

### Branch Manager

- A licensee must maintain an office in the state.
- A licensee must obtain a separate license for each branch office in the state.
- Each branch office and principal office shall be operated under the full control and supervision of an individual licensee employed at the office on a regular and full-time basis to supervise and perform mortgage banking and mortgage brokerage services.
- No such individual may supervise more than one office.
- An individual supervising an office on a regular and full-time basis must normally be present at the office at least 50 percent of the time that the office is open for business.

## Licensing Fees

### Initial Application

### Branch Application

### Renewal Application

- \$1,000 License Fee
- \$200 Application Fee
- \$1,000 Branch License Fee
- \$1,000 Renewal Fee (Biennially)
- \$1,000 Branch Renewal Fee (Biennially)

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for registration as a “Solicitor.”*

### Age

### Residency

### Education

### Experience

### Examination

### Fitness

### Net Worth

### Bond

### Background Investigation

### Continuing Education

### License Fee

### Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- \$50 Registration Fee
- \$50 Renewal Fee

1997 Change

## Mortgage Broker Applicant Requirements

### Bond

- A person who seeks an initial license to engage in the mortgage banking, correspondent mortgage banking business, mortgage brokering business, or secondary mortgage loan business shall obtain a bond for the initial licensing period prior to submitting the first annual report as follows: one authority (e.g., authority to conduct mortgage brokering only)—\$50,000; two authorities (e.g., authority to conduct mortgage brokering and a corresponding mortgage banking business)—\$75,000.
- All persons renewing a license for the biennial period beginning July 1, 1997 through June 30, 1999 to engage in the mortgage banking, correspondent mortgage banking business, mortgage brokering business or secondary mortgage loan business shall obtain a bond as follows: one authority (e.g., authority to conduct mortgage brokering only)—\$50,000; two authorities (e.g., authority to conduct mortgage brokering and a corresponding mortgage banking business)—\$75,000. Upon submission of an annual report, licensees shall increase the amount of the bond based on the following closed loan volumes and provide proof thereof to the department within 60 days.
  1. One authority:
    - Closed loan volume: \$0 to \$50,000,000: \$50,000
    - Closed loan volume: \$50,000,001 to \$75,000,000: \$75,000
    - Closed loan volume: \$75,000,001 to \$100,000,000: \$100,000
    - Closed loan volume: \$100,000,001 and over: \$125,000.
  2. Two authorities:

- Closed loan volume: \$0 to \$50,000,000: \$75,000
- Closed loan volume: \$50,000,001 to \$75,000,000: \$100,000
- Closed loan volume: \$75,000,001 to \$100,000,000: \$125,000
- Closed loan volume: \$100,000,001 and over: \$150,000.

## Licensing Fees

### Initial Application

- License Fees for licensed lenders are as follows:
  - One authority for an individual, company and/or branch: biennial fee—\$1,200; annual fee \$600;
  - Two authorities for an individual, company and/or branch: biennial fee—\$2,400; annual fee \$1,200;
  - Three authorities for a company and/or branch: biennial fee—\$3,600; annual fee \$1,800;
  - Four authorities for a company and/or branch: biennial fee—\$4,800; annual fee \$2,400.

### Branch Application

- \$300 Application Fee
- License Fees for licensed lenders are as follows:
  - One authority for an individual, company and/or branch: biennial fee—\$1,200; annual fee \$600;
  - Two authorities for an individual, company and/or branch: biennial fee—\$2,400; annual fee \$1,200;
  - Three authorities for a company and/or branch: biennial fee—\$3,600; annual fee \$1,800;
  - Four authorities for a company and/or branch: biennial fee—\$4,800; annual fee \$2,400.

### Renewal Application

- \$200 Application Fee
- Renewal Fees for licensed lenders and branch offices are as follows:
  - One authority for an individual, company and/or branch: biennial fee—\$1,200; annual fee \$600;
  - Two authorities for an individual, company and/or branch: biennial fee—\$2,400; annual fee \$1,200;
  - Three authorities for a company and/or branch: biennial fee—\$3,600; annual fee \$1,800;
  - Four authorities for a company and/or branch: biennial fee—\$4,800; annual fee \$2,400.

## Branch Offices

### License Requirement

- A licensee shall license all branch offices in the state and all branch offices outside the state from which the licensee has direct contact with New Jersey consumers regarding origination or brokering.

### Branch Manager

- No requirements for branch managers.

1998	No change
1999	No change
2000	No change
2001	No change
2002	Change

## Mortgage Broker Applicant Requirements

### Bond

- A person who seeks an initial licensed lender license with authority as a mortgage banker, correspondent mortgage banker, mortgage broker or secondary lender shall obtain a surety bond in the following initial amount: one authority—\$100,000; two authorities—\$150,000.
- Following the submission of each annual report, licensed lenders with authority only as a mortgage broker shall be required to increase the amount of the surety bond based on the following schedule relating to the number of mortgage loan applications taken and provide proof thereof to the department within 30 days of the submission of the report:
  - Applications taken: 0 to 100: \$100,000
  - Applications taken: 101 to 300: \$150,000
  - Applications taken: 301 to 500: \$200,000
  - Applications taken: 501 and over: \$250,000

## Licensing Fees

### Initial Application

- License Fees for licensed lenders are as follows:
  - One authority for an individual, company and/or branch: biennial fee—\$1,400; annual fee \$700;
  - Two authorities for an individual, company and/or branch: biennial fee—\$2,800;

	<ul style="list-style-type: none"> <li>annual fee \$1,400;</li> <li>Three authorities for a company and/or branch: biennial fee—\$4,200; annual fee \$2,100;</li> <li>Four authorities for a company and/or branch: biennial fee—\$5,600; annual fee \$2,800.</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>\$300 Application Fee</li> <li>License Fees for licensed lenders are as follows: <ul style="list-style-type: none"> <li>One authority for an individual, company and/or branch: biennial fee—\$1,400; annual fee \$700;</li> <li>Two authorities for an individual, company and/or branch: biennial fee—\$2,800; annual fee \$1,400;</li> <li>Three authorities for a company and/or branch: biennial fee—\$4,200; annual fee \$2,100;</li> <li>Four authorities for a company and/or branch: biennial fee—\$5,600; annual fee \$2,800.</li> </ul> </li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>\$200 Application Fee</li> <li>Renewal Fees for licensed lenders and branch offices are as follows: <ul style="list-style-type: none"> <li>One authority for an individual, company and/or branch: biennial fee—\$1,400; annual fee \$700;</li> <li>Two authorities for an individual, company and/or branch: biennial fee—\$2,800; annual fee \$1,400;</li> <li>Three authorities for a company and/or branch: biennial fee—\$4,200; annual fee \$2,100;</li> <li>Four authorities for a company and/or branch: biennial fee—\$5,600; annual fee \$2,800.</li> </ul> </li> </ul>

## Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for registration as a “Solicitor.”*

License Fee	• \$100 Registration Fee
Renewal Fee	• \$100 Renewal Fee

2003 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;*
- A sole proprietor applying for a business license;*
- Any other business entity, however incorporated, applying for a business license.*

Background Investigation	<ul style="list-style-type: none"> <li>The applicant and any officer, director, partner, or owner of a controlling interest of a corporation or partnership filing for licensure shall submit to the commissioner their name, address, fingerprints, and written consent for a criminal history record background check to be performed.</li> </ul>
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2004 No change  
2005 No change  
2006 No change

## Mortgage Broker Applicant Requirements

### Licensing Fees

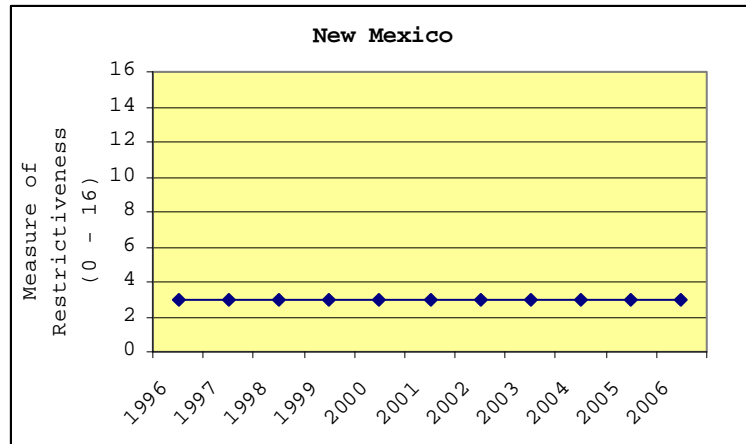
Initial Application	<ul style="list-style-type: none"> <li>License Fees for licensed lenders are as follows: <ul style="list-style-type: none"> <li>One authority for an individual, company and/or branch: biennial fee—\$1,400; annual fee \$700;</li> <li>Two authorities for an individual, company and/or branch: biennial fee—\$2,800; annual fee \$1,400;</li> <li>Three authorities for a company and/or branch: biennial fee—\$4,200; annual fee \$2,100;</li> <li>Four authorities for a company and/or branch: biennial fee—\$5,600; annual fee \$2,800.</li> </ul> </li> <li>\$700 Application Fee (one authority); \$1,000 Application Fee (two authorities); \$1,300 (three authorities); \$1,600 (four authorities).</li> </ul>
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## New Mexico

§58-21-1 et seq.

<http://www.rld.state.nm.us/>

Regulation effective since: March 31, 1983



The State of New Mexico has regulated mortgage brokering activities since 1983. However, due to an exemption in the Mortgage Loan Company and Loan Broker Act, mortgage brokers who placed or sold 90 percent or more of loans to institutional investors were exempt. In 2002, the New Mexico legislature amended the statutory language to require all mortgage brokers to register with the state.

The Financial Institutions Division of the New Mexico Regulation and Registration Department currently administers the act and registers approximately 1,791 mortgage companies and 290 branches.<sup>27</sup> Overall, the Mortgage Loan Company and Loan Broker Act is a relatively unrestrictive policy. Applicants must maintain a bond in the amount of \$25,000 and demonstrate a good business reputation. Loan originators employed by registrants are exempt from the registration requirements when paid as a W-2 employee; employees paid on a 1099 basis are required to obtain their own registration.

## New Mexico

### Year Status

1996	Regulation in effect Note that although regulations existed, most loan brokers were not required to obtain a license. See "Licensing Exemptions" below for more information.
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### Loan Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience

- None

Education

- None

Examination

- None

Fitness

- The applicant must demonstrate good business reputation.

<sup>27</sup> [http://www.rld.state.nm.us/FID/Licensee%20Search/licensee\\_search\\_index.htm](http://www.rld.state.nm.us/FID/Licensee%20Search/licensee_search_index.htm) accessed 9/17/2006

Net Worth

- The applicant must submit a certified financial statement of the applicant, and if the applicant is a corporation, the statement must be prepared by an independent certified public accountant or registered public accountant.

Bond

- The applicant must obtain a bond in the amount of \$25,000.

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- Loan originators that are compensated on a 1099 basis must apply for and obtain their own registration certificate separately.
- Loan originators that are compensated on a W-2 basis may share their employer's registration certificate.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- Consumer loan companies

Safe Harbor

- Any person doing business in New Mexico who has as one of his principal purposes the brokering, making or originating of loans secured by real estate mortgages and who does not place or sell more than 10 percent of such loans to persons other than institutional investors. For purposes of this subsection, an institutional investor is: any person exempt from the provisions of the Mortgage Loan Company and Loan Broker Act pursuant to Subsection A of this section; the federal national mortgage association, the government national mortgage association, the federal home loan mortgage corporation, the New Mexico mortgage finance authority and any other entity that is an instrumentality of or sponsored by the federal government or the State of New Mexico, and any successors to any of the foregoing, or the state itself; and any other person who in the 12 months immediately preceding any such transaction has acquired real estate mortgage loans in an aggregate principal amount equal to at least \$25,000,000.

## Branch Offices

There is conflicting evidence cited on the web site and in the administrative code for branch office registration. The code states that applicants must apply for a branch office certification, but the web site states "New Mexico does not require a separate application for a branch. However, it is beneficial for the licensee to disclose all branches in writing for the purpose of verification. The division will issue a separate license for branch offices located in New Mexico at no additional fee."

In-state Requirement

- None

License Requirement

- None. Please read note above regarding conflicting information on branch office registration.

Branch Manager

- None

## Licensing Fees

Initial Application

- \$400 License Fee

Branch Application

- Unclear if branch offices were required to register.

Renewal Application

- \$300 Renewal Fee (Annually)

## Employee Requirements

Age

- None

Residency

- None

Education

- None

Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1997 No change

1998 No change

1999 No change

2000 No change

2001 No change



2002 Change (The language that exempted most mortgage brokers was removed.)

## Loan Broker Applicant Requirements

### Licensing Exemptions

Safe Harbor

• None

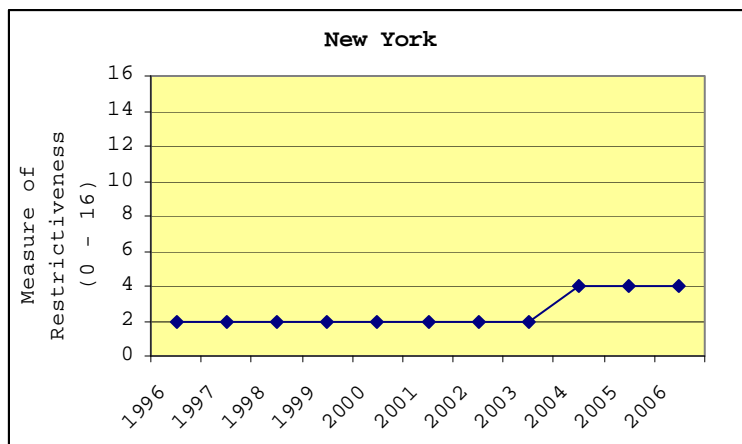
2003	No change
2004	No change
2005	No change
2006	No change

## New York

Banking Law §590 et seq.

<http://www.banking.state.ny.us/iambb.htm>

Regulation effective since: April 1, 1987



The State of New York has regulated mortgage brokers since 1987. The Banking Department administers Banking Law Article 12-D which is a relatively unrestrictive registration statute for mortgage brokers. The Banking Department currently registers 2,761 principal mortgage broker offices and 2,496 branch offices.<sup>28</sup>

Applicants for registration are required to have two years of credit analysis or underwriting experience with an exempt organization, mortgage banker, mortgage broker or relevant business experience, or have a relevant educational background suitable to meet the requirement. Applicants must also demonstrate fitness and obtain a bond between \$10,000 and \$100,000, depending on the number of applications taken by the registrant. Employees and agents with an undertaking of accountability filed with the commissioner are not required to obtain a separate registration.

Unlike other states, New York no longer requires registrants to pay an annual renewal fee. In addition to the \$1,500 application fee, registrants are only required to pay for their portion of the

<sup>28</sup> <http://www.banking.state.ny.us/sibrokbr.htm> accessed 9/17/2006.

department operating costs. If the general assessment bill along with interest and late fees is not paid within 30 days after the due date, the registration will expire. If full payment is made within 60 days of the expiration, the registration will be reinstated. However, if no payment is received, the expiration is permanent and a new application must be filed before any business may be conducted.

## New York

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age	• None
Residency	• None
Experience/Education	• The applicant must have two years of credit analysis or underwriting experience with an exempt organization, mortgage banker, mortgage broker or relevant business experience or have a relevant educational background suitable to meet the requirement. (It does not say who this applies to for a corporate applicant. For coding purposes, the education or experience requirement was coded as a "1" under "LIC-EXP.")
Examination	• None
Fitness	• The applicant must include descriptions of the business activities and demonstrate financial responsibility, educational background, general character, and fitness.
Net Worth	• The applicant must include an affirmation of financial solvency noting such capitalization requirements as may be required by the superintendent.
Bond	• Not required, but the superintendent may at any time impose upon any registered mortgage broker the requirement that it post a surety bond or make a deposit, in an amount up to \$25,000, should the superintendent determine, in his or her sole discretion, that a registrant has engaged in a pattern of conduct resulting in bona fide consumer complaints of misconduct and that such bond or deposit is necessary for the protection of consumers. (For coding purposes, the bond requirement was coded as a "0" under "BOND.")
Background Investigation	• The applicant must submit fingerprints and consent to a background check.
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• No person employed by a licensee is required to register or obtain a license.
	• An associate or affiliate of a licensee which has filed an "Undertaking of Accountability" with the superintendent is also exempt.

### Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
	• Insurance companies
Safe Harbor	• None

### Branch Offices

In-state Requirement	• None
License Requirement	• A licensee is required to notify the State when a branch office opens.
Branch Manager	• None

### Licensing Fees

Initial Application	• \$500 Application Fee
Branch Application	• \$250 Branch License Fee
Renewal Application	• \$500 Renewal Fee (Annually)
	• \$500 Branch Renewal Fee (This was either effective in 1991 or in 1997.)

### Employee Requirements

Age	• None
Residency	• None

Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	No change
2004	Change

## Mortgage Broker Applicant Requirements

Bond	<ul style="list-style-type: none"> <li>Every mortgage broker registered pursuant to Banking Law Section 591-a shall file with the superintendent a corporate surety bond in a principal amount of not less than \$10,000 or more than \$100,000 based on its number of applications. The amount of the bond required shall be as follows:</li> </ul>
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Number of New York applications: Required amount of surety bond

- 600+: \$100,000
- 300–599: \$75,000
- 100–299: \$50,000
- 25–99: \$25,000
- 0–24: \$10,000

2003	No change
2004	No change
2005	No change
2006	Change

## Mortgage Broker Applicant Requirements

### Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>\$1,500 Application Fee (The superintendent may waive or modify the amount of a fee to be charged pursuant to this section if the superintendent determines, in his or her sole discretion, that the charging and payment of such fee would impose an economic hardship upon the applicant or the amount of such fee is excessive with respect to the expenses incurred by the department to investigate such application.)</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>\$500 Branch Registration Fee</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>No renewal fees.</li> </ul>

Changes with unknown effective dates

## Mortgage Broker Applicant Requirements

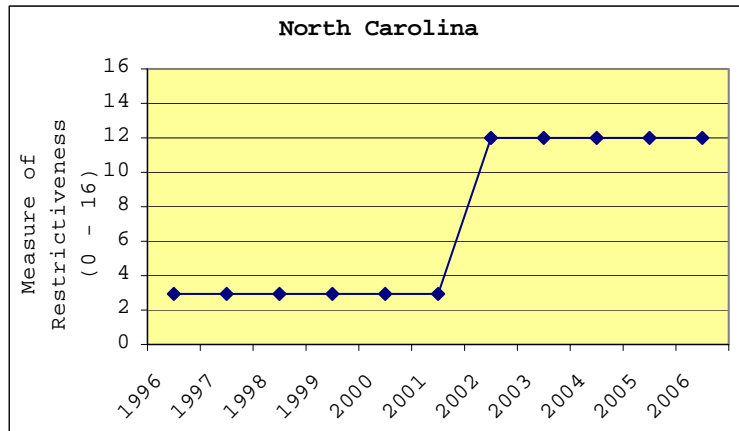
Background Investigation	<ul style="list-style-type: none"> <li>Each executive officer, each director, and each owner of 10 percent or more of the business must submit a Personal History Record. In addition, each principal/owner of 10 percent or more of the business must submit the personal financial questionnaire.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>Each principal, executive officer, and director of an entity must submit fingerprints.</li> <li>Although employees are exempt from registration, an applicant is required to submit basic information on all W-2 employees and those for whom an Undertaking of Accountability will be filed.</li> </ul>

## North Carolina

§53-243.01 et seq.

<http://www.nccob.org/NCCOB/Mortgage/Default.htm>

Regulation effective since: January 1, 1989



In 1989, the State of North Carolina implemented its first, relatively unrestrictive mortgage broker registration policy. Sweeping changes to the Mortgage Lending Act in 2002 formulated a relatively restrictive licensing policy. Today, mortgage brokers and the loan officers they employ are required to obtain a license from the North Carolina Office of the Commissioner of Banks.

The Mortgage Lending Act requires that an applicant or one of the applicant's control persons have three years of experience in the mortgage lending industry; this person must be designated as the managing principal. A managing principal of an entity is required to obtain a loan officer license if the managing principal will have customer contact or intends to manage more than one office. However, sole proprietors and individuals applying for a mortgage broker license are required to obtain a loan officer license. In addition, an applicant must demonstrate fitness, maintain a bond in the amount of \$50,000, and consent to a criminal background investigation. Licensees are required to maintain an in-state office and designate a licensed loan officer with three years' experience to manage each branch.

Loan officers are required to fulfill fairly restrictive requirements for licensure. An applicant for a loan officer license must be 18 years of age, complete an eight-hour course, and pass a written examination. In lieu of the education and examination requirement, an applicant may substitute relevant experience. The applicant must also demonstrate general fitness and consent to a background investigation.

## North Carolina

### Year Status

1996	Regulation in effect
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### Mortgage Broker Applicant Requirements

The term "applicant" or "registrant" refers to the following, unless otherwise noted:

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business

registration.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant, and of the members thereof if the applicant is a partnership or association, and of the officers and directors thereof if the applicant is a corporation must demonstrate financial responsibility, experience, character, and general fitness.
Net Worth	• The applicant must include an affirmation of financial solvency noting such capitalization requirements as required by the commissioner.
Bond	• \$25,000, by an administrative rule
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register or to obtain a license.

### Licensing Exemptions

Entities	• Regulated financial institutions
	• Real estate agents
Safe Harbor	• None

### Branch Offices

In-state Requirement	• None
License Requirement	• None
Branch Manager	• None

### Licensing Fees

Initial Application	• \$250 License Fee
	• \$500 Application Fee
Branch Application	• None
Renewal Application	• \$250 Renewal Fee

### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	Change

### Mortgage Broker Applicant Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- An individual applying for a license as an “Exclusive Mortgage Broker;”
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

An “exclusive mortgage broker” is an individual who acts as a mortgage broker exclusively for a single mortgage banker or single exempt person and who is licensed under the provisions of G.S. 53-243.05(c)(1a).)

Age	• None
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Residency	• None
Experience	• The applicant or at least one of the general partners, one of its principal officers, or one of the managers shall have at least three years of experience in residential mortgage lending or other experience or competency requirements as the commissioner may impose. The person meeting the experience requirement is considered the “Managing Principal.”
Education	• None
Examination	• None
Fitness	• The applicant and, if applicable, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the applicant must demonstrate qualifications, business history, financial responsibility, character, and general fitness.
Net Worth	• None
Bond	• The applicant must obtain a bond in the amount of \$50,000.
Background Investigation	• The applicant and in the case of an applicant that is a corporation, partnership, limited liability company, association, or trust, each individual who has control of the applicant or who is the managing principal or a branch manager shall consent to a federal and state criminal history record check and submit a set of that individual’s fingerprints pursuant to this subdivision.
Continuing Education	• None
Managing Principal	• The individual meeting the experience requirement for the applicant is the managing principal.
	• A managing principal will need a loan officer license only if the managing principal has customer contact. However, if licensed separately as a loan officer, the managing principal can also serve as a branch manager for one office.
	• Any individual licensee who operates as a sole proprietorship shall be considered a managing principal. In order for a sole proprietor to be licensed as a mortgage broker, the sole proprietor must also be a licensed loan officer.
Employee Exemptions	• All principals and employees (except clerical employees) must be licensed as loan officers.
	• Any employee of a licensee whose responsibilities are limited to clerical and administrative tasks for his or her employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer is exempt.

## Licensing Exemptions

Entities	• Regulated financial institutions
	• Real estate agents
	• Insurance companies
Safe Harbor	• None

## Branch Offices

In-state Requirement	• A licensee must maintain a branch office in the state.
License Requirement	• Each branch office must be separately licensed.
Branch Manager	• A licensee must have a branch manager for each office who is licensed as a loan officer and has three years of experience.

## Licensing Fees

Initial Application	• \$1,000 Application Fee
Branch Application	• \$100 Application Fee
Renewal Application	• \$500 Renewal Fee (Annually)
	• \$100 Branch Renewal Fee (Annually)

## Employee Requirements

	<i>The term “applicant” or “licensee” refers to the following, unless otherwise noted:</i>
	• <i>An individual applying for a license as a “Loan Officer.”</i>
Age	• The applicant must be 18 years of age.
Residency	• None
Education	• The applicant must satisfactorily complete, within the three years immediately preceding the date application is made, a mortgage lending fundamentals course approved by the commissioner. The course shall consist of at least eight hours of classroom instruction in subjects related to mortgage lending approved by the commissioner.
Experience	• The applicant may substitute experience for the education/examination requirement.
Examination	• The applicant must pass an examination.
Fitness	• The applicant must demonstrate credit history and business history.
Net Worth	• None
Bond	• None
Background Investigation	• The applicant must submit fingerprints and consent to a background check.
Continuing Education	• Not to exceed eight hours annually.

License Fee	• \$50 License Fee
Renewal Fee	• \$50 Renewal Fee

2003	No change
2004	No change
2005	No change
2006	Change

### Mortgage Broker Applicant Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- An individual applying for a license as an “Exclusive Mortgage Broker;”
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

An “exclusive mortgage broker” is an individual who acts as a mortgage broker exclusively for a single mortgage banker or single exempt person and who is licensed under the provisions of G.S. 53-243.05(c)(1a).)

### Licensing Fees

Initial Application	• \$1,250 Application Fee
Branch Application	• \$125 Application Fee
Renewal Application	• \$625 Renewal Fee (Annually)
	• \$125 Branch Renewal Fee (Annually)

### Employee Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for a license as a “Loan Officer.”

License Fee	• \$67.50 License Fee
Renewal Fee	• \$67.50 Renewal Fee

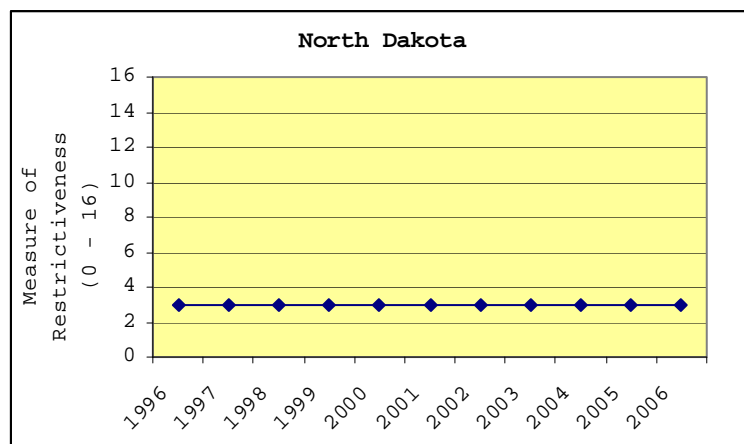
2006	No change
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## North Dakota

§13-04.1 et seq.

<http://www.state.nd.us/dfi/>

Regulation effective since: February 24, 1967



The State of North Dakota regulates mortgage brokers under the Money Brokers Act. The Department of Banking and Financial Institutions administers the Money Brokers Act, which is a

fairly unrestrictive licensing policy. The department has approximately 400 licensed money brokers.<sup>29</sup>

Applicants or their control persons are required to demonstrate financial responsibility, financial condition, business experience, character, and general fitness. An applicant must also maintain a \$25,000 bond and license each branch office. Employees of licensees are not required to register or obtain a license.

## North Dakota

### Year Status

1996 Regulation in effect

#### Money Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, character, and fitness.
Net Worth	• None
Bond	• The applicant must obtain a bond in the amount of \$25,000.
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register or to obtain a license.

#### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> <li>• Consumer loan companies</li> <li>• Securities broker-dealers</li> </ul>
Safe Harbor	• None

#### Branch Offices

In-state Requirement	• None
License Requirement	• None
Branch Manager	• None

#### Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$200 License Fee</li> <li>• \$300 Application Fee</li> </ul>
Branch Application	• None
Renewal Application	• \$200 Renewal Fee (Annually)

#### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None

<sup>29</sup> <http://www.state.nd.us/dfi/regulate/reg/regulated.asp>



Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	Change

## Money Broker Applicant Requirements

Fitness	<ul style="list-style-type: none"> <li>• The applicant must demonstrate financial responsibility, financial condition, business experience, character, and general fitness to reasonably warrant the belief that the applicant's business will be conducted lawfully and fairly. In determining whether this qualification is met, and for the purpose of investigating compliance with the chapter, the commissioner may review and consider the relevant business records and capital adequacy of the applicant and the competence, experience, integrity, and financial ability of a person who is a member, partner, director, officer, or 25 percent or more shareholder of the applicant.</li> </ul>
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## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$300 License Fee</li> <li>• \$400 Application Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>• None</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>• \$300 Renewal Fee (Annually)</li> </ul>

2004	No change
2005	Change

## Money Broker Applicant

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

## Branch Offices

In-state Requirement	• A licensee must maintain an office in the state.
License Requirement	• A licensee must obtain a license for each branch office.
Branch Manager	• None

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$300 License Fee</li> <li>• \$400 Application Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>• \$50 Branch License Fee</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>• \$300 Renewal Fee (Annually)</li> <li>• \$50 Branch Renewal Fee</li> </ul>

2006	No change Changes with unknown effective dates
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## Money Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

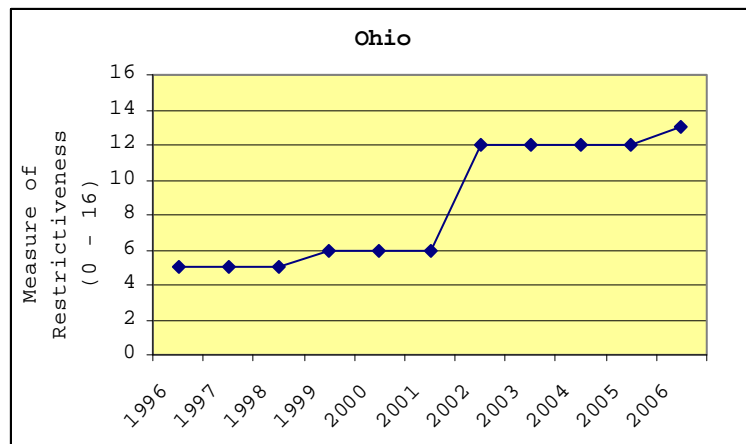
Net Worth	<ul style="list-style-type: none"> <li>• The applicant must submit a financial statement including balance sheet and an income statement of the applicant.</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>• Sole proprietors, partners, and any person owning 25 percent or more of the capital stock as of the date of the application must provide a financial statement.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>• Although employees are not required to register or obtain a license, an applicant must submit names and business addresses of all brokers that will conduct brokering activities on its behalf.</li> </ul>

## Ohio

§1322.01 et seq.

<http://www.com.state.oh.us/dfi/dfiform.htm>

Regulation effective since: April 16, 1993



The Ohio Mortgage Broker Act requires that mortgage brokers register with the Division of Financial Institutions of the Department of Commerce prior to conducting brokering activities in the state of Ohio. The Mortgage Broker Act is a fairly restrictive registration policy.

Mortgage broker applicants are required to maintain a \$50,000 bond, demonstrate fitness, and maintain an in-state office. Applicants must procure an additional \$10,000 bond for each branch office.

Applicants for an entity license are required to designate an employee or owner of the applicant as the applicant's "Operations Manager." The operations manager must have three years of experience in the mortgage and lending field and pass an examination. The operations manager must be knowledgeable about the registrant's or applicant's activities and have sufficient authority over the registrant's daily activities and mortgage broker business to carry out the statutory responsibilities of an operations manager. The operations manager must complete six hours of continuing education annually.

The Mortgage Broker Act also requires that loan officers employed by mortgage brokers procure their own license. Applicants for a loan officer license must pass an examination, demonstrate fitness, and complete six hours of continuing education annually. Owners, partners, members, and corporate officers of entity registrants who are not serving as the operations managers for their companies must register as loan officers if they wish to act in that capacity.

## Ohio

### Year

### Status

1996

Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business

registration.

Age  
Residency  
Experience/Education

- None
- None
- The applicant must have three years of experience in the mortgage and lending field, which experience may include employment with or as a mortgage broker or with a financial institution, mortgage lending institution, or other lending institution, or possess at least three years of other experience as determined by the superintendent OR the applicant must have at least an associate's degree in an area relating to finance, banking, or business administration, and the degree was earned at an accredited college or university, including an accredited community or technical college.
- If the applicant is a partnership, the applicant shall designate one of the partners named in the application as responsible for managing the operations of the location or locations where business is to be transacted and if the applicant is a corporation, the applicant shall designate one of the shareholders named in the application as responsible for managing the operations of the location or locations where business is to be transacted. The applicant's designated individual must meet the experience or education requirement.

Examination  
Fitness

- None
- The applicant must demonstrate financial responsibility, experience, character, and general fitness.

Net Worth  
Bond  
Background Investigation  
Continuing Education  
Managing Principal

- The applicant must maintain a net worth of \$25,000.
- None
- Unknown
- None
- If the applicant is a partnership, the applicant shall designate one of the partners named in the application as responsible for managing the operations of the location or locations where business is to be transacted and if the applicant is a corporation, the applicant shall designate one of the shareholders named in the application as responsible for managing the operations of the location or locations where business is to be transacted. The applicant's designated individual must meet the experience or education requirement.
- Employees are not required to register or obtain a license.

Employee Exemptions

### Licensing Exemptions

Entities  
Safe Harbor

- Regulated financial institutions
- None

### Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- Not clear.
- A registrant must obtain a separate registration for each branch office in the state.
- None

### Licensing Fees

Initial Application  
  
Branch Application  
Renewal Application

- \$350 Registration Fee
- \$350 Application Fee
- \$350 Branch Registration Fee
- \$350 Renewal Fee (Annually)
- \$350 Branch Renewal Fee (Annually)

### Employee Requirements

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997 No change  
1998 No change  
1999 Change

## Mortgage Broker Applicant Requirements

### Experience

- The applicant must have three years of experience in the mortgage and lending field, which experience may include employment with or as a mortgage broker or with a financial institution, mortgage lending institution, or other lending institution, or possess at least three years of other experience as determined by the superintendent.
- If the applicant is a partnership, the applicant shall designate one of the partners named in the application as responsible for managing the operations of the location or locations where business is to be transacted and if the applicant is a corporation, the applicant shall designate one of the shareholders named in the application as responsible for managing the operations of the location or locations where business is to be transacted; if the applicant is any other entity, the applicant shall designate a natural person that owns 5 percent or more of the entity that will transact business as a mortgage broker as responsible for managing the operations of the location or locations where the business is to be transacted. The applicant's designated individual must meet the experience or education requirement.

### Education

### Net Worth

### Bond

### Managing Principal

- None
- None
- The applicant must obtain a \$25,000 bond.
- If the applicant is a partnership, the applicant shall designate one of the partners named in the application as responsible for managing the operations of the location or locations where business is to be transacted and if the applicant is a corporation, the applicant shall designate one of the shareholders named in the application as responsible for managing the operations of the location or locations where business is to be transacted; if the applicant is any other entity, the applicant shall designate a natural person that owns 5 percent or more of the entity that will transact business as a mortgage broker as responsible for managing the operations of the location or locations where the business is to be transacted. The applicant's designated individual must meet the experience or education requirement.
- No person shall originate mortgage loans for a registrant, unless that person is an employee of the registrant. "Employee" means a person who may be required or directed by a registrant to originate mortgage loans in consideration of direct or indirect gain or profit. "Employee" does not include an independent contractor or any person who has a similar employment relationship with a mortgage broker.

### Employee Exemptions

## Branch Offices

### In-state Requirement

- A registrant is required to maintain an office in the state.

2000 No change

2001 No change

2002 Change

## Money Broker Applicant Requirements

### Experience

- The applicant must have three years of experience in the mortgage and lending field, which experience may include employment with or as a mortgage broker or with a financial institution, mortgage lending institution, or other lending institution, or possess at least three years of other experience that the superintendent determines.
- If the applicant is a partnership, corporation, limited liability company, or any other business entity or association, the applicant shall designate an employee or owner of the applicant as the applicant's operations manager. The operations manager must meet the experience requirement.

### Examination

### Bond

### Background Investigation

- Each person designated to act as operations manager for a mortgage broker business shall submit to an examination approved by the superintendent of financial institutions.
- The applicant must maintain a bond in the amount of \$50,000 and an additional \$10,000 for each registered branch office.
- The applicant or the applicant's operations manager and if a corporation, every 5 percent owner and senior officer, if a partnership, every partner and senior officer; if an LLC, each member and senior officer, and if a sole proprietor, the owner must submit fingerprints and consent to a criminal background check.

### Continuing Education

### Managing Principal

- The applicant or the applicant's operations manager must complete six hours of continuing education annually.
- If the applicant is a partnership, corporation, limited liability company, or any other business entity or association, the applicant shall designate an employee or owner of the applicant as the applicant's operations manager. The operations manager must meet the experience requirement, the examination requirement, and fulfill continuing education requirements annually.

### Employee Exemptions

- Employees acting as loan officers for a registrant must obtain a license. A loan officer may not be employed by more than one registrant at any one time.

- Owners, partners, members, and corporate officers of companies who are not serving as the operations managers for their companies must register as loan officers if they wish to act in that capacity.
- Clerical employees that conduct certain activities are required to obtain a license. If a clerical employee provides assistance in taking and preparing a mortgage loan application, the clerical employee must be licensed as well.

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for a license as a “Loan Officer.”*

Age  
Residency  
Education  
Experience  
Examination

- None
- None
- None
- None
- Each licensee, within 90 days after the original issuance of the loan officer license, shall successfully complete an examination approved by the superintendent.
- The applicant must demonstrate character and general fitness.
- None
- None
- The applicant must submit a set of fingerprints and consent to a background check.
- Each licensee must fulfill six hours of continuing education annually.
- \$100 License Fee
- \$100 Renewal Fee (Annually)

Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

2003	No change
2004	No change
2005	No change
2006	Change

## Money Broker Applicant Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for an individual registration;*
- *A sole proprietor applying for a business registration;*
- *Any other business entity, however incorporated, applying for a business registration.*

Managing Principal

- If the applicant is a partnership, corporation, limited liability company, or any other business entity or association, the applicant shall designate an employee or owner of the applicant as the applicant’s operations manager. The operations manager must meet the experience requirement, the examination requirement, and fulfill continuing education requirements annually.
- The operations manager must be a licensed loan officer.

2007	Change
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## Money Broker Applicant Requirements

Education

- On or after January 1, 2007, the applicant or the designated operations manager must successfully completed either 24 hours of live classroom instruction in a course or program of study approved by the superintendent OR other post-secondary education related specifically to the business of mortgage loans that the superintendent determines meets the requirements.

Managing Principal

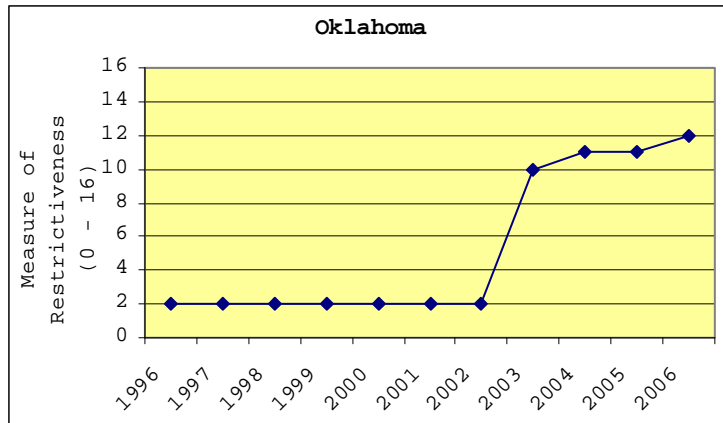
- If the applicant is a partnership, corporation, limited liability company, or any other business entity or association, the applicant shall designate an employee or owner of the applicant as the applicant’s operations manager. The operations manager must meet the experience and education requirement, the examination requirement, and fulfill continuing education requirements annually.
- The operations manager must be a licensed loan officer.

## Oklahoma

Tit. 59 §2081 et seq.

<http://www.okdocc.state.ok.us/mainMB.php>

Regulation effective since: April 20, 1987



The State of Oklahoma Department of Consumer Credit currently licenses 1,134 mortgage loan originators and 469 mortgage brokers pursuant to the Mortgage Broker Licensure Act.<sup>30</sup>

The Mortgage Broker Licensure Act is relatively restrictive on both the firm and employees seeking licensure. Applicants for an entity license must designate an individual responsible who is a resident of Oklahoma, who is an employee who is active in management activities of the applicant, and who has three years of experience or the appropriate education. In addition, an owner of a sole proprietorship, or at least one officer, director, or trustee of a corporation, or at least one partner, principal, officer, or director of a partnership or limited liability company must have three years of experience or the appropriate education. The officer or owner submitting proof of experience must pass a mortgage broker test not more than one year preceding the time of application.

Individuals who originate loans for licensed mortgage brokers in Oklahoma must be licensed as loan originators. However, "Loan Originator" does NOT include an officer (if the licensee is a corporation), a general partner (if the licensee a partnership), a member (if the licensee is a limited liability company), or a sole proprietor (if the licensee is a sole proprietorship). Applicants for a loan originator license must be at least 18 years of age and either have 18 months of experience or successfully complete an examination.

## Oklahoma

### Year Status

1996	Regulation in effect
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### Credit Services Organization Applicant Requirements

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

<sup>30</sup> <http://www.okdocc.state.ok.us/ROSTERS/rosterMB.PDF> and  
<http://www.okdocc.state.ok.us/ROSTERS/rosterMLO.PDF>

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, experience, character, and general fitness.
Net Worth	• None
Bond	• If the applicant will charge or receive any money or other valuable consideration prior to full and complete performance of the services, the applicant must maintain a bond in the amount of \$10,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register or obtain a license.

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Securities broker-dealers</li> <li>• None</li> </ul>
Safe Harbor	

## Branch Offices

In-state Requirement	• Not clear.
License Requirement	• A licensee must obtain a separate license for each branch office.
Branch Manager	• None

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$100 License Fee</li> <li>• \$100 Application Fee</li> </ul>
Branch Application	• \$100 License Fee
Renewal Application	<ul style="list-style-type: none"> <li>• \$100 Renewal Fee (Annually)</li> <li>• \$100 Branch Renewal Fee (Annually)</li> </ul>

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

	<ul style="list-style-type: none"> <li>• An individual applying for an individual license;</li> <li>• A sole proprietor applying for a business license;</li> <li>• Any other business entity, however incorporated, applying for a business license.</li> </ul>
Age	• None
Residency	• None
Experience/Education	• Statute states, “A person of good moral character who has experience in the residential mortgage loan industry or real estate sales or lending industry, or has applicable educational requirements as established by rule of the Commission on Consumer Credit, may make application to the Commission for a mortgage broker license.”
Examination	• None
Fitness	• The applicant must demonstrate good moral character.

Net Worth	• None
Bond	• None
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• An employee of a licensee when acting within the scope of their employment is exempt. Employee is defined as “an individual who has an employment relationship acknowledged by both the employee and the mortgage broker, and the individual is treated as an employee by the mortgage broker for purposes of compliance with federal income tax laws.”

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Consumer loan brokers</li> </ul>
Safe Harbor	• None

## Branch Offices

In-state Requirement	• A licensee is not required to maintain an office in the state.
License Requirement	• A licensee must obtain a separate license for each branch office.
Branch Manager	• None

## Licensing Fees

Initial Application	• \$300 License Fee
Branch Application	• Unknown
Renewal Application	• \$300 Renewal Fee (Triennially)
	• Branch Renewal Fee unknown.

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1998 Change

## Mortgage Broker Applicant Requirements

### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> </ul>
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1999 Change

## Money Broker Applicant Requirements

Experience	<ul style="list-style-type: none"> <li>• The applicant shall provide satisfactory evidence of at least two years of continuous employment or business activity in the residential mortgage loan industry or real estate sales or lending industry, or both. A letter from the previous employer may satisfy this requirement.</li> <li>• For purposes of this section, “applicant” means an individual; an owner of a sole proprietorship; the stockholders or three largest stockholders and the officers, directors and trustees of a corporation; the partners, principals, officers and directors of a partnership or</li> </ul>
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	limited liability company. (According to current information supplied by the division, only one of these individuals must meet the experience requirement.)
Education	<ul style="list-style-type: none"> <li>• None</li> </ul>

2000	No change
2001	No change
2002	No change
2003	Change

## Mortgage Broker Applicant Requirements

Age	<ul style="list-style-type: none"> <li>• None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>• If the applicant is not a resident of the state, then a managing principal who is a resident of the state must be designated and meet the same qualifications.</li> </ul>
Experience/Education	<ul style="list-style-type: none"> <li>• The applicant must have at least three years' experience in the residential mortgage loan industry as a mortgage loan originator or mortgage broker or in real estate sales, title, or lending industries during the five years immediately preceding the time of application <b>OR</b> provide satisfactory evidence during the three years immediately preceding the time of application of graduation from an institution of higher education or a vocational school with a degree in a discipline that directly relates to the occupation of a mortgage broker.</li> <li>• For purposes of this section, "applicant" means an individual; an owner of a sole proprietorship; the stockholders or three largest stockholders and the officers, directors and trustees of a corporation; the partners, principals, officers and directors of a partnership or limited liability company. (According to current information obtained from the division, only one of these individuals must meet the experience requirement.)</li> <li>• If the applicant is required to designate a managing principal, the managing principal must also meet the experience or education requirement.</li> </ul>
Examination	<ul style="list-style-type: none"> <li>• The applicant must pass a mortgage broker test not more than one year preceding the time of application.</li> <li>• For the purposes of this section, the owner or officer submitting proof of experience must also pass the test.</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>• The applicant, any responsible individual designated by the applicant, and any officer, director, shareholder or other interested party of the applicant must demonstrate moral character, experience, background, honesty, truthfulness, integrity, and competency.</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>• None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>• None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>• Unknown</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>• None</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>• The applicant must include a letter designating a responsible individual, who shall be a resident of Oklahoma and who is an employee who is active in management activities of the licensee. The designated responsible individual must meet the qualifications of a licensed mortgage broker. The managing principal must be licensed as a mortgage loan originator if the managing principal is originating loans and is NOT an officer, general partner, member, or sole proprietor.</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>• Individuals who originate loans for licensees must be licensed as loan originators. "Loan Originator" does NOT include an officer (if the licensee is a corporation), a general partner (if the licensee is a partnership), a member (if the licensee is a limited liability company), or a sole proprietor (if the licensee is a sole proprietorship).</li> <li>• A person who independently contracts with a licensee to perform mortgage broker services need not be licensed as a mortgage broker if the licensee and the independent contractor have on file with the administrator a binding written agreement under which the licensee assumes responsibility for the independent contractor's violations of the Mortgage Broker Licensure Act or rules promulgated pursuant thereto.</li> </ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Consumer loan brokers</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>• None</li> </ul>

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>• A licensee is required to maintain an office in the state.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>• The licensee must obtain a separate license for each branch office.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>• If a licensee wishes to maintain one or more locations for the transaction of business in addition to a principal place of business, the licensee shall first obtain a branch office license from the administrator and designate a person for each branch office to oversee the</li> </ul>

operations of that branch office. Neither the statute nor the code suggest whether this person would need to meet the qualifications of the managing principal or be a licensed mortgage loan originator. (More than likely, this person would be a licensed mortgage loan originator.)

### Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$300 License Fee
- Unknown
- \$300 Renewal Fee (Triennially)
- Branch Renewal Fee unknown.

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for a license as a “Mortgage Loan Originator.”*

Age  
Residency  
Education  
Experience/Examination

- The applicant must be 18 years of age.
- None
- None
- The applicant must have at least 18 months of experience as a mortgage loan originator as evidenced by documentary proof of full-time employment as a mortgage loan originator with a licensed mortgage broker or a person exempt from licensure **OR** pass a mortgage loan originator test not more than one year preceding the application.
- A licensed mortgage broker shall not employ any person unless the licensed mortgage broker conducts a reasonable investigation of the background, honesty, truthfulness, integrity, and competency of the employee before hiring the employee.

Fitness

- None
- None
- The employing mortgage broker must conduct a background check of every employee it hires.
- None
- \$100 License Fee
- \$100 Renewal Fee (Triennially)

Net Worth  
Bond  
Background Investigation

Continuing Education  
License Fee  
Renewal Fee

2004 Change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for an individual license;*
- *A sole proprietor applying for a business license;*
- *Any other business entity, however incorporated, applying for a business license.*

Continuing Education

- All licensees must complete 48 hours of continuing education every three years.

### Licensing Fees

Initial Application

- \$100 License Fee
- \$750 Application Fee
- \$150 Test Fee
- \$50 Branch License Fee
- \$100 Renewal Fee (Annually)
- \$50 Branch Renewal Fee

Branch Application  
Renewal Application

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for a license as a “Mortgage Loan Originator.”*

License Fee  
Renewal Fee

- \$50 License Fee
- \$50 Renewal Fee (Annually)

2005 Change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for an individual license;*
- *A sole proprietor applying for a business license;*
- *Any other business entity, however incorporated, applying for a business license.*

Continuing Education

- All licensees must complete 16 hours of continuing education annually.

2006 Change

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

Continuing Education

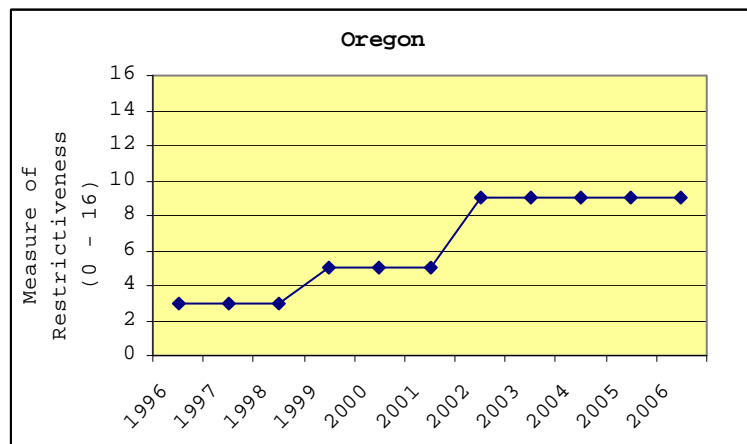
- An individual applying for a license as a "Mortgage Loan Originator."
- The licensee must complete 16 hours of continuing education annually.

## Oregon

§59.840

<http://www.dfcs.oregon.gov/>

Regulation effective since: January 1, 1994



Pursuant to the Mortgage Lender Law, Oregon requires that mortgage brokers procure a license before conducting brokering activities. The Division of Finance and Corporate Securities within the Department of Consumer and Business Services licenses approximately 1,680 mortgage lender firms and their 3,330 locations.<sup>31</sup>

An applicant for a license as a mortgage broker, or a managing partner, director, executive officer, or other individual occupying a similar position or performing similar functions for the applicant must have, during the five years immediately preceding the time of application, not less than three years' experience in the mortgage business, three years' experience negotiating loans in a related business satisfactory to the director, or three years' equivalent lending experience in a related business satisfactory to the director. In addition, an applicant must maintain a \$25,000 bond and an additional \$5,000 bond for each branch office.

Loan originators of licensees are also required to register with the division. An applicant for registration must complete an entry level course and pass an examination. Loan originator licensees must complete 20 hours of continuing education courses during the licensing period.

## Oregon

### Year Status

1996	Regulation in effect
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### Mortgage Broker Applicant

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for an individual license;

<sup>31</sup> [http://www4.cbs.state.or.us/ex/dfcs/dfcslic/mortgage\\_lender/search/index.cfm](http://www4.cbs.state.or.us/ex/dfcs/dfcslic/mortgage_lender/search/index.cfm)

## Requirements

Age  
Residency  
Experience

- *A sole proprietor applying for a business license;*
- *Any other business entity, however incorporated, applying for a business license.*

Education  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
Managing Principal  
Employee Exemptions

- None
- None
- The applicant, or a managing partner, director, executive officer, or other individual occupying a similar position or performing similar functions for the applicant must have, during the five years immediately preceding the time of application, not less than three years' experience in the mortgage business, three years experience negotiating loans in a related business satisfactory to the director, or three years' equivalent lending experience in a related business satisfactory to the director.
- None
- None
- None
- None
- The applicant must maintain a bond in the amount of \$10,000.
- Unknown
- None
- None
- Employees are not required to register or obtain a license.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- None

Safe Harbor

## Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- A licensee is not required to maintain an office in the state.
- A licensee must notify the State if it opens a new branch office.
- None

## Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- License Fee unknown.
- Branch License Fee unknown.
- Renewal Fee unknown. (Initial license expires one year after issuance; thereafter, a license must be renewed every two years.)

## Employee Requirements

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997	No change
1998	No change
1999	Change

## Mortgage Broker Applicant Requirements

Bond

- The applicant must maintain a bond in the amount of \$25,000 and \$5,000 for each additional branch office.

2000	No change
2001	No change
2002	Change

## Mortgage Broker Applicant Requirements

### Employee Exemptions

- Loan originators are required to register with the State. A loan originator may not originate loans for more than one mortgage banker, mortgage broker or other mortgage lender, or independent mortgage agency at the same time.

## Licensing Fees

### Initial Application

### Branch Application

### Renewal Application

- \$250 License Fee (The actual effective date of this fee is unknown.)
- \$50 Branch License Fee (The actual effective date of this fee is unknown.)
- \$250 Renewal Fee. (Initial license expires one year after issuance; thereafter, a license must be renewed every two years. The actual effective date of this fee is unknown.)
- \$50 Branch Renewal Fee (The actual effective date of this fee is unknown.)

## Branch Offices

### License Requirement

- A licensee must submit the licensing fee specified in OAR 441-860-0020(10) and provide the following information on the original license application form or upon an amendment to the original application at least 30 days before the branch commences operation: (1) The address of the location of each branch office, and the mailing address if different, and the branch office telephone number, e-mail address and facsimile number. (2) The information required pursuant to OAR 441-860-0020(7) regarding the branch supervisor who will supervise the activities of the employees of the branch to insure compliance with all applicable rules and regulations. Upon satisfaction of the requirements listed above in (1) and (2), a separate branch office license will be issued by the director for posting in the branch office location. (The actual effective date of this requirement is unknown. It was in effect in 2002, but administrative rules and regulations were not available prior to 2002 to determine the actual effective date.)

## Employee Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for a license as a "Loan Originator."

### Age

### Residency

### Education

- None
- None
- If the applicant has not been employed as a loan originator for more than three years prior to January 1, 2002, the applicant must take an entry level, 20-hour course.
- If the person has been employed as a loan originator for two or more years in Oregon, the applicant must have completed continuing education as required by the director to be exempt from the education requirement.

### Experience

### Examination

- None
- If the applicant has not been employed as a loan originator for more than three years prior to January 1, 2002, the applicant must pass an examination.

### Fitness

### Net Worth

### Bond

### Background Investigation

### Continuing Education

### License Fee

### Renewal Fee

- None
- None
- None
- None
- The registrant must complete 20 hours of continuing education.
- \$60 License Fee
- \$60 Renewal Fee

2000	No change
2001	No change
2002	No change
2003	Change

## Mortgage Broker Applicant Requirements

## Licensing Fees

### Initial Application

### Branch Application

### Renewal Application

- \$500 License Fee
- \$100 Branch License Fee or \$150 if added after initial registration.
- \$500 Renewal Fee (Initial license expires one year after issuance; thereafter, a license must be renewed every two years.)
- \$100 Branch Renewal Fee

2004	Change
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## Mortgage Broker Applicant Requirements

### Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$825 License Fee
- \$165 Branch License Fee or \$247.50 if added after initial registration.
- \$825 Renewal Fee (Initial license expires one year after issuance; thereafter, a license must be renewed every two years.)
- \$165 Branch Renewal Fee

### Employee Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- *An individual applying for a license as a “Loan Originator.”*

Background Investigation

- The applicant must submit fingerprints and consent to a background check.

2005 No change

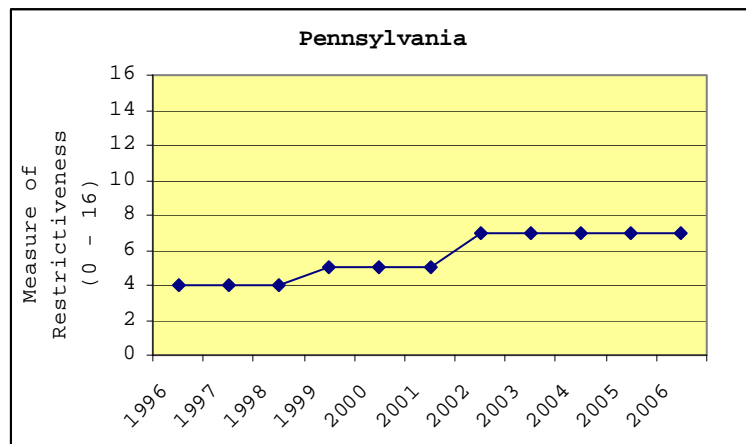
2006 No change

## Pennsylvania

63 Pa. Stat. Ann. §§ 456.301 et seq.

<http://www.banking.state.pa.us/>

Regulation effective since: 180 days after December 22, 1989



The Department of Banking administers the Mortgage Bankers and Brokers and Consumer Equity Protection Act and licenses approximately 3,054 licensees, which includes 2,556 principal locations and an additional 498 branch locations.<sup>32</sup> Licensees are only permitted to transact business with first mortgage bankers, loan correspondents, limited brokers, or other first mortgage brokers who are either licensed or exempt from licensure in Pennsylvania.

An applicant for a license must demonstrate fitness, maintain a physical presence in the state, and obtain a penal bond in the amount of \$100,000. If advance fees are not collected, an applicant is not required to maintain the bond. Licensees must maintain one “Mortgage Professional” in each licensed office that completes six hours of continuing education annually. The mortgage professional may be:

<sup>32</sup> <http://www.banking.state.pa.us/banking/banking/instlistquery.asp>

- A manager of a licensed office maintained by a licensee;
- An owner, director, officer, or W-2 employee of a licensee who has the authority to underwrite or approve loans, either individually or in combination with other individuals as members of a committee;
- An owner, director, officer, or W-2 employee of a licensee who, as part of his or her official duties, directly contacts borrowers to present, negotiate, or advise regarding loan terms.

Mortgage professionals may not be individuals who engage solely in processing loan applications or other administrative or clerical functions, or both.

Pennsylvania does not require employees of licensees to register or obtain a license; however, nonemployees, such as those paid on a 1099 basis, must procure their own license.

## Pennsylvania

### Year Status

1996 Regulation in effect

#### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• The applicant must obtain a \$100,000 penal bond. Applicants that can demonstrate to the satisfaction of the department that they do not accept advance fees shall be exempt from the bonding requirement.
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees are not required to register or obtain a license. The Department of Banking does not consider this exemption to apply to individuals who are paid as nonemployees. Nonemployees include persons whose income is reported on IRS Form 1099 or people who are properly treated as nonemployees for any other government reporting purpose. Nonemployees must obtain their own mortgage brokers' license.

#### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> <li>• Consumer loan companies</li> </ul>
Safe Harbor	• A person who either originates or negotiates less than 12 mortgage loans in a calendar year in PA is exempt from the licensing requirements.

#### Branch Offices

In-state Requirement	• Not clear
License Requirement	• Although this is not exactly clear, a licensee must pay a fee to the state to open a branch office.
Branch Manager	• None

#### Licensing Fees

Initial Application	• \$500 License Fee
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Branch Application  
Renewal Application

- \$50 Branch License Fee
- \$200 Renewal Fee (Annually)
- \$25 Branch Renewal Fee (Annually)

## Employee Requirements

Age  
Residency  
Education  
Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997 No change  
1998 No change  
1999 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Fitness  
Continuing Education

- The applicant must demonstrate good character and ethical reputation.
- The applicant or licensee shall demonstrate to the satisfaction of the secretary that at least one person from each licensed office has attended a minimum of six hours of such continuing education each year. (Not necessarily in effect for three years: The secretary shall delineate the requirements for such continuing education by regulation within three years of the effective date of this act. The secretary may review and approve continuing education programs to satisfy the continuing education requirement.)

## Licensing Exemptions

Safe Harbor

- A person who either originates or negotiates less than three mortgage loans in a calendar year in this Commonwealth, unless the person is otherwise deemed to be engaged in the first mortgage loan business is exempt.

## Branch Offices

In-state Requirement

- A licensee is required to maintain an office in the state.

2000 No change  
2001 No change  
2002 Change

## Mortgage Broker Applicant Requirements

Continuing Education

- The licensee must maintain at least one separate mortgage professional at each licensed office who has successfully completed during the annual renewal period at least six credit hours of continuing education programs.
- A mortgage professional is defined as “a manager of each licensed office maintained by a licensee; any owner, director, officer, or W-2 employee of a licensee who has the authority to underwrite or approve loans, either individually or in combination with other individuals as members of a committee; or any owner, director, officer, or W-2 employee of a licensee who, as part of his official duties, directly contacts borrowers to present, negotiate, or advise regarding loan terms.”

Managing Principal

- Each licensee must maintain one mortgage professional at each licensed office that fulfills the annual continuing education requirement.
- A mortgage professional is defined as “a manager of each licensed office maintained by a licensee; any owner, director, officer, or W-2 employee of a licensee who has the authority to underwrite or approve loans, either individually or in combination with other individuals as members of a committee; or any owner, director, officer, or W-2 employee of a licensee who, as part of his official duties, directly contacts borrowers to present, negotiate, or advise regarding loan terms.”



## Branch Offices

Branch Manager

- Each licensed office is required to have a mortgage professional who fulfills the six hours of continuing education requirements.
- A mortgage professional is defined as “a manager of each licensed office maintained by a licensee; any owner, director, officer, or W-2 employee of a licensee who has the authority to underwrite or approve loans, either individually or in combination with other individuals as members of a committee; or any owner, director, officer, or W-2 employee of a licensee who, as part of his official duties, directly contacts borrowers to present, negotiate, or advise regarding loan terms.”

2003	No change
2004	No change
2005	No change
2006	No change
Changes with unknown effective dates	

## Mortgage Broker Applicant Requirements

Background Investigation

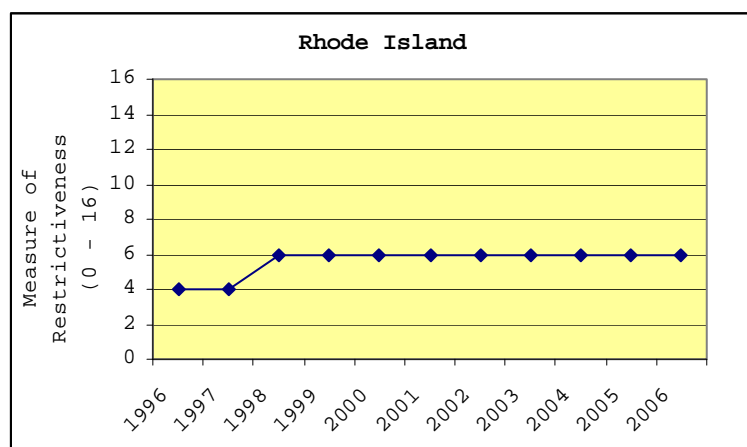
- Each sole proprietor, office manager, partner(s), corporate officers—president, vice president(s), secretary, and treasurer—must submit fingerprints and consent to a criminal background check.

## Rhode Island

§19-14.1-1 et seq.

<http://www.dbr.state.ri.us/bankin-lic.html>

Regulation effective since: July 1, 1995



The State of Rhode Island regulates brokering activities under Chapters 14 (Licensed Activities) and 14.1 (Lenders and Loan Brokers) of Title 19 of the General Laws of Rhode Island. The Division of Banking of the Department of Business Regulation is responsible for administering the statutes and licenses approximately 762 mortgage brokers.<sup>33</sup>

To obtain a license in Rhode Island, an applicant must have a manager or individual designated to operate the business who has at least five years' experience in the type of business for which the license is being sought. Applicants must also maintain \$10,000 in net worth, a \$10,000 bond

<sup>33</sup> [http://www.dbr.state.ri.us/pdf\\_forms/bank/List%20of%20Licensees.pdf](http://www.dbr.state.ri.us/pdf_forms/bank/List%20of%20Licensees.pdf) (accessed August 2, 2006)

for the principal license, and an additional \$5,000 bond for each branch office. Rhode Island does not require that employees of licensees register or obtain a license at this time.

## Rhode Island

### Year Status

1996 Regulation in effect

#### Loan Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, experience, character, and general fitness.
Net Worth	• The applicant must maintain \$10,000 in net worth.
Bond	• The applicant must maintain a bond in the amount of \$10,000 and \$5,000 for each branch office.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Any natural person who is employed by a licensee is exempt from the licensing requirement when acting on the licensee's behalf.

#### Licensing Exemptions

Entities	• Regulated financial institutions
Safe Harbor	• None

#### Branch Offices

In-state Requirement	• None
License Requirement	• A licensee is required to obtain a branch certificate for each branch office in the state.
Branch Manager	• None

#### Licensing Fees

Initial Application	• \$500 License Fee
	• \$250 Application Fee
Branch Application	• \$500 Branch License Fee
	• \$250 Branch Application Fee
Renewal Application	• \$500 Renewal Fee (Annually)
	• \$500 Branch Renewal Fee (Annually)

#### Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997 No change

1998 Change

## Loan Broker Applicant Requirements

### Experience

- The applicant or the person designated to manage the licensed business must have at least five years of experience in the type of business for which a license is being sought including, without limitation, employment, supervision, or independent work experience. Factors to be considered when assessing the quality of an individual's experience shall include the number, complexity and types of transactions handled in relation to the type of license sought by the application. The director, or his or her designee, will consider experience for a lesser period than five years depending on individual circumstances. Factors that the division shall consider for such a lesser experience period include but are not limited to the individual's educational experience, the complexity of transactions in relation to the type of license sought by the application and the supervision and oversight over the manager or person designated to operate the licensed business by a person having at least five years of qualified experience.

## Branch Offices

### Branch Manager

- The person designated to manage the branch license must have at least five years of experience in the type of business for which a license is being sought including, without limitation, employment, supervision, or independent work experience. Factors to be considered when assessing the quality of an individual's experience shall include the number, complexity and types of transactions handled in relation to the type of license sought by the application. The director, or his or her designee, will consider experience for a lesser period than five years depending on individual circumstances. Factors that the division shall consider for such a lesser experience period include but are not limited to the individual's educational experience, the complexity of transactions in relation to the type of license sought by the application and the supervision and oversight over the manager or person designated to operate the licensed business by a person having at least five years of qualified experience.

1999	No change
2000	No change
2001	No change
2002	Change

## Loan Broker Applicant Requirements

### Licensing Fees

#### Initial Application

- \$550 License Fee

#### Branch Application

- \$275 Application Fee
- \$550 Branch License Fee
- \$275 Branch Application Fee

#### Renewal Application

- \$550 Renewal Fee (Annually)
- \$550 Branch Renewal Fee (Annually)

2003	No change
2004	No change
2005	No change
2006	No change
Changes with unknown effective dates	

## Loan Broker Applicant Requirements

### Background Investigation

- An applicant must supply the following information:
  - A description of past activities conducted by the applicant and a history of operations. If the applicant is a new business, a three-year business plan must be provided that includes prospective statements of condition and statements of income and expenses prepared in accordance with generally accepted accounting principles.
  - A description of the business activities in which the applicant seeks to be engaged in the state.
  - A statement that describes the community to be served by the applicant and how the proposed licensee will promote the convenience and advantage of the community to be served.
- All Corporate and Limited Liability Company applicants are required to provide the following:
  - Name, title, residence and business address, date of birth, and name of other business or occupation of all officers, directors, and/or members along with a signed and

completed authorization for background check for each officer, director, and/or member. Each director, principal officer, and/or member shall provide a signed financial statement that is dated not more than 60 days prior to the application date, showing assets and liabilities and positive net worth.

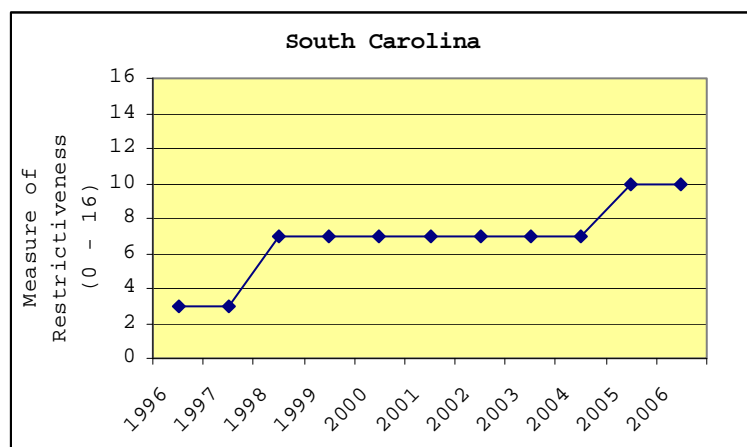
- The names of any holder of 10 percent or more of the outstanding voting stock or equity interest in the applicant. The applicant must provide the residence and business address, date of birth, and name of other business or occupation along with a signed and completed authorization for a background check for each natural person who holds 10 percent or more of the outstanding voting stock or equity interest. The applicant must provide a financial statement signed by each holder of 10 percent or more of the outstanding voting stock or equity interest in the applicant, which is dated not more than 60 days prior to the application date, showing assets and liabilities and positive net worth.
- All Partnership and Association applicants are required to provide the following:
  - The name (complete first name), residence and business address, date of birth, and name of other business or occupation of each partner along with a signed and completed authorization for a background check for each partner. The applicant must designate the percentage of their interest in the partnership and whether the partner is a limited or general partner. The applicant must provide a signed financial statement, dated not more than 60 days prior to the application date, for each partner, showing assets and liabilities and positive net worth.
- All Sole Proprietorships applicants are required to provide the following:
  - A signed personal financial statement dated not more than 60 days prior to the application date showing assets, liabilities, and net worth for each owner. The financial statement must be prepared in accordance with generally accepted accounting principles. Each owner of the proprietorship shall also file a signed and completed authorization for a background check. This form will be treated as confidential information that is not open to public inspection at any time.

## South Carolina

§40-58-10 et seq.

[http://www.sccconsumer.gov/licensing/mortgage\\_brokers.htm](http://www.sccconsumer.gov/licensing/mortgage_brokers.htm)

Regulation effective since: October 1, 1988



The State of South Carolina regulates brokering activities pursuant to the Licensing Requirements Act of Certain Loan Brokers of Mortgages on Residential Real Property (Act). The South Carolina Department of Consumer Affairs administers the Act and requires that both mortgage brokers and the loan originators they employ obtain a license. South Carolina currently has approximately 4,729 mortgage broker and loan originator licensees.<sup>34</sup>

<sup>34</sup> [http://www.sccconsumer.gov/licensing/mortgage\\_brokers/broker\\_list.pdf](http://www.sccconsumer.gov/licensing/mortgage_brokers/broker_list.pdf) (accessed 11/6/2006).

Pursuant to the Licensing Requirements Act, each owner, member, manager, or partner must have two years of experience or have one year experience and have completed six hours of specific courses leading towards the successful completion of a degree. Applicants must also meet the fitness requirement, maintain a \$10,000 bond, and keep a physical presence in the state.

Each licensee must complete eight hours of continuing education courses during the licensing period. If the licensed mortgage loan broker is a limited liability company or corporation, any member or president, chief executive officer, or other officer who has ownership interest of 25 percent or greater and who actively participates in the broker entity must complete the required eight hours of continuing professional education.

An applicant for a loan originator license must either have six months of experience in mortgage lending or complete eight hours of continuing education within the first 90 days of employment. Loan originator licensees must also complete eight hours of continuing education during the licensing period.

## South Carolina

### Year Status

1996 Regulation in effect

#### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, educational background, general character, and fitness.
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$10,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees of a registrant are not required to register; however, the applicant must submit a list of all employees who will engage in loan brokering activities at the time of application.

#### Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
Safe Harbor	• None

#### Branch Offices

In-state Requirement	• A registrant doing business in the state shall maintain a sufficient physical presence in the state and keep all records at the registered location in the state. At a minimum, the registrant shall maintain an official place of business open during regular business hours, staffed by one or more employees who have the authority to contract on behalf of the broker and accept service on behalf of the registrant.
License Requirement	• A registrant must notify the state when opening a branch office.
Branch Manager	• None

## Licensing Fees

Initial Application	<ul style="list-style-type: none"><li>• \$500 Registration Fee</li><li>• \$200 Application Fee</li></ul>
Branch Application	<ul style="list-style-type: none"><li>• \$150 Branch Registration Fee</li></ul>
Renewal Application	<ul style="list-style-type: none"><li>• \$500 Renewal Fee (Annually)</li><li>• \$150 Branch Renewal Fee (Annually)</li></ul>

## Employee Requirements

Age	<ul style="list-style-type: none"><li>• None</li></ul>
Residency	<ul style="list-style-type: none"><li>• None</li></ul>
Education	<ul style="list-style-type: none"><li>• None</li></ul>
Experience	<ul style="list-style-type: none"><li>• None</li></ul>
Examination	<ul style="list-style-type: none"><li>• None</li></ul>
Fitness	<ul style="list-style-type: none"><li>• None</li></ul>
Net Worth	<ul style="list-style-type: none"><li>• None</li></ul>
Bond	<ul style="list-style-type: none"><li>• None</li></ul>
Background Investigation	<ul style="list-style-type: none"><li>• None</li></ul>
Continuing Education	<ul style="list-style-type: none"><li>• None</li></ul>
License Fee	<ul style="list-style-type: none"><li>• None</li></ul>
Renewal Fee	<ul style="list-style-type: none"><li>• None</li></ul>

1997	No change
1998	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Experience/Education	<ul style="list-style-type: none"><li>• An applicant, and each owner, member, manager, and partner must fulfill one of the following requirements:<ul style="list-style-type: none"><li>▪ At least two years’ experience working as an originator under the supervision of a mortgage loan broker;</li><li>▪ The equivalent of six or more semester hours of satisfactorily completed course work in real estate finance, real estate law, or the like counting toward the successful completion of a degree that is baccalaureate level or more advanced with a major or minor in finance, accounting, business administration, real estate finance economics, or similar baccalaureate or more advanced degree approved by the administrator or the administrator’s designee from an accredited college or university;</li><li>▪ Two years’ employment with a federally insured depository institution, or a Veterans Administration, Federal Housing Administration, or U.S. Department of Housing and Urban Development approved mortgagee during which the applicant was actively engaged in originating residential mortgage loans.</li></ul></li></ul>
Continuing Education	<ul style="list-style-type: none"><li>• The licensee, or if the licensed mortgage loan broker is a limited liability company or corporation, any member or president, chief executive officer, or other officer who has ownership interest of 25 percent or greater and who actively participates in the broker entity must complete the required eight hours of continuing professional education annually.</li></ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"><li>• \$550 Registration Fee</li><li>• \$200 Application Fee</li></ul>
Branch Application	<ul style="list-style-type: none"><li>• \$150 Branch Registration Fee</li></ul>
Renewal Application	<ul style="list-style-type: none"><li>• \$550 Renewal Fee (Annually)</li><li>• \$150 Branch Renewal Fee (Annually)</li></ul>

1999	No change
2000	No change
2001	No change
2002	No change
2003	No change
2004	No change
2005	Change

## Mortgage Broker Applicant Requirements

## Background Investigation Employee Exemptions

- The applicant must submit fingerprints and consent to a background check.
- Clerical employees are exempt; however, the applicant must submit a list of all employees that are not licensed originators.
- Originators must obtain a license. An originator must not be employed simultaneously by more than one mortgage broker.
- Each member, owner, partner, corporate officer, and shareholder that will conduct loan brokerage activities must be licensed as a loan originator.

## Employee Requirements

### Age Residency Education/Experience

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for a license as an "Originator."

### Examination Fitness

- The applicant must be 18 years of age.
- None
- The applicant must complete eight hours of continuing education within 90 days of employment **OR** the applicant must have six months of experience in residential mortgage lending.
- None
- The applicant must provide information on business activities, educational background, and demonstrate general character and fitness.

### Net Worth Bond Background Investigation Continuing Education License Fee Renewal Fee

- None
- None
- The applicant must submit fingerprints and consent to a background check.
- The licensee must complete eight hours of continuing education annually.
- \$50 License Fee
- \$50 Renewal Fee (Annually)

2006 No change  
Changes with unknown effective dates

## Mortgage Broker Applicant

The term "applicant" or "licensee" refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

### Background Investigation

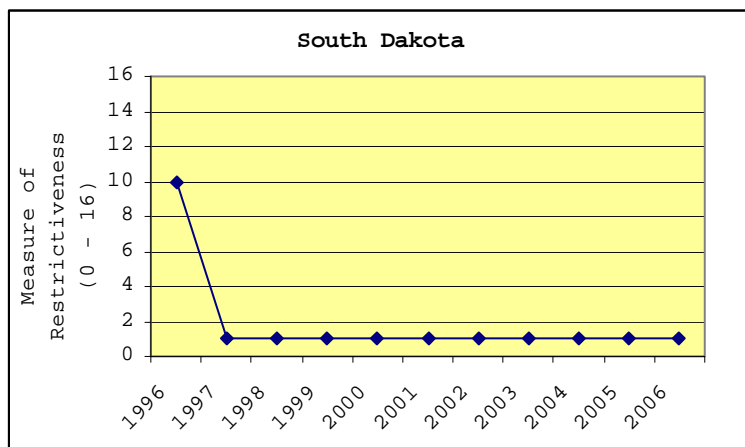
- An applicant must submit financial statements indicating net worth, dated not more than 180 days prior to the date of the application. Personal financial statements of owners may be substituted for new company statements.
- Each member, owner, partner, corporate officer, shareholder and employee, other than originators, must consent to a criminal records check.

## South Dakota

§54-14-1 et seq.

<http://www.state.sd.us/drr2/reg/bank/BANK-HOM.htm>

Regulation effective since: 1992



The Division of Banking of the Department of Revenue and Regulation administers Chapter 54-14 and currently licenses 171 mortgage brokers.<sup>35</sup>

South Dakota does not currently have any educational, net worth, or physical presence requirements for mortgage brokers. A license covers all branch locations, although a licensee must notify the division when a branch is opened or closed.

Employees of licensees are exempt from the licensure requirement only if they are a paid W-2 employee of the licensee. Individuals paid on a 1099 basis are required to obtain their own license.

Note: Prior to 1997, the State of South Dakota licensed mortgage brokers as “Restricted Real Estate Brokers.” However, the statute permitted the commissioner to promulgate rules and regulations for restricted real estate brokers and those rules and regulations were inaccessible. The information catalogued for 1996 is therefore based solely off of the licensing provisions for real estate brokers in the 1996 statute.

## South Dakota

### Year Status

1996	Regulation in effect Note that the information for the year 1996 pertains to licensing of mortgage brokers as real estate agents. The following requirements are probably overstated due to the fact that the requirements for a limited real estate broker license are in old administrative codes that are unavailable. The statute states, “the commission may promulgate rules pursuant to chapter 1-26 to provide for the issuance of a restricted broker’s license to auctioneers, property managers, mortgage brokers or such other categories as the commission determines.”
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### Limited Real Estate Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age	• The applicant must be 18 years of age.
Residency	• None
Experience/Education	• An applicant for a responsible broker’s license must have served actively for two years as a licensed salesperson or broker associate, or a combination thereof, and shall furnish evidence of completion of 15 additional class hours beyond the broker associate level in a course of study (broker associate level is 100 hours) approved by the commission. If otherwise qualified, the requirement of two years serving as a salesperson or broker associate may be waived if the applicant for a responsible broker’s license certifies that the applicant has been refused association as a salesperson or broker associate by at least three licensed responsible brokers within 60 days before the application.
Examination	• The applicant must successfully pass an examination. An applicant who, within the last five years, has successfully passed the real estate licensing examination given in another state is not required to take the uniform portion of the examination in South Dakota.
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• Unknown
Continuing Education	• Mortgage brokers are specifically exempted in the statute from continuing education requirements.
Managing Principal	• No license may be granted to a corporation, limited liability company, partnership, or association unless the corporation, limited liability company, partnership, or association designates one or more qualifying brokers who own a substantial interest in and represent the corporation, partnership, or association.
Employee Exemptions	• A person who is not a licensee may not be a partner or an associate in a real estate firm. However, a person who is not licensed may be a shareholder, director, or officer in a real estate corporation or firm under the following conditions: the person does not own a

<sup>35</sup> <http://www.state.sd.us/drr2/reg/bank/licensee.htm>



substantial amount of the shares of the stock of the corporation, the person is within the immediate family of the qualifying broker, the person is necessary for the operation of the corporation, and the commission has granted an exemption to allow the person to be a stockholder, officer, or director of the corporation.

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>Regulated financial institutions</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>Lawyers</li> <li>None</li> </ul>

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>No non-resident licensee regularly engaged in the real estate business, who maintains a definite place of business and is licensed by a state which offers the same privileges to licensees of South Dakota, may be required to maintain a place of business within South Dakota.</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>A licensee must register each place of business with the State.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>None</li> </ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>License Fee not to exceed \$100.</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>Branch License Fee unknown.</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>Renewal Fee not to exceed \$100. (Biennially)</li> <li>\$30 Branch Renewal Fee</li> </ul>

## Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for a license as a "Broker Associate."*

*It is unclear whether an employee of a restricted licensee, e.g., a mortgage broker, was required to meet all the requirements of broker associate.*

Age	<ul style="list-style-type: none"> <li>The applicant must be 18 years of age.</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>The applicant must complete 100 hours of pre-licensing education.</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>The applicant must successfully pass an examination. An applicant who, within the last five years, has successfully passed the real estate licensing examination given in another state is not required to take the uniform portion of the examination in South Dakota.</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>A broker associate licensee is required to complete 24 hours of education during the licensing period.</li> </ul>
License Fee	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
Renewal Fee	<ul style="list-style-type: none"> <li>Unknown</li> </ul>

1997 Change (The regulation of mortgage brokers was transferred from the Real Estate Commission to the Division of Banking of the Department of Commerce and Regulation by SL 1997, Chapter 275, approved February 7, 1997.)

## Mortgage Banker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;*
- A sole proprietor applying for a business license;*
- Any other business entity, however incorporated, applying for a business license.*

Age	<ul style="list-style-type: none"> <li>None</li> </ul>
Residency	<ul style="list-style-type: none"> <li>None</li> </ul>
Experience	<ul style="list-style-type: none"> <li>None</li> </ul>
Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Examination	<ul style="list-style-type: none"> <li>None</li> </ul>
Fitness	<ul style="list-style-type: none"> <li>None</li> </ul>
Net Worth	<ul style="list-style-type: none"> <li>None</li> </ul>
Bond	<ul style="list-style-type: none"> <li>None</li> </ul>
Background Investigation	<ul style="list-style-type: none"> <li>None</li> </ul>
Continuing Education	<ul style="list-style-type: none"> <li>None</li> </ul>
Managing Principal	<ul style="list-style-type: none"> <li>None</li> </ul>
Employee Exemptions	<ul style="list-style-type: none"> <li>Employees are not required to register or obtain a license.</li> </ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"><li>• Regulated financial institutions</li><li>• Real estate agents</li><li>• None</li></ul>
Safe Harbor	

## Branch Offices

In-state Requirement	<ul style="list-style-type: none"><li>• None</li></ul>
License Requirement	<ul style="list-style-type: none"><li>• A licensee is required to notify the state when opening a branch office.</li></ul>
Branch Manager	<ul style="list-style-type: none"><li>• None</li></ul>

## Licensing Fees

Initial Application	<ul style="list-style-type: none"><li>• \$250 License Fee</li><li>• \$250 Application Fee</li></ul>
Branch Application	<ul style="list-style-type: none"><li>• Branch License Fee unknown.</li></ul>
Renewal Application	<ul style="list-style-type: none"><li>• \$250 Renewal Fee (Annually)</li><li>• Branch Renewal Fee unknown.</li></ul>

## Employee Requirements

Age	<ul style="list-style-type: none"><li>• None</li></ul>
Residency	<ul style="list-style-type: none"><li>• None</li></ul>
Education	<ul style="list-style-type: none"><li>• None</li></ul>
Experience	<ul style="list-style-type: none"><li>• None</li></ul>
Examination	<ul style="list-style-type: none"><li>• None</li></ul>
Fitness	<ul style="list-style-type: none"><li>• None</li></ul>
Net Worth	<ul style="list-style-type: none"><li>• None</li></ul>
Bond	<ul style="list-style-type: none"><li>• None</li></ul>
Background Investigation	<ul style="list-style-type: none"><li>• None</li></ul>
Continuing Education	<ul style="list-style-type: none"><li>• None</li></ul>
License Fee	<ul style="list-style-type: none"><li>• None</li></ul>
Renewal Fee	<ul style="list-style-type: none"><li>• None</li></ul>

1998      Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

## Licensing Fees

Initial Application	<ul style="list-style-type: none"><li>• \$150 License Fee</li></ul>
Branch Application	<ul style="list-style-type: none"><li>• Branch License Fee unknown.</li></ul>
Renewal Application	<ul style="list-style-type: none"><li>• \$150 Renewal Fee (Annually)</li><li>• Branch Renewal Fee unknown.</li></ul>

1999      No change  
2000      No change  
2001      No change  
2002      Change

## Mortgage Broker Applicant Requirements

## Licensing Exemptions

Entities	<ul style="list-style-type: none"><li>• Regulated financial institutions</li><li>• Real estate agents</li><li>• Insurance companies</li></ul>
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2003      No change  
2004      Change

## Mortgage Broker Applicant Requirements

### Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$300 License Fee
- Branch License Fee unknown.
- \$300 Renewal Fee (Annually)
- Branch Renewal Fee unknown.

2005 Change

### Mortgage Broker Applicant Requirements

#### Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$365 License Fee
- Branch License Fee unknown.
- \$365 Renewal Fee (Annually)
- None

2006 No change  
Changes with unknown effective dates

### Mortgage Broker Applicant Requirements

Background Investigation

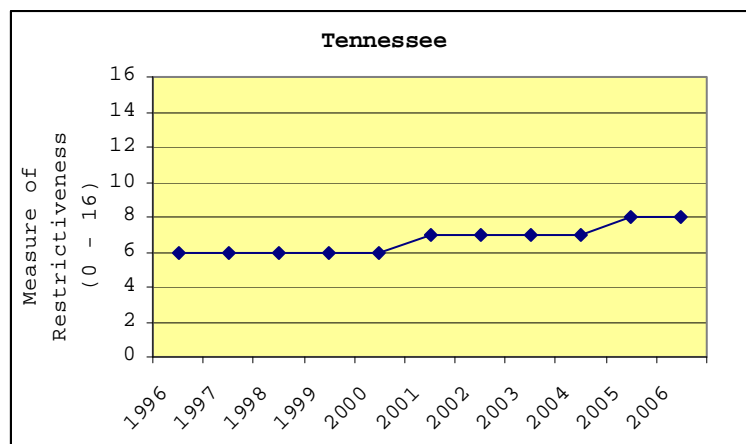
- The applicant must consent to a background investigation of all information contained in the application.

## Tennessee

§45-13-101 et seq.

<http://www.tennessee.gov/tdfi/compliance/mortgage/index.html>

Regulation effective since: January 1, 1989



The Tennessee Department of Financial Institutions licenses approximately 1,985 mortgage brokers and approximately 840 branch offices pursuant to the Residential Lending, Brokerage and Servicing Act of 1988 (RLBSA).<sup>36</sup> In addition, mortgage loan originators are required to register.

<sup>36</sup> <http://www.tennessee.gov/tdfi/compliance/mortgage/index.html>

The RLBSA is one of few licensing statutes that require an applicant to maintain both a bond and a minimum net worth. An applicant must maintain \$25,000 in net worth for each office and a \$90,000 bond. In addition to fitness requirements, an applicant must designate a managing principal and branch managers that have sufficient experience in the mortgage lending industry to operate the business of the mortgage loan broker lawfully. Applicants, however, are not required to maintain an in-state office.

The requirements for loan originator registration are minimal. An applicant need only supply the division with personal information and the name of the employing mortgage broker. Loan originators who wish to work for more than one employer must obtain their own mortgage broker license.

Tennessee	
Year	Status
1996	Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age	• None
Residency	• None
Experience	• None
Education	• None
Examination	• None
Fitness	• The applicant must demonstrate financial responsibility, experience, and character.
Net Worth	• The applicant must maintain \$25,000 in net worth and an additional tangible net worth of \$25,000 for each additional location within Tennessee specified in the application.
Bond	• The applicant must maintain a bond in the amount of \$25,000.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	•

### Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Insurance companies</li> </ul>
Safe Harbor	<ul style="list-style-type: none"> <li>• Any person who <i>makes</i> five or fewer mortgage loans within any 12-month period is exempt.</li> </ul>

### Branch Offices

In-state Requirement	<ul style="list-style-type: none"> <li>• Statute is unclear. It states, "The application must contain the name and principal business address in Tennessee of the applicant, and the principal business address, if any, outside of Tennessee of the applicant; and all addresses within Tennessee at which the applicant is conducting or intends to conduct business."</li> </ul>
License Requirement	<ul style="list-style-type: none"> <li>• A licensee must notify the state when it opens a branch office.</li> </ul>
Branch Manager	<ul style="list-style-type: none"> <li>• None</li> </ul>

### Licensing Fees

Initial Application	<ul style="list-style-type: none"> <li>• \$500 License Fee</li> <li>• \$100 Application Fee</li> </ul>
Branch Application	<ul style="list-style-type: none"> <li>• Branch License Fee unknown.</li> </ul>
Renewal Application	<ul style="list-style-type: none"> <li>• \$500 Renewal Fee (Annually)</li> <li>• Branch Renewal Fee unknown.</li> </ul>

## Employee Requirements

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	No change
2001	Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Bond	• The applicant must maintain a bond in the amount of \$90,000.
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2002	No change
2003	No change
2004	No change
2005	Change

## Mortgage Broker Applicant Requirements

Experience	<ul style="list-style-type: none"><li>• The applicant has the responsibility of ensuring that the managing principal and branch managers have sufficient experience in the mortgage lending industry to operate the business of the mortgage lender or mortgage loan broker lawfully.</li><li>• Any individual mortgage lender or mortgage loan broker who operates a sole proprietorship shall be considered the managing principal.</li></ul>
Managing Principal	<ul style="list-style-type: none"><li>• Each applicant shall have a managing principal who operates the business under that person's full charge, control, and supervision. Each principal and branch office of a mortgage lender or mortgage loan broker shall have a manager. The applicant shall have the responsibility of ensuring that the manager has sufficient experience in the mortgage lending industry to operate the business of the mortgage lender or mortgage loan broker lawfully. The managing principal for a mortgage lender's or mortgage loan broker's business may also serve as the branch manager of one of the mortgage lender's or mortgage loan broker's branch offices. Any individual mortgage lender or mortgage loan broker who operates a sole proprietorship shall be considered a managing principal for purposes of this chapter.</li></ul>
Employee Exemptions	<ul style="list-style-type: none"><li>• Mortgage loan originators are required to register with the state. A mortgage loan originator shall not be registered in affiliation with more than one licensee or registrant at the same time.</li></ul>

## Branch Offices

In-state Requirement	• None
License Requirement	• A licensee must notify the state when it opens a branch office.
Branch Manager	• Each applicant shall have a managing principal who operates the business under that person's full charge, control, and supervision. Each principal and branch office of a mortgage lender or mortgage loan broker shall have a manager. The applicant shall have the responsibility of ensuring that the manager has sufficient experience in the mortgage lending industry to operate the business of the mortgage lender or mortgage loan broker lawfully. The managing principal for a mortgage lender's or mortgage loan broker's business may also serve as the branch manager of one of the mortgage lender's or mortgage loan broker's branch offices. Any individual mortgage lender or mortgage loan broker who operates a sole proprietorship shall be considered a managing principal for purposes of this chapter.

## Employee Requirements

The term “applicant” or “registrant” refers to the following, unless otherwise noted:

- An individual applying for registration as a “Mortgage Loan Originator.”

Age	• None
Residency	• None
Education	• None
Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• \$100 License Fee
Renewal Fee	• \$100 Renewal Fee (Annually)

2006 No change  
Changes with unknown effective dates

## Mortgage Broker Applicant Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Background Investigation

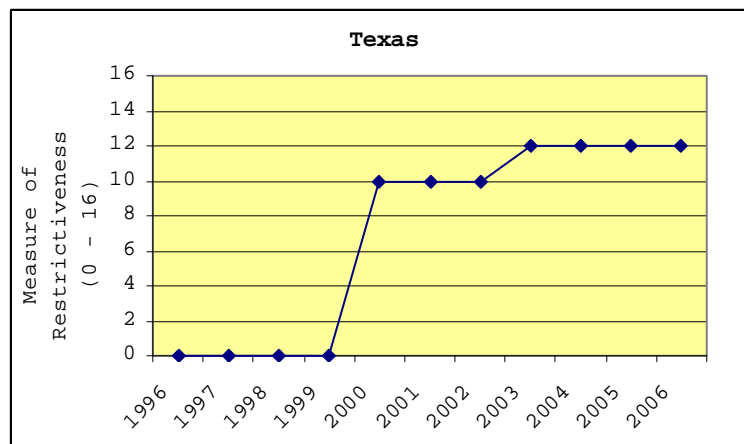
- The applicant must consent to a background check.

## Texas

Financial Code §156.001 et seq.

<http://www.sml.state.tx.us/mblolicensing.htm>

Regulation effective since: January 1, 2000



The Texas Department of Savings and Mortgage Lending regulates 6,453 current mortgage broker licensees (including those with pending applications, pending renewals, and probationary and provisional licensees) and 16,263 loan officer licensees (including those with pending applications, pending renewals, and probationary and provisional licensees) under the authority of the Mortgage Broker License Act (Act).<sup>37</sup> The Act is one of the more restrictive policies in the nation.

<sup>37</sup> <http://www.sml.state.tx.us:8080/mblolookup/search.jsp>

The Act does not contain provisions for the licensing of entities such as partnerships, limited liability companies, or corporations. Rather, the Act requires that all individuals who perform mortgage broker activities on behalf of an entity be licensed as mortgage brokers or loan officers and that mortgage brokers conducting activities under, through, or for a corporation, partnership, or other business entity notify the commissioner of any corporate name, partnership name, assumed name, or any other name under, through, or for which the mortgage broker conducts activities for which a license is required.

Individuals applying for licensure are required to be 18 years of age and have three years of experience. In lieu of three years of experience, an applicant may substitute a bachelor's degree and 18 months of experience, or be an actively licensed lawyer, real estate agent, local recording agent, or insurance solicitor.

Each mortgage broker is required to maintain either \$25,000 in minimum net worth or a \$50,000 surety bond and an in-state office. Licensees are also required to complete 15 hours of continuing education during the licensing period.

Unlike any other state, Texas has very strict requirements for employees of mortgage brokers seeking licensure as loan officers. In addition to being 18 years of age, demonstrating fitness, and passing a written examination, applicants for a loan officer license must fulfill one of the following requirements:

- The person has three years of experience in the mortgage lending field as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt under Section 156.202; *or*
- The person has a bachelor's degree in an area relating to finance, banking, or business administration from an accredited college or university AND has 18 months of experience in the mortgage or lending field as evidenced by documentary proof of full-time employment as a mortgage broker or loan officer with a mortgage broker or a person exempt under Section 156.202; *or*
- The person is licensed in Texas as an active real estate broker, an active attorney, or a local recording agent or insurance solicitor or agent for a legal reserve life insurance company, or holds an equivalent license under Chapter 21, Insurance Code; *or*
- The person has successfully completed 30 hours of education courses approved by the commissioner under this section; *or*
- The person has 18 months of experience as a loan officer as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt under Section 156.202.

Loan officers are also required to complete 15 hours of continuing education during the licensing period.

Texas	
Year	Status
1996	No regulation
1997	No regulation
1998	No regulation

1999	No regulation
2000	Regulation in effect

## Mortgage Broker Applicant Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for an individual license.

The corporation, partnership, or other business entity under, through, or for which the mortgage broker conducts business is not required to be separately licensed as a mortgage broker provided that all individuals who perform mortgage broker activities are licensed as mortgage brokers or loan officers. The commissioner shall require proof of compliance with this subsection at the time the mortgage broker applies for and renews a license. Before conducting mortgage broker activities under, through, or for a corporation, partnership, or other business entity, a mortgage broker must notify the commissioner, in writing, of any corporate name, partnership name, assumed name, or any other name under, through, or for which the mortgage broker conducts activities for which a license is required under this chapter.

Age  
Residency  
Experience/Education

- The applicant must be 18 years of age.
- None
- The applicant must fulfill one of the following requirements:
  - Three years of experience in the mortgage lending field as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt from licensing;
  - A bachelor’s degree in an area relating to finance, banking, or business administration from an accredited college or university **AND**
    - Eighteen months of experience in the mortgage or lending field as evidenced by documentary proof of full-time employment as a mortgage broker or loan officer with a mortgage broker or a person exempt under Section 156.202 **OR**
    - Is licensed in the state as an active real estate broker under The Real Estate License Act, an active attorney, or a local recording agent or insurance solicitor or agent for a legal reserve life insurance company under Chapter 21, Insurance Code, or holds an equivalent license under Chapter 21, Insurance Code.

Examination  
Fitness  
Net Worth/Bond  
Background Investigation  
Continuing Education

- None
- None
- The applicant must maintain a net worth of \$25,000 **OR** a bond in the amount of \$50,000.
- The applicant must submit a set of fingerprints and consent to a background check.
- The licensee must complete 15 hours of continuing education annually. Individuals who maintain an active license in the state as a real estate broker, a real estate salesperson, an attorney, or a local recording agent or insurance solicitor or agent for a legal reserve life insurance company under Chapter 21, Insurance Code, or an equivalent license under Chapter 21, Insurance Code are exempt from this requirement.
- None
- All individuals that conduct mortgage brokering activities must be licensed as either mortgage brokers or loan officers.

Managing Principal  
Employee Exemptions

## Licensing Exemptions

Entities

- Regulated financial institutions
- Insurance companies
- An individual who **makes** a mortgage loan from the individual’s own funds, who is not an authorized lender under Chapter 342, Finance Code, and who does not regularly engage in the business of making or brokering mortgage loans is exempt.

Safe Harbor

## Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- A licensee is required to maintain an office in the state.
- A licensee is required to obtain a license for each branch office.
- None

## Licensing Fees

Initial Application

- License Fee not to exceed \$375. The applicant must also pay a Recovery Fund Fee.
- Application Fee unknown.
- \$50 Branch License Fee
- Renewal Fee not to exceed \$375. The applicant must also pay a Recovery Fund Fee. (Biennially)

Branch Application  
Renewal Application

## Employee Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

- An individual applying for a license as a “Loan Officer.”

Age

- The applicant must be 18 years of age.



Residency  
Education/Experience

- None
- The applicant must fulfill one of the following requirements:
  - The applicant has three years of experience in the mortgage lending field as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt under Section 156.202 **OR**
  - The applicant has a bachelor's degree in an area relating to finance, banking, or business administration from an accredited college or university AND has 18 months of experience in the mortgage or lending field as evidenced by documentary proof of full-time employment as a mortgage broker or loan officer with a mortgage broker or a person exempt under Section 156.202 **OR**
  - The applicant is licensed in Texas as an active real estate broker under The Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes), an active attorney, or a local recording agent or insurance solicitor or agent for a legal reserve life insurance company under Chapter 21, Insurance Code, or holds an equivalent license under Chapter 21, Insurance Code **OR**
  - The applicant has successfully completed 15 hours of education courses approved by the commissioner under this section **OR**
  - The applicant has 18 months of experience as a loan officer as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt under Section 156.202 **OR**
  - The mortgage broker that will sponsor the applicant provides a certification under oath that the applicant has been provided necessary and appropriate education and training regarding all applicable state and federal law and regulations relating to mortgage loans (this clause only applicable to applications submitted before January 1, 2000).

Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education

- None
- None
- None
- None
- The applicant must submit fingerprints and consent to a background check.
- The licensee must complete 15 hours of continuing education annually. Individuals who maintain an active license in the state as a real estate broker, a real estate salesperson, an attorney, or a local recording agent or insurance solicitor or agent for a legal reserve life insurance company under Chapter 21, Insurance Code, or an equivalent license under Chapter 21, Insurance Code are exempt from this requirement.
- License Fee not to exceed \$175; the applicant must also pay a Recovery Fund Fee.
- Renewal Fee not to exceed \$175.

License Fee  
Renewal Fee

2001	No change
2002	No change
2003	Change

## Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license.

*The corporation, partnership, or other business entity under, through, or for which the mortgage broker conducts business is not required to be separately licensed as a mortgage broker provided that all individuals who perform mortgage broker activities are licensed as mortgage brokers or loan officers. The commissioner shall require proof of compliance with this subsection at the time the mortgage broker applies for and renews a license. Before conducting mortgage broker activities under, through, or for a corporation, partnership, or other business entity, a mortgage broker must notify the commissioner, in writing, of any corporate name, partnership name, assumed name, or any other name under, through, or for which the mortgage broker conducts activities for which a license is required under this chapter.*

Examination  
Fitness

- The applicant is required to pass an examination.
- The applicant must demonstrate good moral character, including the individual's honesty, trustworthiness, and integrity.

## Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for a license as a "Loan Officer."

Examination  
Fitness

- The applicant is required to pass an examination.
- The applicant must demonstrate good moral character, including the individual's honesty, trustworthiness, and integrity.

2004	No change
2005	Change

## Mortgage Broker Applicant Requirements

### Licensing Fees

Initial Application

- \$375 License Fee
- \$20 Recovery Fund Fee and \$39 Fingerprint Fee
- \$50 Branch License Fee
- \$395 Renewal Fee

Branch Application

Renewal Application

### Employee Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- *An individual applying for a license as a "Loan Officer."*

Education/Experience

- The applicant must fulfill one of the following requirements:
  - The applicant has three years of experience in the mortgage lending field as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt under Section 156.202 **OR**
  - The applicant has a bachelor's degree in an area relating to finance, banking, or business administration from an accredited college or university AND has eighteen months of experience in the mortgage or lending field as evidenced by documentary proof of full-time employment as a mortgage broker or loan officer with a mortgage broker or a person exempt under Section 156.202 **OR**
  - The applicant is licensed in Texas as an active real estate broker under The Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes), an active attorney, or a local recording agent or insurance solicitor or agent for a legal reserve life insurance company under Chapter 21, Insurance Code, or holds an equivalent license under Chapter 21, Insurance Code **OR**
  - The applicant has successfully completed thirty hours of education courses approved by the commissioner under this section **OR**
  - The applicant has eighteen months of experience as a loan officer as evidenced by documentary proof of full-time employment as a loan officer with a mortgage broker or a person exempt under Section 156.202.

License Fee

Renewal Fee

- \$239 License Fee (Includes \$20 Recovery Fund Fee and \$39 Fingerprint Fee)
- \$195 Renewal Fee

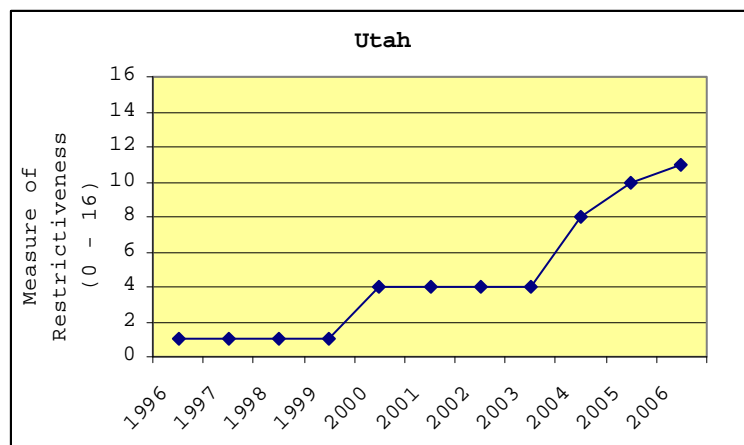
2006 No change

## Utah

§61-2c-101 et seq.

[http://realestate.utah.gov/mortgage\\_registration\\_forms.htm](http://realestate.utah.gov/mortgage_registration_forms.htm)

Regulation effective since: April 23, 1990



Utah's Division of Real Estate regulates mortgage lending activities pursuant to the Utah Residential Mortgage Practices Act. The division licenses approximately 3,515 mortgage

lending companies and 8,051 mortgage officers.<sup>38</sup> The Residential Mortgage Practices Act is a relatively strict policy.

An applicant for a mortgage broker license must designate a “Principal Lending Manager” or “PLM” who fulfills the experience or education requirement and passes an examination. For a PLM to fulfill the experience and examination requirement, the PLM must have five years of Utah lending experience and pass the Utah law portion of the PLM exam. In lieu of five years of experience, a PLM must have three years of Utah lending experience, complete 40 hours of pre-licensing education, and pass the entire PLM examination. PLMs are required to complete 14 hours of continuing education during the licensing period.

Applicants for a mortgage broker license are not subject to any financial requirements, nor are they required to maintain an in-state office. However, all employees, including control persons who engage in brokering activities, must obtain a mortgage officer license.

To procure a mortgage officer license, an applicant must be at least 18 years of age, must complete 20 hours of pre-licensing education, and must successfully pass an examination.

Utah	
Year	Status
1996	Regulation in effect
<b>Mortgage Broker Applicant Requirements</b>	
<i>The term “applicant” or “registrant” refers to the following, unless otherwise noted:</i> <ul style="list-style-type: none"> <li>• An individual applying for an individual registration;</li> <li>• A sole proprietor applying for a business registration;</li> <li>• Any other business entity, however incorporated, applying for a business registration.</li> </ul>	
Age	• None
Residency	• None
Experience/Education	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees of a registrant are not required to register or obtain a license.
<b>Licensing Exemptions</b>	
Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> </ul>
Safe Harbor	• None
<b>Branch Offices</b>	
In-state Requirement	• None
License Requirement	• None
Branch Manager	• None
<b>Licensing Fees</b>	
Initial Application	• \$200 License Fee
Branch Application	• None

<sup>38</sup> <http://realestate.utah.gov/database.html> (accurate as of August 25, 2006).

## Renewal Application

- The department shall set the annual renewal fee at an amount that will generate sufficient revenue to cover the department's costs of administering this chapter, but in no event shall the fee exceed \$100 per renewal.

## Employee Requirements

Age	• None
Residency	• None
Education/Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	Change

## Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

*Registration is required of both the individual who directly transacts the business of residential mortgage loans and if the individual transacts business as an employee or agent of another person, the person for which the individual transacts the business of residential mortgage loans.*

Fitness	<ul style="list-style-type: none"><li>• To qualify for registration, the applicant shall at all times during the term of the registration, have at least one of the following who is of good moral character and has the competency to transact the business of residential mortgage loans: a managing partner, a director, an executive officer, or an individual occupying a position or performing similar functions.</li></ul>
Bond	<ul style="list-style-type: none"><li>• If the applicant is not an individual, the applicant must maintain a bond in the amount not less than \$25,000.</li><li>• If the applicant is an individual, the applicant shall file with the division a surety bond in the amount not less than \$10,000 or demonstrate to the satisfaction of the division that the applicant is an employee or agent of a person registered under this chapter and the acts of the applicant are covered by a surety bond filed with the division under Subsection (2) by a person registered under this chapter for which the applicant is an employee or agent.</li></ul>
Background Investigation	<ul style="list-style-type: none"><li>• An individual applying for registration or any individual exercising control over the applicant must submit a fingerprint card in a form acceptable to the division at the time the registration statement is filed and consent to a fingerprint background check.</li></ul>
Managing Principal	<ul style="list-style-type: none"><li>• To qualify for registration, the applicant shall at all times during the term of the registration, have at least one of the following who is of good moral character and has the competency to transact the business of residential mortgage loans: a managing partner, a director, an executive officer, or an individual occupying a position or performing similar functions.</li></ul>
Employee Exemptions	<ul style="list-style-type: none"><li>• Registration is required of both the individual who directly transacts the business of residential mortgage loans and if the individual transacts business as an employee or agent of another person, the person for whom the individual transacts the business of residential mortgage loans.</li></ul>

## Licensing Exemptions

Entities	<ul style="list-style-type: none"><li>• Regulated financial institutions</li><li>• Lawyers</li></ul>
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## Licensing Fees

Initial Application	<ul style="list-style-type: none"><li>• License Fee unknown.</li></ul>
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Branch Application  
Renewal Application

- None
- Renewal Fee unknown. (Biennially)

## Employee Requirements

*Employees that transact the business of residential mortgage loans must be registered as an individual broker. See information above.*

2001 No change  
2002 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “registrant” refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

*Registration is required of both the individual who directly transacts the business of residential mortgage loans and if the individual transacts business as an employee or agent of another person, the person for which the individual transacts the business of residential mortgage loans.*

Fitness

- To qualify for registration, the applicant and all of the individuals in management must demonstrate good moral character and the competency to transact the business of residential mortgage loans.

Managing Principal

- None

2003 No change  
2004 Change

## Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Examination

Bond

Continuing Education

Managing Principal

Employee Exemptions

- The applicant or the applicant’s control person must pass an examination.
- None
- The applicant or the applicant’s control person must complete 14 hours of continuing education every two years.
- The applicant must designate a control person. It is unclear whether a sole proprietor would automatically be considered the control person.
- The control person must pass an examination and complete continuing education requirements biennially. The control person must submit fingerprints and consent to a background check. The control person must also fulfill fitness requirements.
- Registration is required of both the individual who directly transacts the business of residential mortgage loans and if the individual transacts business as an employee or agent of another person, the person for whom the individual transacts the business of residential mortgage loans.
- An individual with an ownership interest in an entity that is required to be licensed must also obtain an individual license if he or she transacts the business of residential mortgage loans.

## Branch Offices

License Requirement

- A licensee is required to register each branch office with the state.

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Mortgage Originator.”

Age

Residency

Education/Experience

Examination

Fitness

Net Worth

Bond

Background Investigation

Continuing Education

- None
- None
- None
- The applicant must pass an examination.
- The applicant must demonstrate good moral character, including honesty, integrity, and truthfulness, and the competency to transact the business of residential mortgage loans.
- None
- None
- The applicant must submit fingerprints and consent to a background check.
- The licensee must complete 14 hours of continuing education biennially.

License Fee  
Renewal Fee

- License Fee unknown.
- Renewal Fee unknown.

2005 Change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Education

- The applicant or the applicant’s control person must complete 20 hours of pre-licensing education taken within one year of the application.

Managing Principal

- The applicant must designate a control person. It is unclear whether a sole proprietor would automatically be considered the control person.
- The control person must fulfill pre-licensing education requirements, pass an examination, and complete continuing education requirements biennially. The control person must submit fingerprints and consent to a background check. The control person must also fulfill fitness requirements.

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Mortgage Originator.”

Education

- The applicant must complete 20 hours of pre-licensing education within one year of the application.

2006 Change

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Experience/Education/Examination

- The applicant’s principal lending manager must fulfill one of the following requirements:
  - The applicant’s principal lending manager must complete 40 hours of pre-licensing education taken within one year of the application; the same person must also have three years of experience and pass the entire principal lending manager exam **OR**
  - The applicant’s principal lending manager must have five years of Utah licensed lending experience and pass the Utah law portion of exam only.
- The applicant must designate a principal lending manager. A sole proprietor is considered the principal lending manager.
- The principal lending manager must fulfill pre-licensing education and/or experience requirements and pass an examination and complete continuing education requirements biennially. The principal lending manager must submit fingerprints and consent to a background check. The principal lending manager must also fulfill fitness requirements.
- The principal lending manager designation is a separate license.

Managing Principal

Changes with unknown effective dates

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

### Licensing Fees

Initial Application

- \$200 License Fee
- \$50 Application Fee
- \$25 Branch License Fee
- \$253 Renewal Fee (Biennially)

Branch Application

Renewal Application

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Mortgage Originator.”

Age

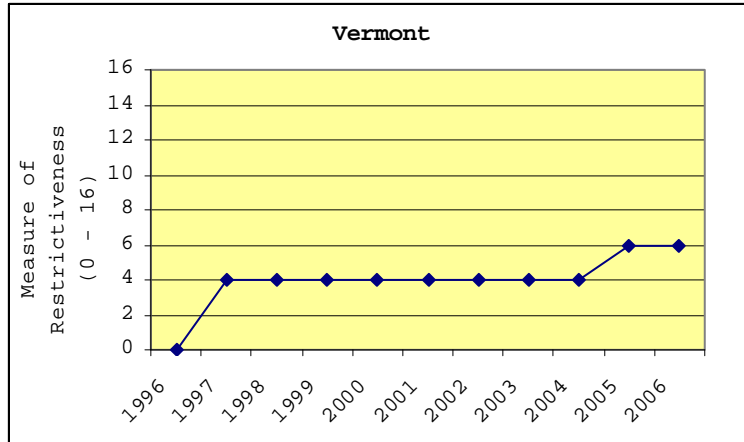
- The applicant must be 18 years of age.

## Vermont

Title 8 §2200 et seq.

<http://www.bishca.state.vt.us/>

Regulation effective since: January 1, 1997



The Banking Division of the Department of Banking, Insurance, Securities and Health Care Administration regulates and licenses approximately 194 mortgage broker licensees and 171 mortgage broker/lender licensees in Vermont pursuant to the Licensed Lenders Act.<sup>39</sup> The Vermont statute is relatively unrestrictive for individuals seeking licensure in the state.

An applicant and the applicant's control persons must demonstrate financial responsibility, experience, character, and general fitness. An applicant is not required to maintain an in-state office, but must maintain a bond in the amount of \$25,000 for each office it operates. At the time of application, the applicant must provide a list of all partners, officers, managers, and designated employees that will act as mortgage brokers on behalf of the licensee. There are no other requirements for employees of licensees.

## Vermont

### Year Status

1996	No regulation in effect
1997	Regulation in effect

### Mortgage Broker Applicant Requirements

Age  
Residency  
Experience/Education  
Examination  
Fitness

Net Worth

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

- None
- None
- None
- None
- The applicant, or each member if the applicant is a partnership or association, or each officer and director if the applicant is a corporation must demonstrate financial responsibility, experience, character, and general fitness such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter.
- None

<sup>39</sup> [http://www.bishca.state.vt.us/BankingDiv/licensees\\_bank/licensees\\_bank\\_index.htm](http://www.bishca.state.vt.us/BankingDiv/licensees_bank/licensees_bank_index.htm)

Bond

- The applicant must maintain a bond in the amount of \$10,000 and an additional \$10,000 for each branch office.

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- In the case of a partnership, corporation or other legal entity, the license authorizes all partners, officers, managers, and designated employees who were identified in the application and approved by the commissioner to act as mortgage brokers under the license. At the time of application the applicant is required to list all partners, officers, managers, and designated employees on the Mortgage Broker Addendum for whom the applicant seeks authorization under the license to act as a mortgage broker on behalf of the applicant.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- 

Safe Harbor

## Branch Offices

In-state Requirement

- None

License Requirement

- A licensee is required to obtain a separate license for each branch office.

Branch Manager

- None

## Licensing Fees

Initial Application

- \$250 License Fee
- \$250 Application Fee

Branch Application

- Branch License Fee not clear; however, it is more than likely \$250.

Renewal Application

- \$250 Renewal Fee (Annually)
- Branch Renewal Fee not clear; however, it is more than likely \$250. (Annually)

## Employee Requirements

Age

- None

Residency

- None

Education/Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	No change
2004	No change
2005	Change

## Mortgage Broker Applicant Requirements

Bond

- The applicant must maintain a bond in the amount of \$25,000 and an additional \$25,000 for each branch office.

## Licensing Fees

Initial Application

- \$350 License Fee
- \$350 Application Fee

Branch Application

- Branch License Fee not clear; however, it is more than likely \$350.

Renewal Application

- \$350 Renewal Fee (Annually)
- Branch Renewal Fee not clear; however, it is more than likely \$350. (Annually)



## Mortgage Broker Applicant Requirements

The term “applicant” or “licensee” refers to the following, unless otherwise noted:

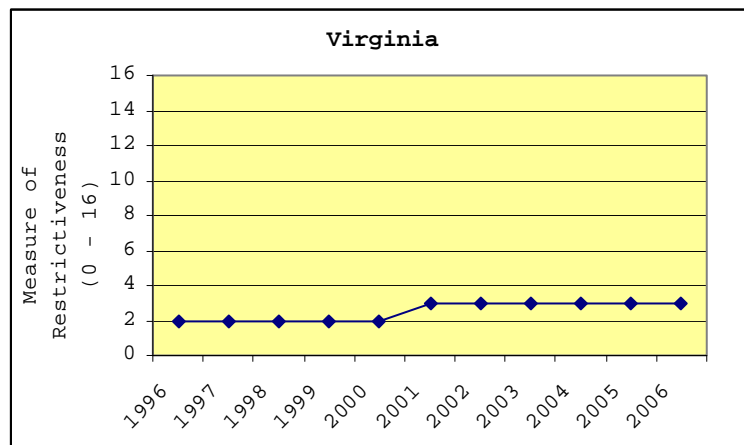
- An individual applying for an individual license;
  - A sole proprietor applying for a business license;
  - Any other business entity, however incorporated, applying for a business license.
- Senior officers and directors of the applicant, including the positions of chief executive and/or operating officer, president, executive or senior vice president, secretary, treasurer, manager, or positions with similar responsibilities, and the applicant’s manager must submit biographical information and consent to background investigations.
  - An applicant must submit audited financial statements as of the close of the last fiscal year, if such statements were prepared. If audited statements were not prepared, an applicant must submit a financial statement of condition. In addition, the applicant must submit financial statements for the two fiscal years prior to the date of application. This information must include both statements of condition and income and expense (profit and loss) statements.

## Virginia

§6.1-408 et seq.

<http://www.scc.virginia.gov/division/banking/>

Regulation effective since: July 1, 1987



Pursuant to the Mortgage Lender and Broker Act, Virginia’s Bureau of Financial Institutions licenses approximately 1,399 mortgage brokers, not including their branch offices.<sup>40</sup> The Mortgage Lender and Broker Act imposes few limitations on applicants for a broker license. To become licensed, an applicant must demonstrate financial responsibility, character, reputation, experience, and general fitness, and post a bond in the amount of \$25,000. Licensees are not required to maintain a physical presence in the state. Virginia licenses do not have expiration dates. They remain in effect until surrendered, suspended, or revoked. Licensees are still required to pay an annual assessment and are subject to suspension or revocation for failure to pay the assessment.

<sup>40</sup> <http://www.scc.virginia.gov/division/banking/news/mort.pdf>

Employees of licensees are not subject to licensure or registration; however, individuals not acting as exclusive agents for a licensee must obtain their own broker license.

## Virginia

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience/Education

- None

Examination

- None

Fitness

- The applicant and its members, senior officers, directors, and principals must demonstrate financial responsibility, character, reputation, experience, and general fitness.

Net Worth

- 

Bond

- The applicant must maintain a bond in the amount of \$5,000 or such greater sum as the commissioner may require.

Background Investigation

- Unknown

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- Employees of a licensee are exempt from licensing and registration.

### Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- None

Safe Harbor

### Branch Offices

In-state Requirement

- None

License Requirement

- A licensee must obtain approval from the state before opening a branch office.

Branch Manager

- None

### Licensing Fees

Initial Application

- \$500 License Fee

Branch Application

- \$150 Branch License Fee

Renewal Application

- A licensee is required to pay an annual fee calculated in accordance with a schedule set by the commissioner. The schedule shall bear a reasonable relationship to the volume of business transacted by the licensee, to the actual cost of examination, and to other factors relating to their supervision and regulation. Licenses do not expire.

### Employee Requirements

Age

- None

Residency

- None

Education/Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- None

Continuing Education

- None

License Fee

- None

Renewal Fee

- None

1997 No change

1998 No change

1999 No change

2000	No change
2001	No change

### Mortgage Broker Applicant Requirements

#### Bond

- The applicant must maintain a bond in the amount of \$25,000 or such greater sum that the commissioner may require.

#### Employee Exemptions

- Individuals who are bona fide employees or exclusive agents of a licensee may negotiate, place, or find mortgage loans without being licensed as mortgage brokers.

2002	No change
2003	No change
2004	No change
2005	No change
2006	No change
Changes with unknown effective dates	

### Mortgage Broker Applicant Requirements

#### Background Investigation

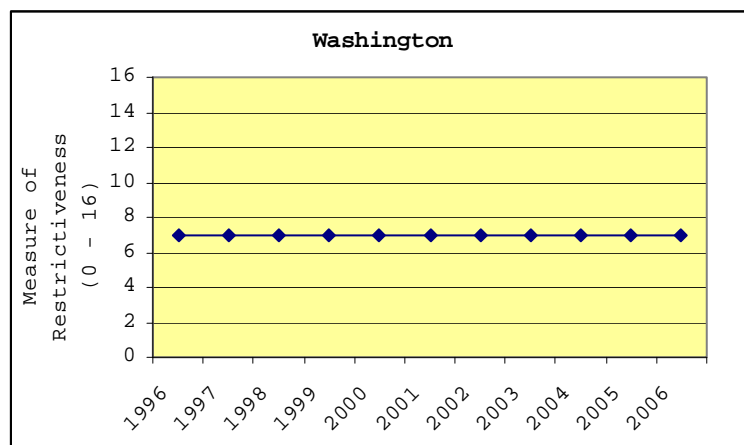
- An applicant must submit a Personal Financial Report and Disclosure Statement form for each director, senior officer (a person who has significant management responsibility within an organization or otherwise has the authority to influence or control the conduct of the organization's affairs, including but not limited to its compliance with applicable laws and regulations), member, trustee, partner, and principal (a person who owns, directly or indirectly, 10 percent or more of the applicant).
- An applicant must submit a current (less than 90 days old) financial report (including a balance sheet and income statement) for the applicant and for each entity owning, directly or indirectly, 10 percent or more of the applicant and a copy of the most recent yearend financial report (audited, if available) of the applicant and any company owning 10 percent or more of the applicant. A newly organized entity should submit a beginning balance sheet and a pro forma balance sheet and income statement for the first year of operation. Sole proprietor applicants need only complete the Personal Financial Report.

## Washington

§19.146.005 et seq.

<http://www.dfi.wa.gov/cs/mortgage.htm>

Regulation effective since: October 31, 1993



The Department of Financial Institutions currently licenses 3,143 mortgage brokers, including 275 Certificate of Exemptions, 1,669 main offices, and 1,199 branch offices pursuant to the

Mortgage Broker Practices Act (MBPA).<sup>41</sup> In order to obtain a license, each applicant must appoint a “Designated Broker” that has two years of experience and has successfully passed an examination. Although the MBPA allows the director of the Department of Financial Institutions to establish a rule allowing a designated broker to substitute education for the required two years of experience, the director has not yet done so. The designated broker must fulfill annual continuing education requirements. Effective January 1, 2007, a designated broker that is not licensed as a loan originator and meets the qualifications for a designated broker will automatically be granted a loan originator license.

Washington licensees are required to maintain an office in-state or within 30 miles of the state’s border. Washington licenses do not expire. A licensee is, however, required to pay an annual assessment. The current annual assessment is \$530.86 for each office maintained within the state.

As of January 1, 2007, all loan originators will also require a license to conduct brokering activities in Washington. Applicants for a loan originator license must demonstrate fitness and pass an examination. Licensees will also be required to complete annual continuing education hours.

## Washington

### Year Status

1996 Regulation in effect

### Mortgage Broker Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience/Education

- The applicant or one of its principals, who may be designated by the applicant, must have at least two years of experience in the residential mortgage loan industry or have completed the educational requirements established by rule of the director. (Although the director has the authority to establish substitutable education requirements for the experience requirement, both current and older rules and regulations of the department suggest that the director never has. New rules in 2007 do not allow a designated broker to use education as a substitute for the required experience.)

Examination

- The applicant or one of its principals, who may be designated by the applicant that fulfills the education or experience requirement, must also pass an examination.

Fitness

- The applicant must demonstrate financial responsibility, character, and general fitness.

Net Worth

- None

Bond

- The amount of the bond that is required ranges from \$20,000 to \$60,000 and depends upon the average number of loan originators per month that were employed by the licensee during the 12 months before submitting an application for licensure.

Background Investigation

- The applicant must submit fingerprints and consent to a background check.

Continuing Education

- The applicant or one of its principals, who may be designated by the applicant as the designated broker, and every branch manager of every licensee shall complete an annual continuing education requirement, which the director shall define by rule.

Managing Principal

- The applicant may designate a principal who fulfills the experience or education requirement, and passes an examination. The designee must also fulfill continuing education requirements.

Employee Exemptions

- Employees of a licensee are not required to register or obtain a license.

### Licensing Exemptions

Entities

- Regulated financial institutions

<sup>41</sup> [http://www.dfj.wa.gov/cs/list\\_excel.htm](http://www.dfj.wa.gov/cs/list_excel.htm)

Safe Harbor

- Lawyers
- Real estate agents
- Insurance companies
- Consumer loan companies
- None

## Branch Offices

In-state Requirement

- A licensee must have and maintain an office in the state, or within 30 miles of the border of the state, accessible to the public and which shall serve as his or her office for the transaction of business.

License Requirement

Branch Manager

- Licensees are required to obtain a license for each branch office.
- Each branch office shall be required to have a branch manager who meets the experience, education, and continuing education requirements for branch managers as established by rule of the director. (These rules may never have been established due to the fact that in 1997 the requirements for branch managers in the statute were rescinded. For the purposes of coding, a "1" was coded jointly in the "BRANCH-MAN-EXP" and "BRANCH-MAN-EDU" variables.)

## Licensing Fees

Initial Application

Branch Application

Renewal Application

- License Fee unknown.
- Branch License Fee unknown.
- Renewal Fee unknown. Licenses, however, have no expiration.

## Employee Requirements

Age

Residency

Education/Experience

Examination

Fitness

Net Worth

Bond

Background Investigation

Continuing Education

License Fee

Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None
- None

1997 Change

## Mortgage Broker Applicant Requirements

Experience/Education

- The applicant's designated broker must have at least two years of experience in the residential mortgage loan industry or have completed the educational requirements established by rule of the director. (Although the director has the authority to establish substitutable education requirements for the experience requirement, both current and older rules and regulations of the department suggest that the director never has. New rules in 2007 do not allow a designated broker to use education as a substitute for the required experience.)

Examination

Background Investigation

- The applicant's designated broker must pass an examination.
- The applicant's designated broker must submit fingerprints and consent to a background check.
- The applicant's designated broker shall complete an annual continuing education requirement, which the director shall define by rule.
- The applicant must have a "Designated Broker" who fulfills the experience requirement and passes an examination. The designated broker must also fulfill continuing education requirements.

Continuing Education

Managing Principal

## Branch Offices

Branch Manager

- No requirements for branch managers.

1998	No change
1999	No change
2000	No change
2001	No change
2002	No change
2003	No change
2004	No change

2005	No change
2006	No change
2007	Change

## Mortgage Broker Applicant

### Requirements

Managing Principal

- The applicant must have a “Designated Broker” who fulfills the experience requirement and passes an examination. The designated broker must also fulfill continuing education requirements.
- An applicant’s designated broker will automatically be granted a loan originator license if the designee does not already have a loan originator license.

## Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for a license as a “Loan Officer.”*

Age

- None

Residency

- None

Education/Experience

- None

Examination

- The applicant must pass an examination.

Fitness

- The applicant must demonstrate fitness.

Net Worth

- None

Bond

- None

Background Investigation

- The applicant must submit fingerprints and consent to a background check.

Continuing Education

- The licensee must complete, during the calendar year preceding a licensee’s annual license renewal date, continuing education as established by rule of the director.

License Fee

- License Fee

Renewal Fee

- Renewal Fee

## Changes with unknown effective dates

## Mortgage Broker Applicant

### Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- *An individual applying for an individual license;*
- *A sole proprietor applying for a business license;*
- *Any other business entity, however incorporated, applying for a business license.*

Background Investigation

- The state conducts background investigations on each control person, and may require fingerprint cards during the course of the investigation.

## Licensing Fees

Initial Application

- \$371.60 License Fee

Branch Application

- \$185.80 Branch License Fee

Renewal Application

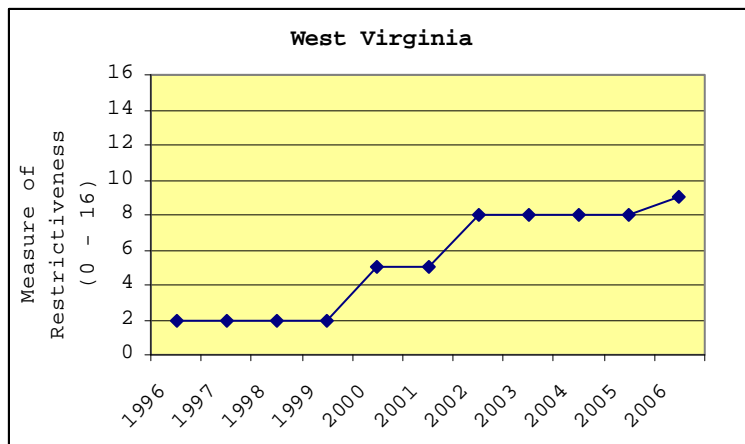
- \$530.86 Annual Assessment Fee per location. (New rules imply that licenses may expire annually.)

## West Virginia

§31-17-1 et seq.

[http://www.wvdob.org/professionals/n\\_mortgage.htm](http://www.wvdob.org/professionals/n_mortgage.htm)

Regulation effective since: Unknown



Prior to March 10, 2000, West Virginia licensed mortgage brokers as credit service organizations. Although the West Virginia legislature enacted the Mortgage Loan Act (MLA) in 2000, it did not amend the Credit Service Organization Act, so mortgage brokers are required to both register with the Secretary of State as a credit service organization and to obtain a mortgage broker license from the Division of Banking. Although the registration requirements are minimal for credit service organizations, it does require that mortgage brokers that accept advance fees prior to loan closing obtain an additional bond in the amount of \$15,000 from the Secretary of State, as well as the \$50,000 bond required under the MLA.

Under the MLA, loan originators employed by licensees must register with the state. A registered loan originator is not permitted to be simultaneously employed by more than one mortgage broker. Interestingly, loan originators are required to renew their registration every five years.

West Virginia has approximately 648 current mortgage broker licensees, and approximately 622 current loan originator licensees.<sup>42</sup>

## West Virginia

### Year Status

1996 Regulation in effect

### Credit Services Organization

#### Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- An individual applying for an individual registration;
- A sole proprietor applying for a business registration;
- Any other business entity, however incorporated, applying for a business registration.

Age

- None

Residency

- None

<sup>42</sup> <http://www.wvdob.org/acoifs/default.asp?div=cs>

Experience/Education	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• The applicant must maintain a bond in the amount of \$15,000 if the applicant will charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services the applicant has agreed to perform for the buyer.
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• Employees of a registrant are not required to register or obtain a license.

## Licensing Exemptions

Entities	<ul style="list-style-type: none"> <li>• Regulated financial institutions</li> <li>• Lawyers</li> <li>• Real estate agents</li> <li>• Securities Broker-Dealers</li> <li>• None</li> </ul>
Safe Harbor	

## Branch Offices

In-state Requirement	• None
License Requirement	• Statute did not address branch offices.
Branch Manager	• None

## Licensing Fees

Initial Application	• License Fee not to exceed \$100.
Branch Application	• Branch License Fee unknown.
Renewal Application	• Statute did not address renewal fees.

## Employee Requirements

Age	• None
Residency	• None
Education/Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	No change
1999	No change
2000	Change

## Mortgage Broker Applicant Requirements & Credit Services Organization Applicant Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

*The following requirements are from both the Mortgage Loan Act and the Consumer Credit and Protection Act. Mortgage Brokers are required to both obtain a license under the Mortgage Loan Act (MLA) and register under the Consumer Credit and Protection Act (CCPA).*

Age	• None
Residency	• None
Experience/Education	• None
Examination	• None
Fitness	• MLA—The applicant, including its officers, directors, principals, and employees must demonstrate financial responsibility, character, reputation, experience, and general fitness.



Net Worth  
Bond

- MLA—The applicant must maintain \$10,000 in net worth.
- CCPA—The applicant must maintain a bond in the amount of \$15,000 if the applicant will charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services the applicant has agreed to perform for the buyer.
- MLA—The applicant must maintain a bond in the amount of \$25,000; if the applicant will participate in table-funded residential mortgage loans, then the applicant must obtain a bond in the amount of \$100,000.
- Unknown
- None
- None
- CCPA—Employees of a registrant are not required to register or obtain a license.
- MLA—Employees of a licensee are not required to register or obtain a license.

Background Investigation  
Continuing Education  
Managing Principal  
Employee Exemptions

## Licensing Exemptions

Entities

CCPA

- Regulated financial institutions
- Lawyers
- Real estate agents
- Securities Broker-Dealers

MLA

- Regulated financial institutions
- Insurance companies
- Consumer loan companies
- Pursuant to the MLA, a person shall only be deemed to be acting in the regular course of business if he or she negotiates or arranges, or offers to negotiate or arrange, more than five primary or subordinate mortgage loans in any one calendar year.

Safe Harbor

## Branch Offices

In-state Requirement  
License Requirement  
Branch Manager

- None
- A licensee is required to register each branch office with the state.
- None

## Licensing Fees

Initial Application

- MLA—\$150 License Fee
- CCPA—\$50 License Fee
- Branch License Fee unknown.
- MLA—\$150 License Fee
- CCPA—No renewal requirements.

Branch Application  
Renewal Application

2001 Change

## Mortgage Broker Applicant Requirements & Credit Services Organization Applicant Requirements

Background Investigation

- The applicant is required to submit fingerprints and consent to a background check.

## Licensing Exemptions

Safe Harbor

- None

## Licensing Fees

Initial Application

- MLA—\$350 License Fee
- CCPA—\$50 License Fee
- Branch License Fee unknown.
- MLA—\$350 Renewal Fee
- CCPA—No renewal requirements.

Branch Application  
Renewal Application

2002 Change

## Mortgage Broker Applicant Requirements &

## Credit Services Organization

### Applicant Requirements

Bond

- CCPA—The applicant must maintain a bond in the amount of \$15,000 if the applicant will charge a buyer or receive from a buyer money or other valuable consideration before completing performance of all services the applicant has agreed to perform for the buyer.
- MLA—The applicant must maintain a bond in the amount of \$50,000; if the applicant will participate in table-funded residential mortgage loans, then the applicant must obtain a bond in the amount of \$100,000.
- Loan originators must obtain a license.
- Clerical employees are not required to register or obtain a license.

Employee Exemptions

### Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Loan Originator” under the Mortgage Loan Act.

Age

- None

Residency

- None

Education/Experience

- None

Examination

- None

Fitness

- None

Net Worth

- None

Bond

- None

Background Investigation

- The applicant is required to submit fingerprints and consent to a background check.

Continuing Education

- The licensee must obtain at least seven hours of continuing education annually.

License Fee

- \$150 License Fee

Renewal Fee

- \$150 Renewal Fee (Initial licenses were renewed in 2005; thereafter, licenses are renewed every five years.)

2003 No change

2004 No change

2005 No change

2006 No change

Changes with unknown effective dates

## Mortgage Broker Applicant Requirements

&

## Credit Services Organization Requirements Applicant

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

*The following requirements are from both the Mortgage Loan Act and the Consumer Credit and Protection Act. Mortgage Brokers are required to both obtain a license under the Mortgage Loan Act (MLA) and register under the Consumer Credit and Protection Act (CCPA).*

Experience

- MLA—Typically, the applicant must have two years of managerial experience in the mortgage lending industry. (This is not in the statute, but is a general rule that the division follows when reviewing applications.)

## Licensing Fees

Initial Application

- MLA—\$350 License Fee

Branch Application

- CCPA—\$50 License Fee

Renewal Application

- MLA—\$350 Branch License Fee

- MLA—\$350 Renewal Fee (Annually)

- CCPA—No renewal requirements.

## Employee Requirements

*The term “applicant” or “licensee” refers to the following, unless otherwise noted:*

- An individual applying for a license as a “Loan Originator” under the Mortgage Loan Act.

Fitness

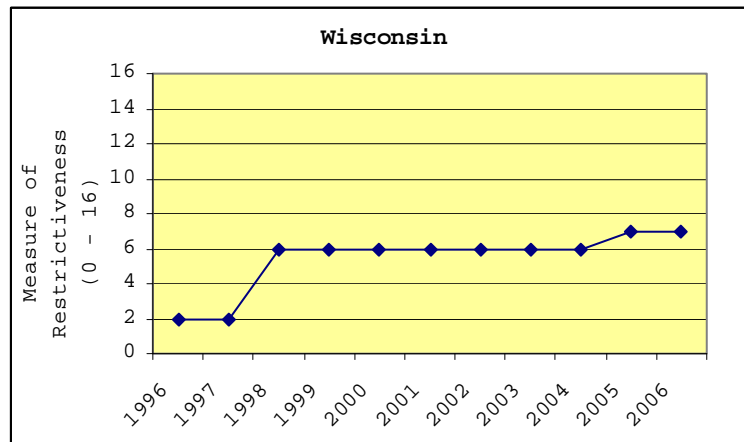
- The Division of Banking has established an objective, numerical standard in order to satisfy the financial responsibility requirement of the licensing statute for loan originators; accordingly, a MINIMUM standard of 575 FICO score is required as a threshold to meeting the financial responsibility standard. This is a cutoff of approximately the bottom 10 percent of the population, based upon data provided by Experian.

## Wisconsin

§224.71 et seq.

<http://www.wdfi.org/fi/mortbank/>

Regulation effective since: November 2, 1988



The Division of Banking of the Wisconsin Department of Financial Institutions (DFI) regulates both mortgage broker entities and their employees pursuant to Chapter 224 of the Wisconsin Statutes. Wisconsin registers approximately 793 brokerages, 14,094 loan originators, and 183 loan solicitors through the DFI.<sup>43</sup>

Wisconsin has very different financial requirements for registrants that maintain a bona fide office and those that do not. Registrants that do not maintain a bona fide office (an in-state office that meets specific criteria) must maintain a \$120,000 bond and \$250,000 in net worth. Registrants with a bona fide office are only required to maintain either a \$10,000 bond or a net worth of \$100,000.

Individuals, including stockholders who own 10 percent or more of the outstanding shares, key officers, members, partners, sole proprietors, and employees that conduct brokering activities on behalf of the registrant are also required to register as either loan originators or loan solicitors. Loan solicitors are considered loan originators that are limited to a specific scope of activities. Applicants are required to pass a written examination, approved by the loan originator council, covering primary and subordinate mortgage financing transactions and the provisions of Chapter 224, Subchapter III. Each applicant for registration as a loan solicitor must also pass a similar, but less intensive test. Beginning in 2007, loan originators and solicitors must complete 16 hours of continuing education during the licensing period.

## Wisconsin

### Year Status

1996	Regulation in effect
------	----------------------

### Loan Solicitor Applicant

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

<sup>43</sup> <http://www.wdfi.org/fi/mortbank/lists.htm>

## Requirements

- *An individual applying for an individual registration;*
- *A sole proprietor applying for a business registration;*
- *Any other business entity, however incorporated, applying for a business registration.*

Age	• None
Residency	• None
Experience/Education	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• Unknown
Continuing Education	• None
Managing Principal	• None
Employee Exemptions	• If the applicant is a partnership, limited liability company, or corporation, the application shall identify each partner, member, or officer who will use the title "mortgage banker," "loan originator," or "loan solicitor." It is unclear whether these individuals were required to register separately at that time (they now are required to register as loan originators).
	• All employees that are not partners, members, or officers and act as loan solicitors are required to obtain their own registration.

## Licensing Exemptions

Entities	• Regulated financial institutions
	• Lawyers
	• Real estate agents
	• Insurance companies
Safe Harbor	• None

## Branch Offices

In-state Requirement	• None
License Requirement	• None
Branch Manager	• None

## Licensing Fees

Initial Application	• \$39 License Fee
Branch Application	• None
Renewal Application	• \$105 Renewal Fee (Biennially)

## Employee Requirements

*All employees that act as loan solicitors are required to register as a loan solicitor and meet the requirements listed above.*

Age	• None
Residency	• None
Education/Experience	• None
Examination	• None
Fitness	• None
Net Worth	• None
Bond	• None
Background Investigation	• None
Continuing Education	• None
License Fee	• None
Renewal Fee	• None

1997	No change
1998	Change

## Mortgage Broker Applicant Requirements

Net Worth/Bond	• If the applicant will have a bona fide office, then the applicant must maintain \$100,000 in net worth <b>OR</b> maintain a bond or other bond or guarantee in the amount of \$10,000.
	• If the applicant will not have a bona fide office, then the applicant must maintain \$250,000 in net worth <b>AND</b> maintain a bond in the amount of \$120,000.

Bona fide office: "Bona fide office" of a mortgage banker or mortgage broker means

an office that meets all of the following conditions: (a) Is located in the state. (b) Has regular hours of operation. (c) Is accessible to the public. (d) Serves as an office for the transaction of business. (e) Is staffed by an individual registered under this subchapter who is an employee of the mortgage banker or mortgage broker and is not shared with another business. (f) Is separate from the offices of other entities. (g) Contains the books and records of the mortgage banker or mortgage broker, or copies of the books and records, unless the mortgage banker or mortgage broker has agreed to furnish copies of its books and records, as soon as practicable, upon the request of the division.

#### Employee Exemptions

- If the applicant is a partnership, limited liability company, or corporation, the application shall identify each partner, member, or officer who will use the title "mortgage banker," "loan originator," or "mortgage broker." It is unclear whether these individuals were required to register separately at that time (they now are required to register as loan originators).
- Employees and independent contractors that work as loan originators are required to register with the State. Loan originators may not work for more than one employer.

### Employee Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- *An individual applying for registration as a "Loan Originator."*

Age  
Residency  
Education/Experience  
Examination  
Fitness  
Net Worth  
Bond  
Background Investigation  
Continuing Education  
License Fee  
Renewal Fee

- None
- None
- None
- None
- None
- None
- None
- None
- None
- New fees not set until 1999.
- New fees not set until 1999.

1999 Change

### Mortgage Broker Applicant Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- *An individual applying for an individual registration;*
- *A sole proprietor applying for a business registration;*
- *Any other business entity, however incorporated, applying for a business registration.*

### Licensing Fees

Initial Application  
Branch Application  
Renewal Application

- \$750 License Fee
- None
- \$750 Renewal Fee (Biennially)

### Employee Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- *An individual applying for registration as a "Loan Originator."*

License Fee  
Renewal Fee

- \$250 License Fee
- \$250 Renewal Fee (Biennially)

2000 No change  
2001 No change  
2002 No change  
2003 No change  
2004 Change

### Employee Requirements

Background Investigation

- The applicant must consent to a criminal background check.

2005 Change

### Employee Requirements

*The term "applicant" or "registrant" refers to the following, unless otherwise noted:*

- *An individual applying for registration as a "Loan Originator."*
- *An individual applying for registration as a "Loan Solicitor."*

*Loan solicitors may only inform the prospective borrower about the different types of loan*

products available from a SINGLE lender. A loan solicitor may not “shop” various lenders for the best interest rates and are prohibited from accepting funds from a loan application. Loan solicitors are limited to the following activities set forth in Rule DFI-Bkg 40.04: taking information from a borrower and filling out a loan application; estimating the maximum mortgage loan amount the prospective borrower can afford; informing the prospective borrower about the different types of loan products available from a single lender; collecting financial information and related documents that are part of the application process; assisting the borrower in understanding credit problems; and providing the following document: agreement and disclosures required by s. 224.79, Stats. 2; servicing disclosure statements; affiliated business arrangement disclosures; good faith estimate; HUD Settlement Costs and Information Booklet; initiating the ordering of verifications of employment; initiating the ordering of verifications of deposits; initiating the ordering of requests for mortgage and other loan verifications.

#### Examination

- A loan originator applicant must pass an examination. A loan solicitor applicant must pass a similar, less intensive examination.

2006	No change
2007	Change

### Employee Requirements

#### Continuing education

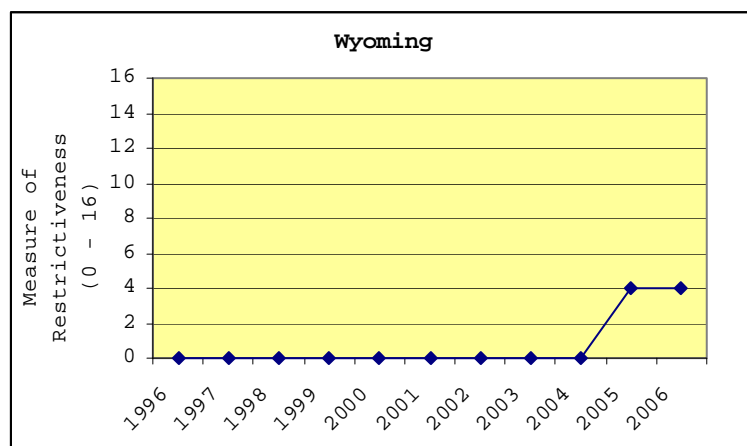
- Loan originators must successfully complete at least 16 hours of continuing education **OR** in lieu of the continuing education requirement, the loan originator may take and pass the “CE Test Out Exam.”
- Loan solicitors must complete 12 hours or in lieu of the continuing education requirement, the loan solicitor may take and pass the “CE Test Out Exam.”

## Wyoming

§40-23-101 et seq.

<http://audit.state.wy.us/banking/>

Regulation effective since: July 1, 2005



Wyoming’s Division of Banking of the Department of Audit licenses approximately 1,064 mortgage brokers and lenders, which includes principal and branch offices.<sup>44</sup> Wyoming has only licensed brokers and lenders since July of 2005 pursuant to the relatively unrestrictive Wyoming Residential Mortgage Practices Act (RMPA). The RMPA simply requires a \$25,000 bond for the principal office and an additional \$10,000 bond for each branch office. The RMPA has no

<sup>44</sup> <http://audit.state.wy.us/banking/mortgage/mortgagelenderbrokerlicensees.htm>

fitness, net worth, experience, physical presence, or education requirements. Employees of licensees are not required to register or obtain a license.

## Wyoming

### Year Status

1996	No regulation
1997	No regulation
1998	No regulation
1999	No regulation
2000	No regulation
2001	No regulation
2002	No regulation
2003	No regulation
2004	No regulation
2005	Regulation in effect

### Mortgage Broker Applicant Requirements

*The term "applicant" or "licensee" refers to the following, unless otherwise noted:*

- An individual applying for an individual license;
- A sole proprietor applying for a business license;
- Any other business entity, however incorporated, applying for a business license.

Age

- None

Residency

- None

Experience/Education

- None

Examination

- None

Fitness

- The applicant and the owners or persons in charge of the applicant and individuals designated in charge of the applicant's places of business must demonstrate financial responsibility, experience, character, and fitness.

Net Worth

- None

Bond

- The applicant must maintain a bond in the amount of \$25,000 and an additional \$10,000 for each branch office in the state.

Background Investigation

- The applicant must submit a statement of financial condition.
- The applicant must submit a Biographical/Authority Sheet for all principal officers, directors, executive officers, control or controlling parties, 10 percent shareholders, qualified person(s) in charge, or anyone with the ability to direct or implement policy authorizing the state to make inquiries from any financial institution, credit bureau or law enforcement agency for the purpose of determining his/her financial responsibility, character and fitness in connection with the application.

Continuing Education

- None

Managing Principal

- None

Employee Exemptions

- Persons employed by or under contract with a licensee on a full-time basis or persons who are employed by or under contract with no more than one licensee on a part-time basis provided that any fees paid by borrowers are paid to the licensee and not to the employee or person under contract are exempt.

### Licensing Exemptions

Entities

- Regulated financial institutions
- Lawyers

Safe Harbor

- None

### Branch Offices

In-state Requirement

- None

License Requirement

- A licensee must obtain a separate branch license for each additional office.

Branch Manager

- None

### Licensing Fees

Initial Application

- \$500 License Fee

Branch Application

- \$50 Branch License Fee

Renewal Application

- \$500 Renewal Fee (Annually)
- \$50 Branch Renewal Fee (Annually)

### Employee Requirements

Age

- None

Residency

- None

Education/Experience

- None

Examination	•	None
Fitness	•	None
Net Worth	•	None
Bond	•	None
Background Investigation	•	None
Continuing Education	•	None
License Fee	•	None
Renewal Fee	•	None

2006	No change
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## **For More Information**

### **Data in Spreadsheet Format**

The information summarized above is formatted in an Excel spreadsheet and is documented by state, year, and variable. This information provides more details on the types of entities that were exempt from licensing and other variables that may not be fully documented here. In addition, it contains other information on post-licensing information pertaining to annual reports, examination fees, fee per loan charges, and examination schedules.

### **Summary Code Data**

The summary code data is a numeric representation of all the state statute data presented here. Each year is documented in a separate spreadsheet, as well as a separate spreadsheet that represents the cumulative summary codes for each year. The document contains a data dictionary that explains the variables chosen and what the numeric code represents. The spreadsheets also provide details of why specific numeric codes were chosen.

### **Other Information**

Many other sources of information exist that can expand or clarify the data presented here. State statutes, state websites, and administrative codes all contain information that is pertinent to a person seeking licensure. By following the links in this document, individuals seeking more information should be able to locate current statutes, current rules and regulations, and contact information for the department that regulates mortgage brokers in their state.

## **Appendix A**

### **Terms**

#### ***Administrative Code***

Broad term used to describe rules and regulations promulgated by a state's regulatory authority.

#### ***Age***

Indicates if the entity's control persons or employees are required to be a certain age to procure a license or registration. Note that control person is a generic term; control persons typically include owners, partners, members, officers, and other persons that have authority to control the licensee.

#### ***Application/Investigation Fee***

The application or investigation fee charged to an applicant. These fees are typically nonrefundable. When available, information pertaining to fingerprinting costs is also included. Note that it is sometimes difficult to distinguish between a license fee and an application/investigation fee.

#### ***Background Checks/Fingerprints***

Type of background check conducted on an applicant, the applicant's control person(s), managing principal(s), branch manager(s), and employees. Note that the information contained in this document is more accurate and detailed than the information listed in the spreadsheet.

#### ***Bond***

Indicates if an applicant must obtain a bond as a condition of licensure or registration and whether additional sums are required for offices other than the principal office.

Some states provide applicants with alternatives for the surety bond requirement. These alternatives generally require that an applicant provide the same funds through another instrument. While not discussed in this catalog, other instruments typically include:

- An irrevocable letter of credit from a federally insured financial institution in form and terms acceptable and payable to the regulatory authority;
- An account payable to the regulatory authority with a deposit of money in an amount equal to the amount of the required bond;
- An escrow agreement for a savings certificate of a federally insured financial institution for an amount payable that is equal to the amount of the required bond and that is not available for withdrawal except by direct order of the regulatory authority.

#### ***Branch Manager***

Indicates if the licensee or registrant is required to designate a branch manager and what requirements a designated branch manager must fulfill.

#### ***Branch Office License Requirement***

The type of requirement for opening a branch office (e.g., notification required, application required, etc.).

### ***Continuing Education***

The number of continuing education hours required to be completed by the licensee, the licensee's control person(s), managing principal(s), branch manager(s), and employees during the licensing period.

### ***Control Persons***

Control persons are typically defined as the owner thereof if the license applicant is a sole proprietor, the members thereof if the license applicant is a partnership or association, the officers and directors thereof if the license applicant is a corporation, and the managers and members that retain any authority or responsibility under the operating agreement if the license applicant is a limited liability company.

### ***Education***

A specific course of education required of the entity's control person(s), managing principal(s), branch manager(s), and employees as a condition for initial licensing or registration. Many states have provisions allowing an applicant to substitute completed education for required experience.

### ***Experience***

The amount and type of experience necessary of the entity's control person(s), managing principal(s), branch manager(s), and employees as a condition of licensure or registration. Many states have provisions allowing an applicant to substitute experience for required education.

### ***Examination***

Indicates if the entity's control person(s), managing principal(s), branch manager(s), or employees are required to pass an examination as a condition of licensure or registration.

### ***Exemptions***

Entities that are not required to obtain a license or registration as a mortgage broker if they are licensed under state or federal law as (note that this is not an exhaustive list):

- Regulated financial institutions
- Lawyers
- Real estate agents
- Insurance companies
- Consumer loan companies
- Loan Brokers
- Securities broker-dealers

### ***Fingerprints/Background Checks***

Indicates the type of background check conducted on an applicant, the applicant's control person(s), managing principal(s), branch manager(s), and employees. Note that the

information contained in this document is more accurate and detailed than the information listed in the spreadsheet.

### ***Fitness***

Indicates in what way an entity and/or its control person(s), managing principal(s), branch manager(s), and employees are judged by the regulatory authority for licensing or registration suitability.

The fitness requirements documented here are very broad terms and commonly used in statutory language. Regulatory authorities in each state have different rules for how an entity or individual must demonstrate fitness. The newly promulgated rules and regulations of the Washington Department of Financial Institutions provide an excellent example of the types of incidences that are considered unfavorable in most states that require an entity or individual to demonstrate fitness:

- (a) Whether the applicant, licensee, or other person subject to the act has had any license, or any authorization to do business under any similar statute of this or any other state, suspended, revoked, or restricted within the prior five years.
- (b) Whether the applicant, licensee or other person subject to the act has been convicted of a felony, or a gross misdemeanor involving dishonesty or financial misconduct, within the prior seven years.
- (c) Whether the licensee or other person subject to the act is, or has been, subject to a cease and desist order or an injunction issued pursuant to the act, or the Consumer Protection Act, or has been found through an administrative, civil, or criminal proceeding to have violated the provisions of the act or rules, or the Consumer Protection Act, chapter 19.86 RCW.
- (d) Whether the director has filed a statement of charges, or there is an outstanding order by the director to cease and desist against the licensee or other person subject to the act.
- (e) Whether there is documented evidence of serious or significant complaints filed against the licensee, or other person subject to the act, and the licensee or other person subject to the act has been notified of the complaints and been given the opportunity to respond.
- (f) Whether the licensee has allowed the licensed mortgage broker business to deteriorate into a condition that would result in denial of a new application for a license.
- (g) Whether the licensee or other person subject to the act has failed to comply with an order, directive, subpoena, or requirement of the director or director's designee, or with an assurance of discontinuance entered into with the director or director's designee.
- (h) Whether the licensee or other person subject to the act has interfered with an investigation, or disciplinary proceeding by willful misrepresentation of facts before the director or director's designee, or by the use of threats or harassment against a client, witness, employee of the licensee, or representative of the director for the purpose of preventing them from discovering evidence for, or providing evidence in, any disciplinary proceeding or other legal action.

***In-state Office***

Indicates if the licensee or registrant is required to maintain an office in the state as a condition of licensure or registration.

***Investigation/Application Fee***

Indicates the application or investigation fee charged to an applicant. When available, information pertaining to fingerprinting costs is also included. Note that it is sometimes difficult to distinguish between a license fee and an application/investigation fee.

***License Fee***

The license fee charged to an applicant. Note that it is sometimes difficult to distinguish between a license fee and an application/investigation fee. Some states require that an applicant pay both an application and license fee.

***Managing Principal***

Broad term used throughout this catalog to describe various statutory requirements that mandate an applicant designate an individual in the application who will be responsible for the applicant's business. Other common terms include designated broker, qualified person in charge, and principal lending manager.

Many states require that the individual fulfilling the education, experience, and/or examination requirement also be designated as the managing principal. Some states require that the designee be a control person while others allow an applicant to designate an employee as the managing principal.

***Net Worth (including financial statements)***

Indicates the net worth an applicant must demonstrate as a condition of licensure or registration. Many states have no net worth requirements for applicants, but do require that an applicant submit financial statements for the entity and/or for the entity's control persons. No states currently require that employees of licensed or registered mortgage brokers maintain a minimum net worth.

Detailed information pertaining to the financial statements required at the time of application is typically found under "Fingerprints/Background Checks." Note that the information found in this document is more accurate than the information detailed in the spreadsheet.

***Renewal Fee***

Indicates the renewal fee charged to a licensee or registrant and the licensing period (e.g. annually, biennially, triennially, etc.).

***Residency***

Indicates if the entity's control person(s), managing principal(s), branch manager(s), or employees are required to be a resident of the state in which the applicant is applying for licensure or registration.

### ***Safe Harbor***

Generally describes the number of loans that an individual may broker without obtaining a license or registration. Because mortgage lending and brokering requirements are typically incorporated under one law, many statutes have a safe harbor for ***making*** loans. Since the interpretation of “making a loan” is unclear, it was included here.