

# **DESCRIPTION**



### NORTH CAROLINA MORTGAGE LOAN ORIGINATOR LICENSE

# Who is required to have this license?

An individual, who for compensation or gain or in the expectation of compensation or gain, whether through contact by telephone, electronic means, mail, or in person with prospective borrowers, either:

- Takes a residential mortgage loan application,
- · Accepts or offers to accept applications for mortgage loans,
- Solicits or offers to solicit applications for mortgage loans,
- Offers or negotiates the terms or conditions of a mortgage loan, or
- Issues mortgage loan commitments or interest rate guarantee agreements to prospective borrowers.

The Secure and Fair Enforcement Mortgage Licensing Act defines a "residential mortgage loan or mortgage loan" to mean any loan made or represented to be made to a natural person or persons primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling located within this State or residential real estate upon which is constructed or intended to be constructed a dwelling.

#### Who does not need this license?

- An individual engaged solely as a loan processor or underwriter (NOTE: contract
  processing and underwriting companies are now required to register; refer to the new
  application checklist for a Mortgage Origination Support Registration for more
  information);
- A person or entity that only performs real estate brokerage activities and is licensed or registered as such in accordance with State law, unless the person or entity is compensated by a mortgage lender, mortgage broker, other mortgage loan originator, or by their agents;
- A person or entity solely involved in extensions of credit or sale of time share instruments as that term is defined in G.S. 93A-41(9a);
- An individual who only informs a prospective borrower of the availability of persons engaged in the mortgage business, does not take or assist in the completion of a loan application, and does not discuss specific terms or conditions of a mortgage loan. The taking of basic pre-application information for facilitating a residential mortgage loan transaction, such as the name and contact information of the prospective borrower, the prospective borrower's own assessment of creditworthiness, desired loan types, and resources to make a down payment, but not including social security number, credit, employment history, or specific rates of a desired mortgage loan.
- An individual who is a salesperson for a licensed manufactured housing retailer that
  performs the purely administrative and clerical tasks of physically handling or
  transmitting to a licensed mortgage loan originator an application and other forms
  completed by the prospective borrower. A salesperson may, upon written request of a

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mortgage loan originator and after a prospective borrower completes an application, pull and transmit a credit report with the application.

### What are the pre-qualifications for licensure?

Applicants must:

- Be at least 18 years of age.
- Complete 24 hours of Pre-Licensing Education (NCGS § 53-244.070(d)):
  - o 20 hours live classroom or classroom equivalent course approved by NMLS.
  - 4 hours live classroom or classroom equivalent course on North Carolina laws and regulations.
- Pass the National Test with Uniform State Content.

# What are the disqualifications for licensure?

- The applicant's mortgage loan originator license was revoked in a governmental jurisdiction, unless formally vacated.
- The applicant has been convicted of or plead guilty or nolo contendere to a felony in a domestic, foreign, or military court:
  - a. During the seven-year period preceding the date of the application for licensing and registration; or
  - b. At any time preceding the date of application, if the felony involved an act of fraud, dishonesty, a breach of trust, or money laundering.
- The applicant has been convicted of or plead guilty or nolo contendere to any charge in a domestic, foreign, or military court, within the past five years, or a misdemeanor involving moral turpitude or any fraud, false statement or omission, any theft or wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or conspiracy to commit any of these offenses, or involving any financial service or financial servicerelated business.
- The applicant has demonstrated a lack of financial responsibility, character, or general fitness such as to fail to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this Article. For purposes of this subdivision, a person shows a lack of financial responsibility when the person has shown a disregard in the management of the person's own financial affairs. Evidence that a person has not shown financial responsibility may include:
  - a. Current outstanding judgments, except judgments resulting solely from medical expenses;
  - b. Current outstanding tax liens or other government liens and filings;
  - c. Foreclosures within the past three years; or
  - d. A pattern of serious delinquent accounts within the past three years.

**WHO TO CONTACT** – For assistance, please send your questions via e-mail to MLO@NCCOB.gov.

All Licensing and processing fees are collected through the NMLS and are non-refundable.

YOU ARE NOT AUTHORIZED TO ENGAGE IN MORTGAGE ORIGINATION ACTIVITIES IN THE STATE OF NORTH CAROLINA UNTIL YOU HAVE RECEIVED A LICENSE APPROVAL THROUGH THE NMLS.

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