



## Description



# CALIFORNIA MORTGAGE LOAN ORIGINATOR LICENSE

## Types of Licenses issued

A mortgage loan originator is an individual who, for compensation or gain, or in the expectation of compensation or gain, takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan.

A residential mortgage loan means any loan 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 which contains 1 to 4 residential units. Dwelling includes an individual condominium unit, cooperative unit, mobile home and trailer if it is used as a residence.

## Who is required to have this license?

Any person who provides services as a mortgage loan originator in California must apply for and receive a mortgage loan originator license by July 31, 2010. The license must be renewed annually by December 31.

## Who does not need this license?

Mortgage loan originator does not include:

- An individual who performs purely administrative or clerical tasks on behalf of a person meeting the definition of a mortgage loan originator. The term “administrative or clerical tasks” means the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage loan, to the extent that the communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.
- An individual who solely renegotiates terms for existing mortgage loans held or serviced by his or her employer and who does not otherwise act as a mortgage loan originator, unless the United States Department of Housing and Urban Development or a court of competent jurisdiction determines that the SAFE Act requires that employee to be licensed as a mortgage loan originator under state laws implementing the SAFE Act.
- An individual that is solely involved in extensions of credit relating to timeshare plans.
- An individual licensed as a mortgage loan originator pursuant to the California Real Estate Law and the SAFE Act.
- A registered mortgage loan originator who is an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the Farm Credit Administration

## Pre-requisites for license applications

- All applicants must apply for a license through the NMLS by filing a Form MU4 and receiving a sponsorship by a company holding a valid unique identifier with NMLS and which is licensed by the California Department of Corporations.
- Authorization to provide criminal records information through the FBI criminal records to NMLS.
- Authorization to obtain an independent credit report obtained by NMLS from a consumer credit reporting agency.
- An applicant must demonstrate financial responsibility, character and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly and efficiently.
- 20 hours of pre-licensing education including 3 hours of federal law and regulations, 3 hours of ethics and 2 hours of training related to nontraditional mortgage products. Pre-license education must be courses which have been approved by NMLS.
- Passing of written tests including both federal and state components. The written tests must be taken through test providers approved by NMLS.
- Coverage by a surety bond provided by the mortgage loan originator's employer.
- Background checks including FBI fingerprint checks and civil and administrative records checks.

**The following conditions would preclude an applicant from obtaining a license as a mortgage loan originator or from annually renewing a license:**

- An applicant has had a mortgage loan originator license revoked in any governmental jurisdiction unless there was a subsequent formal vacation of the revocation.
- The applicant has been convicted of, or pled guilty or nolo contendere to a felony in a domestic, foreign or military court during the 7 year period preceding the date of the application; or at any time preceding the date of application if such felony involved an act of fraud, dishonesty or a breach of trust or money laundering.
- A showing that the individual is not financially responsible by showing a disregard in the management of his or her own financial condition. This may include: current outstanding judgments, except for medical expenses, current outstanding tax liens or other government liens and filings, foreclosures within the past 3 years or a pattern of seriously delinquent accounts within the past 3 years.

**WHO TO CONTACT** – Please refer to the Department of Corporations website at [www.corp.ca.gov](http://www.corp.ca.gov) or contact Department of Corporations by phone at 866-ASK-CORP for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.