



Description



MAINE MORTGAGE LOAN ORIGINATOR LICENSE

Who is required to obtain a mortgage loan originator (MLO) license?

Mortgage loan originators must obtain licenses if they intend to originate loans after December 31, 2010. Maine's statutory definition of "mortgage loan originator," which is consistent with definitions in the federal SAFE Act and in the laws of other states, is found in 9-A MRSA §13-102(7):

"Mortgage loan originator" means 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.

If you believe you may be exempt from the need to obtain a license, be prepared to provide proof of the applicable exemption. Start by checking with your employer or your national industry association, since Maine regulators will be following guidance from HUD and other federal regulators in their interpretations of the SAFE Act.

Who does not need this license?

Again, consistent with federal law, the following persons are exempt from the mortgage loan originator license requirement:

A. Registered mortgage loan originators, when acting for a depository institution; a subsidiary that is owned and controlled by a depository institution and that is regulated by a federal banking agency; or an institution regulated by the federal Farm Credit Administration.

B. An individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual.

C. An individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that serves as the individual's residence.

D. A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker or other mortgage loan originator or by any agent of such lender, mortgage broker or other mortgage loan originator.

E. An employee of a nonprofit organization exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3) and engaged in the financing of housing for low-income people under a program designed specifically for that purpose, to the extent exempted by the administrator by rule, advisory ruling or interpretation, after taking into consideration any rule, advisory ruling or interpretation issued by the United States Department of Housing and Urban Development.

F. A retail seller of a manufactured home to the extent determined by any rule, advisory ruling or interpretation issued by the United States Department of Housing and Urban Development.

G. A loan processor or underwriter who does not represent to the public, through advertising or other means of communicating or by providing information, including the use of business cards, stationery, brochures, signs, rate lists or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator is not required to obtain a mortgage loan originator license.

H. An independent contractor may not engage in residential mortgage loan origination activities as a loan processor or underwriter unless that independent contractor obtains and maintains a mortgage loan originator license. Each independent contractor loan processor or underwriter licensed as a mortgage loan originator must have and maintain a valid unique identifier issued by the nationwide mortgage licensing system and registry.

What are the pre-requisites for license applications?

Surety Bond or Net Worth: The Maine SAFE Act requires mortgage loan originators (MLOs) to meet certain bonding or net worth requirements, but then states that MLOs may, under certain circumstances rely on the bonds posted by, or net worth demonstrated by, their employers. The Bureau of Consumer Credit Protection has issued an *Order Governing Interim Procedures* that clarifies that for those mortgage loan originators who are employed by (or who are the exclusive agents of) licensed supervised lenders or loan brokers, the surety bonds provided as part of the supervised lender's or loan broker's license applications with the State, can serve as appropriate substitutes for individual surety bonds posted as part of the NMLS MLO licensing process. Those MLOs who are **not** employed by, or the exclusive agents of, a licensed supervised lender or loan broker, can either post an individual surety bond, or can demonstrate net worth of at least \$25,000 utilizing a CPA's audited report, reviewed report or compilation report (personal balance sheet).

Criminal background check and credit check: In connection with an application for licensing as a mortgage loan originator, an applicant must submit fingerprints and must pass a criminal background check through NMLS.

Experience: No specific requirement.

Testing: Mortgage loan originators (MLOs) must pass a National and State Component of the SAFE MLO test by scoring 75% or higher.

Education: In order to meet the prelicensing education requirements a person must complete at least 20 hours of NMLS-approved education, including three hours of instruction in federal law and regulations, three hours of ethics and two hours relating to lending standards for nontraditional mortgages.

WHO TO CONTACT – Contact licensing staff by phone at (207) 624-8527 or send your questions via e-mail to LoanOfficerReg@maine.gov 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.