



## 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, by electronic means, by mail, or in person with prospective borrowers, either:

- Takes a residential mortgage loan application or offers or
- negotiates terms of a residential mortgage loan,
- Accepts or offers to accept applications for mortgage loans,
- Solicits or offers to solicit a mortgage loan,
- 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;
- A person or entity that only performs real estate brokerage activities and is license or registered as such in accordance with State law, unless the person or entity is compensated by a mortgage lender, a mortgage broker, or other mortgage loan originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan originator;
- A person or entity solely involved in extensions of credit or sale of time share instruments relating to time share plans, as that term is defined in sale of time share instruments relating to time share plans, as G.S. 93A-41(9a); or
- 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 score, credit or employment history, or specific rates of a desired mortgage loan, to connect prospective borrowers to persons engaged in the mortgage business does not prevent an individual from qualifying for this exclusion.
- 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 on behalf of a prospective borrower an application and other forms completed by the prospective borrower. Nothing in this

subpart prohibits a salesperson, upon the written request of a mortgage loan originator and after a prospective borrower completes an application, from pulling and transmitting a credit report with the application

### **What are the pre-qualifications for license application?**

- Must complete 24 hours of Pre-Licensing education 20 hour live classroom or classroom equivalent PE course for approval as outlined by the SAFE Mortgage Act standards developed by the T & E committee. **NC § Gen. Stat. 53-244.070 (d)** In addition, 4 hours live classroom or classroom equivalent PE course to meet the additional hours of education requirement for N.C.
- Must pass the National Test both the Federal and State component

### **What are the dis-qualifications for license application?**

- The applicant has had a mortgage loan originator license revoked in a governmental jurisdiction, except that a subsequent formal vacation of the revocation shall not be deemed a revocation
- The applicant or its controlling persons have 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 service-related 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** – Contact the NC Mortgage Licensing Division staff by phone at (919) 733-0589 or send your questions via e-mail to [mortgage@nccob.gov](mailto:mortgage@nccob.gov) for additional assistance.

*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.**