



## Description



# SOUTH CAROLINA MORTGAGE BROKER QUALIFIED LOAN ORIGINATOR LICENSE

### Who is required to have this license?

Any natural person who acts as a loan originator exclusively for a mortgage broker licensee and who is not an employee of the mortgage broker is a qualified loan originator that must be licensed pursuant to Chapter 58 of Title 40. A qualified loan originator acts as an agent for a single mortgage broker licensee, who: (i) is responsible for supervising the qualified loan originator pursuant to Chapter 58 of Title 40 and in accordance with a plan of supervision approved by the administrator in the administrator's sole discretion; (ii) signs the license application of the applicant; and (iii) is jointly and severally liable with the qualified loan originator for any claims arising from the qualified loan originator's mortgage origination activities.

A loan originator is a natural person, 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:

- solicits, negotiates, accepts, or offers to accept applications for mortgage loans, including electronic applications,
- or includes direct contact with, or informing mortgage loan applicants of, the rates, terms, disclosures, and other aspects of the mortgage loan.

A mortgage loan means 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.

The license of a qualified loan originator is not effective during any period when that person is not supervised pursuant to an exclusive written contract by a mortgage broker licensed pursuant to this chapter.

### Who does not need this license?

- a) an employee of a licensee whose responsibilities are limited to clerical or support duties for the employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer;
- b) an officer, registered loan originator or employee when acting in the scope of employment of a depository institution or a subsidiary that is wholly owned and controlled by the depository institution and regulated by a federal banking agency or an institution regulated by the Farm Credit Administration
- c) a person who offers or negotiates terms of a mortgage loan with or on behalf of an immediate family member of the individual;

- d) an individual who offers or negotiates terms of a mortgage loan secured by a dwelling that served as the person's residence;
- e) an employee whose employment as a processor or underwriter is undertaken pursuant to the direction and supervision of a licensee or exempt person except when the processor or underwriter is working as an independent contractor; or
- f) a manufactured home retailer employee if performing only clerical or support duties in connection with the sale or lease of a manufactured home and the manufactured home retailer and its employees receive no compensation or other gain from a mortgage lender or a mortgage broker for the performance of the clerical or support duties.

Clerical or support duties mean administrative functions after the receipt of an application by a licensed mortgage originator or broker, such as gathering information, requesting information, word processing, sending correspondence, or assembling files, and may include:

- a) The receipt, collection, and distribution common for the processing or underwriting of a mortgage loan; or
- b) Any communication with a borrower to obtain the information necessary for the processing or underwriting of a mortgage loan, to the extent that such communication does not include taking a mortgage loan application, offering or negotiating loan rates or terms, or counseling consumers about mortgage loan rates or terms.

#### **Pre-requisites for license applications?**

- Surety Bond amount: Minimum of \$25, 000 per qualified loan originator
- Criminal background check: Both state (South Carolina) and federal
- Credit check
- Experience: Shall have at least three years experience in financial services or financial services related business.
- Testing: Passing score on both the state (South Carolina) and national components
- Education: at least twenty hours of pre-licensing education and eight hours of continuing education.
- Maintain a licensed branch location of the mortgage broker licensee.

**WHO TO CONTACT** – Contact South Carolina Department of Consumer Affairs licensing staff by phone at 803-734-4200 or send your questions via e-mail to [SCMortgageBroker@scconsumer.gov](mailto:SCMortgageBroker@scconsumer.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.