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## **North Carolina Commissioner of Banks Office (NCCOB) Pre-licensure Education (PE) Notice**

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### **Purpose**

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 4-hour state specific prelicensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with the North Carolina Commissioner of Banks Office.

### **PE requirements are as follows:**

- 3 hours of Federal law;
- 3 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 12 hours of general electives;
- 4 hours of North Carolina state-specific defined electives.

**Total PE: 24 Hours**

### **NCCOB has established the following required topics for the 4 hours of state-specific PE:**

- **North Carolina General Statute § 24-1.1A. Contract rates on home loans secured by first mortgages or first deeds of trust.**

...

c) If the home loan is one described in subdivision (a)(1) or subdivision (a)(2) of this section, the lender may charge the borrower the following fees and charges in addition to interest and other fees and charges as permitted in this section and late payment charges as permitted in G.S. 24-10.1:

(1) At or before loan closing, the lender may charge such of the following fees and charges as may be agreed upon by the parties notwithstanding the provisions of any State law, other than G.S. 24-1.1E, limiting the amount of such fees or charges:

- a. Loan application, origination, commitment, and interest rate lock fees;
- a1. Fees to administer a construction loan or a construction/permanent loan, including inspection fees and loan conversion fees;
- b. Discount points, but only to the extent the discount points are paid for the purpose of reducing, and in fact result in a bona fide reduction of the interest rate or time-price differential;
- c. Assumption fees to the extent permitted by G.S. 24-10(d);
- d. Appraisal fees to the extent permitted by G.S. 24-10(h);
- e. Fees and charges to the extent permitted by G.S. 24-8(d); and

- f. Additional fees and charges, however individually or collectively denominated, payable to the lender which, in the aggregate, do not exceed the greater of (i) one quarter of one percent (1/4 of 1%) of the principal amount of the loan, or (ii) one hundred fifty dollars (\$150.00).

- **North Carolina General Statute § 53-244.030. Definitions.**

See (1) through (34) – Definitions under the NC SAFE Act at this link:

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.030.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.030.pdf).

**Note: Licensees must pay close attention to the entire description in 53-244.030(21).**

Reinforce the definition of an MLO to help prevent unlicensed assistants or other personnel performing activities that are included in the MLO definition.

- **North Carolina General Statute § 53-244.060. Issuance of license or registration.**

If an applicant satisfies the requirements of G.S. 53-244.050, the Commissioner shall issue a mortgage lender, mortgage broker, mortgage servicer, mortgage loan originator, or transitional mortgage loan originator license, or a mortgage origination support registrant registration, unless the Commissioner finds any of the following:

SEE (1) through (9) at this link for information on denial of licensure:

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.060.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.060.pdf)

- **North Carolina General Statute § 53-244.102. Continuing education for mortgage loan originators.**

See sections (a) through (f) at this link, and please note (d)(2) indicates the individual may not take the same approved course in the same or successive years to meet the annual requirements for continuing education:

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.102.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.102.pdf)

- **North Carolina General Statute § 53-244.105. Records, addresses, escrow funds, or trust accounts.**

...

(b) No person shall make any false statement or knowingly and willfully make any omission of a material fact in connection with any information or reports filed with the Commissioner, a governmental agency, or the Nationwide Mortgage Licensing System and Registry or in connection with any oral or written communication with the Commissioner or another governmental agency. If the information contained in any document filed with the Commissioner or the Nationwide Mortgage Licensing System and Registry is or becomes inaccurate or incomplete in any material respect, the licensee, registrant, or exempt entity shall within 30 days file a correcting amendment to the information contained in the document.

- **North Carolina General Statute § 53-244.106. Display of license.**

Each mortgage broker or mortgage lender licensed under this Article shall display, in plain public view, the certificate of licensure issued by the Commissioner in its principal office and in each branch office. Each mortgage loan originator or transitional mortgage loan originator licensed under this Article shall display, in plain public view, in each branch office in which the individual acts as a mortgage loan originator or transitional mortgage loan originator the certificate of licensure issued by the Commissioner. (2009-374, s. 2; 2013-327, s. 9.)

- **§ 53-244.107. Unique identifier shown.**

The unique identifier of any mortgage loan originator, transitional mortgage loan originator, or other person engaged in the mortgage business as defined in G.S. 53-244.030(11) shall be clearly shown on all residential mortgage loan application forms, solicitations, advertisements, including business cards or Web sites, and any other documents as established by rule or order of the Commissioner. (2009-374, s. 2; 2013-327, s. 10.)

- **North Carolina General Statute § 53-244.109. Mortgage broker duties.**

Any mortgage broker engaged in the mortgage business as defined by G.S. 53-244.030(11)a., in addition to duties imposed by other statutes or at common law, shall:

...

5) Timely and clearly disclose to the borrower material information that may be expected to influence the borrower's decision and is reasonably accessible to the mortgage broker, including the total compensation the mortgage broker expects to receive from any and all sources in connection with each loan option presented to the borrower.

A model form that is available from OCOB and utilized to comply with the above requirement is located at:

<https://www.nccob.gov/Public/financialinstitutions/mortgage/mortgageforms.aspx>

- **North Carolina General Statute § 53-244.111. Prohibited acts.**

In addition to the activities prohibited under other provisions of this Article, it shall be unlawful for any person in the course of any residential mortgage loan transaction: SEE (1) through (23) at this link:

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.111.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.111.pdf)

#### References:

- North Carolina General Statute § 24-1.1A. Contract rates on home loans secured by first mortgages or first deeds of trust:  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_24/GS\\_24-1.1A.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_24/GS_24-1.1A.pdf)
- North Carolina General Statute § 53-244.030. Definitions.  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.030.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.030.pdf)

- North Carolina General Statute § 53-244.060. Issuance of license or registration.  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.060.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.060.pdf)
- North Carolina General Statute § 53-244.102. Continuing education for mortgage loan originators.  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.102.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.102.pdf)
- North Carolina General Statute § 53-244.105. Records, addresses, escrow funds, or trust accounts. See (b):  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.105.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.105.pdf)
- North Carolina General Statute § 53-244.106. Display of license:  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.106.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.106.pdf)
- North Carolina General Statute § 53-244.107. Unique identifier shown.  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.107.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.107.pdf)
- North Carolina General Statute § 53-244.109. Mortgage broker duties. See #5:  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.109.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.109.pdf)  
A model form that is available from OCOB and utilized to comply with the above requirement is located at:  
<https://www.nccob.gov/Public/financialinstitutions/mortgage/mortgageforms.aspx>
- North Carolina General Statute § 53-244.111. Prohibited acts.  
[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_53/GS\\_53-244.111.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_53/GS_53-244.111.pdf)

#### NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

#### Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.