



## Description



### ARKANSAS MORTGAGE BANKER LICENSE

#### Who is required to have this license?

This license is required of any person who engages in the business of making mortgage loans for compensation or other gain.

#### Who does not need this license?

- An employee of a licensee whose responsibilities are limited to clerical and administrative tasks for his or her employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer;
- An agency or corporate instrumentality of the federal government or any state, county, or municipal government granting mortgage loans under specific authority of the laws of any state or of the United States;
- A trust company or industrial loan company chartered under the laws of Arkansas;
- A small-business investment corporation licensed under the Small Business Investment Act of 1958, 15 U.S.C. § 661 et seq., as it existed on January 1, 2011;
- A real estate investment trust as defined in 26 U.S.C. § 856, as it existed on January 1, 2011;
- A state or federally chartered bank, savings bank, savings and loan association, or credit union, the accounts of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration;
- An agricultural loan organization that is subject to licensing, supervision, or auditing by the Farm Service Agency, Commodity Credit Corporation, Rural Development Housing & Community Facilities Programs, Farm Credit Administration, or the United States Department of Agriculture;
- A nonprofit corporation that:
  - (a) Qualifies as a nonprofit entity under section § 501(c)(3) of the Internal Revenue Code;
  - (b) Is not primarily in the business of soliciting or brokering mortgage loans; and
  - (c) Makes or services mortgage loans to promote home ownership or home improvements for the disadvantaged;
- A licensed real estate agent or broker who is performing those activities subject to the regulation of the Arkansas Real Estate Commission, but does NOT include a real estate agent or broker who receives compensation of any kind in connection with the referral, placement, or origination of a mortgage loan;

- A person who engages in seller-financed transactions, or who as a seller of real property receives mortgages, deeds of trust, or other security instruments on real estate as security for a purchase money obligation, if:
  - (a) The person does not receive from or hold on behalf of the borrower any funds for the payment of insurance or taxes on the real property; and
  - (b) The seller does not sell the liens or mortgages in the secondary market other than to affiliated or subsidiary persons;
- An individual or husband and wife who provide funds for investment in loans secured by a lien on real property on his or her or their own account who do not:
  - (a) Charge a fee or cause a fee to be paid for any service other than the normal and scheduled rates for escrow, title insurance, and recording services; and
  - (b) Collect funds to be used for the payment of any taxes or insurance premiums on the property securing the loans;
- An attorney licensed in Arkansas rendering legal services to his or her client, when the conduct that would subject the attorney to the jurisdiction of this subchapter is ancillary to the provision of the legal services offered;
- A person performing any act under order of any court;
- A person acting as a mortgage broker, mortgage banker, or mortgage servicer for any person located in Arkansas, if the mortgage broker, mortgage banker, or mortgage servicer has no office or employee in Arkansas and the real property that is the subject of the mortgage is located outside of Arkansas;
- An officer or employee of an exempt person described above if acting in the scope of employment for the exempt person.
- A manufactured or modular home retailer and its employees if: (a) The manufactured or modular home retailer or its employees perform only administrative or clerical tasks on behalf of a person required to be licensed under this subchapter; or (b) The manufactured or modular home retailer and its employees: (1) Do not receive compensation or financial gain for engaging in loan officer activities that exceeds the amount of compensation or financial gain that could be received in a comparable cash transaction for a manufactured home; (2) Disclose to the consumer in writing any corporate affiliation with a mortgage banker; (3) Provide referral information for at least one (1) unaffiliated creditor if the manufactured or modular home retailer has a corporate affiliation with a mortgage banker and the mortgage banker offers a recommendation; and (4) (A) Do not directly negotiate loan terms with the consumer or lender. (B) As used in subdivision (9)(B)(xvi)(b)(4)(A) of this section, "loan terms" includes rates, fees, and other costs.

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

- Net Worth: Twenty-five thousand (\$25,000) minimum.
- Surety Bond: The name of the principal insured listed on the surety bond must match exactly the Full Legal Name of the applicant, including any DBAs. The amount of the surety bond is

specified in the Rules of the Fair Mortgage Lending Act and for an applicant shall be \$100,000.00.

- Each Mortgage Banker must designate a Managing Principal. The Managing Principal must be listed in the Qualifying Individual field in the NMLS and have three (3) years of experience in mortgage lending or equivalent qualifying experience
- Each Mortgage Banker must have at least one loan officer licensed with the Department at each licensed location.

**WHO TO CONTACT** –For jurisdiction specific questions concerning licensing, contact the licensing staff by phone at 501-324-9260 or send your questions via e-mail to [jay.drake@arkansas.gov](mailto:jay.drake@arkansas.gov).

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 NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.