DESCRIPTION

NORTH CAROLINA MORTGAGE BROKER LICENSE

Who is required to have this license?

Any person (individual, partnership, limited liability company, limited partnership, corporation, association, or other group engaged in joint business activities, however organized), unless exempt, who acts as a mortgage broker for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly, by accepting or offering to accept an application for a mortgage loan, soliciting or offering to solicit a mortgage loan, negotiating the terms or conditions of a mortgage loan, issuing mortgage loan commitments or interest rate guarantee agreements to borrowers, or engaging in table funding of mortgage loans, whether such acts are done through contact by telephone, electronic means, mail, or in person, with borrowers or potential borrowers.

The North Carolina Secure and Fair Enforcement Mortgage Licensing Act (“NC SAFE Act”) defines “Make a residential mortgage loan” to advance funds, to offer to advance funds, to make a commitment to advance funds to a borrower under mortgage loan, or to fund a residential mortgage loan. "Residential mortgage loan or 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.

A broker license is also required for lead generators who collects consumer information including Social Security number, credit score, or credit or employment history (see N.C. Gen. Stat. § 53-244.030(21)(c)4).

Who does not need this license?

- Any agency of the federal government or any state or municipal government granting mortgage loans under specific authority of the laws of any state or the United States.
- Any employee of a licensed mortgage broker 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.
- Any person authorized to engage in business as a bank, a credit union, savings institution or a farm credit system, under the laws of the United States, this State, or any other state, upon filing and confirmation of a claim of exemption with the Office of the Commissioner of Banks.
- A subsidiary owned and controlled by a bank or savings institution and regulated by a federal banking agency, upon filing and confirmation of a claim of exemption.
- Any officer or employee of bank, credit union, savings institution, a farm credit system, or subsidiary of bank, or a savings institution.
- Any licensed real estate agent or broker who is performing those activities subject to the regulation of the North Carolina Real Estate Commission. Notwithstanding the above, an exempt person 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.

- Any person who, as seller, receives in one calendar year no more than five mortgages, deeds of trust, or other security instruments on real estate as security for a purchase money obligation.

What are the pre-requisites for licensure?

Surety Bond Amount: $75,000

Experience: Qualifying Individual/Managing Principal and Branch Manager(s) shall have at least three years of experience in residential mortgage lending.

Licensed Loan Originator: At least one licensed loan originator is required to have a sponsorship with the mortgage broker applicant before receiving approval through the NMLS.

WHO TO CONTACT – Contact the NC Mortgage Licensing Division staff by phone at (919) 733-3016 or send your questions via e-mail to company@nccob.gov for additional assistance.