

**State Licensing Update  
MBAA Regulatory Compliance Conference  
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Alaska – House Bill 162

- Allows exemptions, but must apply with a form for the exemption registration
- Effective July 1, 2008
- Requires licensure of brokers, lenders, originators and other persons who engage in mortgage lending activities
- \$250 application fee, \$150 fund fee (originators only), \$500 renewal fee every two years
- \$25,000 surety bond – vague as to whether this applies also to Originators
- Pre licensing exam for originators - \$150 fee
- 24 hours of CE required every 2 years

Colorado

**House Bill 07-1322**

- Effective June 1, 2007, it repealed the FHA exemption for Mortgage Broker licenses
- If you are a licensed Supervised Lender in CO, you must still have your loan officers get licensed as Mortgage Brokers if they originate 1<sup>st</sup> mortgages since the law sees them as Mortgage Brokers
- An Emergency Rule signed by the Governor on June 30, 2007 created automatic, temporary registration for Mortgage Brokers through September 1, 2007 as long as the person is acting in good faith to meet the requirements of licensure. This includes fingerprints, ordering the background check, obtaining the \$25,000 surety bond, paying registration fees and completing the application. These temporary registrations expire December 31, 2007
- If a LO is already registered with the DRE, they will still have to obtain the surety bond requirement
- An additional Emergency Rule issued on August 31, 2007 more clearly defines “good faith effort” and seems to have removed the September 1, 2007 deadline (emergency rule is included in this notebook for your reference and also on the CO Dept of Real Estate web site)

**Senate Bill 07-203**

- Effective January 1, 2008
- Changes the regulatory framework for mortgage brokers from registration to licensing.
- E&O insurance becomes a requirement for licensing.

- Establishes pre-licensing education requirements, testing, and continuing education for mortgage brokers. Education component becomes effective January 1, 2009.

#### Florida – Senate Bill 1824

- Effective October 1, 2007
- Education courses are now required to be timed and the loan officer must receive 75% or higher on the completion exam in order to receive their certificate.
- For the Mortgage Broker license, in order to receive the exemption for continuing education during the first renewal period, you must have completed the prelicensing course within 90 days of the renewal date.
- Mortgage Broker Individual applicants must now hold a high school diploma or equivalent in addition to being at least 18 years of age.

#### Maine – Reminder – Rule 500

- Regarding any loan officer registered with the State prior to Jan 31, 2008, those individuals must complete 12 credit hours prior to that date (January 31, 2008). (One hour must cover Maine law, and one hour must address ethics.) Any individuals *not* registered prior to January 31, 2008 must initially complete 16 credit hours of educational requirements (including 2 hours of Maine law and 2 hours of ethics) before they will be allowed to be registered as Maine loan officers. Rule 500 specifies that this is an annual requirement.
- Loan Officers - No background checks, official license applications, surety bond or fingerprints required

#### Minnesota – Senate File 2096

- March 1, 2008, each loan officer will be required to complete 15 hours of CE
- Renewal deadline for this year was extended to October 30, 2007
- The licensing fees and requirements for the initial license application were also revised

#### Montana – House Bill 69 “Montana Residential Mortgage Lender Licensing Act”

- Effective October 1, 2008, lenders must be licensed to do loans in the state
- License must be renewed annually
- Annual audited financials, surety bond
- Several requirements in regards to application practices for residential mortgages (disclosures and so forth)

#### Rhode Island – Budget Article 16 and Senate Bill 2007 S104

- March 31, 2008 loan originators must be registered
- January 1, 2009 full licensing is required which includes pre-licensing training and continuing education – cost \$100 per LO
- Protocols and processes are currently in development per letter from RI dated August 1, 2007
- Starting with the March 31, 2010 renewals, the LO will have to complete 8 hours of CE within the previous 12 months
- Bond increases from \$25,000 to \$50,000 for Lender licensees and \$10,000 to \$20,000 for Broker licensees

### South Dakota – Senate Bill 165

- Effective December 1, 2007
- Requires current licensees to have a \$25,000 surety bond by August 31, 2007 and for new licensees it is a requirement w/ the application
- State web site is a good resource w/FAQs
- Licensing Scheme in SD
  - No Mortgage Broker companies, just individuals (if you are a lender that brokers in addition to lending, you will need to license your LOs as Mortgage Brokers (confirmed w/Veronica in SD))
  - Mortgage Lenders and they employ Loan Originators
- Loan Originators
  - \$150 initial, \$44 for background check, \$75 annual renewal (Dec 31<sup>st</sup>)
  - Licenses are not transferable between employers
  - Registration requires background check
  - 2 years experience in the industry
  - 9 hours of CE due every year – 1<sup>st</sup> period is 7/1/07 thru renewal time in 2008
- Mortgage Brokers
  - \$500 initial, \$350 annual renewal (Dec 31<sup>st</sup>)
  - Even if they work for a mortgage lender, must be individually licensed
  - License can be transferred to another employer
  - \$25,000 surety bond is required
  - Have to file a Bank Franchise Tax Return with the SD Dept of Revenue
  - 2 years experience in the industry
  - 9 hours of CE due every year – 1<sup>st</sup> period is 7/1/07 thru renewal time in 2008

**Please note, for each of the Bills listed above, there are other changes that are not discussed. Be sure to review each of these Bills to be sure of all of the changes that apply to your companies and respective clients.**