

Mortgage Loan Originator Licensing Process

To comply with state law and the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act), Georgia is now required to license all mortgage loan originators (MLO) who originate residential mortgage loans located in Georgia. A link to the S.A.F.E. Act can be found on the Nationwide Mortgage Licensing System (NMLS) website.

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The S.A.F.E. Act set education and testing requirements and background and credit standards that must be met before the MLO can be approved for a license. Information regarding the education, testing, background check and credit requirements can be found on the NMLS website under Professional Requirements; the fees for the education and testing are listed there as well - <http://www.stateregulatoryregistry.org/NMLS//AM/Template.cfm?Section=Home3>. Courses can be taken on-line or in a classroom setting. **The tests must be taken in person in a classroom setting.** Individuals must register for the education and testing through an approved provider on the NMLS website. Special needs education and testing are available.

Other individuals who will be required to have a MLO license include owners of licensed brokers and lenders who perform mortgage loan origination and employees of lenders and brokers who perform loan modifications. The SAFE Act does not allow anyone to be “grandfathered” no matter how many years of experience the individual might have. Processors and underwriters are not required to have a MLO license unless they are actually doing loan origination activities as specified in the S.A.F.E. Act. Independent processors who have their own broker licenses, but only process loans and do no origination activities will not be required to have a MLO license.

For a Georgia MLO license, an individual must complete a total of 20 hours of pre-licensing education; this is a combination of both national and state education hours. The MLO will be required to achieve a passing grade on both the national test and the Georgia state test. Both tests and the national education are available now on the NMLS website. The Georgia state education will be available on October 22nd. All individuals who are interested in being licensed as a MLO are encouraged to begin their education and testing as early as possible. The applications for a MLO license in Georgia will be available on the NMLS website beginning January 4, 2010. The deadline for applying for a MLO license for Georgia is March 31, 2010.

A MLO can either have his or her own individual surety bond or can be covered by his or her sponsor’s (licensed broker or lender employing them) surety bond. MLOs are still required to be paid as W-2 employees and can only work for one licensee. When a MLO leaves employment with one licensee to go to work for another licensee, the sponsorship must be updated in the NMLS system. Either the MLO or the Sponsor can update the sponsorship.

All licensees are encouraged to go to the NMLS website for information on how to navigate the NMLS system, information on education requirements, and to download the MLO Testing Handbook which has helpful information for the licensee and the MLO.

If you have any questions regarding education or testing, please see the FAQ on the NMLS website or call the NMLS help line at 240-386-4444. **The Department will be updating its website with more information on the Georgia MLO licensing requirements as soon as possible; however, all registrations for education and testing, and applications for license must be done through the NMLS website.**