

**South Carolina State Board of Financial Institutions (SC-BFI)
South Carolina Department of Consumer Affairs (SC-DCA)
Pre-Licensure Education (PE) Notice**

Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 3-hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with either the South Carolina State Board of Financial Institutions or the South Carolina Department of Consumer Affairs.

PE requirements are as follows:

- 3 hours of Federal law;
- 3 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 9 hours of general electives;
- 3 hours of South Carolina state-specific defined electives

Total PE: 20 Hours

SC-BFI and SC-DCA have established the following required learning objectives and topics list for the 3 hours of state-specific PE.

Required Learning Objectives:

- Understand the mission of SC-BFI and SC-DCA and be familiar with different business entities and license types each oversees.
- Know when to provide the attorney insurance preference form to consumers and ascertain the consumer's preference as required by S.C. Code Ann. § 37-10-102.
- Identify where NMLS ID numbers are required on documentation as required by S.C. Code Ann. § 37-22-110, et seq. and S.C. Code Ann. § 40-58-10, et seq.
- Understand how to comply with required provisions of S.C. Code Ann. § 37-22- 140(K) when licensed mortgage lenders act as a mortgage broker.
- Explain how to disclose fees properly on mortgage broker fee agreement and the timeline in which the mortgage broker fee agreement must be provided (S.C. Code Ann. § 40-58-75).
- Understand the consequences associated with failure to properly sign application forms.
- Articulate the requirements associated with the disclosure that identifies the agency designated to receive complaints or inquiries from the consumer (S.C. Code Ann. § 37-23-70).
- Describe how state law is different from federal law regarding prohibited activities and mortgage broker fee agreement (S.C. Code Ann. § 40-58-70, 75 & 78; S.C. Code Ann. § 37-22-190).

- Understand the mortgage log requirement (S.C. Code Ann. § 37-22-210; S.C. Code Ann. § 40-58-65).

Required Topics:

- General Provisions of the Department's and the Board's Structure and Supervision
- Licensing and Operation of Mortgage Brokers
- Licensing and Operation of Mortgage Lenders
- Examinations
- Surety Bond Requirements
- Escrow Accounts
- Disclosures and Advertising
- Amendments to Mortgage Broker Act and Mortgage Lending Act effective September 16, 2017, including definitions, licensing a residence, and when a mortgage lender also needs a mortgage broker license
- Enforcement
- Disciplinary Actions
- Prohibited Acts; Penalties

References:

Main Industry Statutes

- Mortgage Lending Act (S.C. Code Ann. § 37-22-110, et seq.)
- Licensing of Mortgage Brokers Act (S.C. Code Ann. § 40-58-10, et seq.)
- High-Cost and Consumer Home Loans Act (S.C. Code Ann. § 37-23-10, et seq.)
- Mortgages and Deeds of Trust Generally (S.C. Code Ann. § 29-3-10, et seq.)
- Reverse Mortgages (S.C. Code Ann. § 29-4-10, et seq.)
- Attorney-Preference Statute (S.C. Code Ann. § 37-10-102)
- Remedies and Penalties (S.C. Code Ann. § 37-5-101, et seq.)

Peripheral Industry Statutes

- State Agency Rule Making and Adjudication of Contested Cases (S.C. Code Ann. § 1-23-10 et seq.)
- Consumer Protection Code—Loans (S.C. Code Ann. § 37-3-101 et seq.)
- Consumer Protection Code—Administration (S.C. Code Ann. § 37-6-101 et seq.)
- Financial Identity Theft Protection Act
 - S.C. Code Ann. § 37-20-110
 - S.C. Code Ann. § 39-1-90
- Consumer Credit Counseling
 - S.C. Code Ann. § 37-7-101 et seq.

Regulations

- Licensing of Mortgage Brokers (S.C. Code Ann. Regs. 28-400)
- Mortgage Lending Act Regulations (S.C. Code Ann. Regs. 15-64)

ALERT: Each agency is required to have its own course approval. Course must be approved for SC-BFI and SC-DCA separately.

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.