ALABAMA MORTGAGE BROKER LICENSE

Who is required to have this license?

Any person (individual, sole proprietorship, corporation, limited liability company, partnership, estate, trust, or any other group of individuals, however organized) who directly or indirectly solicits, processes, places, or negotiates mortgage loans for a borrower, or offers to solicit, process, place or negotiate mortgage loans for a borrower.

Who does not need this license?

- Banks chartered by this state or banks chartered by the United States, bank holding companies and subsidiaries of bank holding companies, trust companies, savings or building and loan associations, savings banks or other thrift institutions, credit unions, and all other affiliates of each of the above persons if more than 50 percent of the affiliates shares or other ownership interests are owned or controlled by such person, and federally or state constituted agencies.
- Real Estate Agencies or Agents that do not receive compensation for providing the services defined as a mortgage broker in their course of conducting business as a real estate agent.
- An attorney licensed to practice law in Alabama who is not principally engaged in negotiating mortgage loans when the attorney renders services in the course of his or her practice as an attorney.
- Employees of a licensed mortgage broker, or a company exempt from licensing, are exempt from obtaining a mortgage broker license, however, they must be licensed as a mortgage loan originator if they fulfill the definition of a mortgage loan originator or registered as a mortgage loan originator if they fulfill the definition of a registered mortgage loan originator.
- Independent contractors that work exclusively for one licensed mortgage broker company or any person exempted from the licensing requirements, are exempt from obtaining a mortgage broker license, however, they must be licensed as a mortgage loan originator.
- Any person licensed under the Consumer Credit Act.
- Branch offices should apply through the Alabama Mortgage Broker Branch Application process (Form MU3) once the main office has obtained or applied for a license.

Pre-requisites for license applications: [general requirements]

- A surety bond in an amount determined by Department regulations in favor of the State of Alabama.
- Criminal background check: A criminal background check is performed on all persons acting as a sole proprietorship, all partners in a partnership, any person who owns 10% or more of a corporation, and the individual appointed as the executive officer if applicable.
- No license shall be issued to a location zoned as residential. Documentation proving that the location is not zoned residential may be required.
- Experience: Each applicant shall have at least one principal or person appointed as the “Qualifying Individual” that has at least two years of experience in the mortgage industry. The experience shall be within the last four years from the date of application.
- Fees: The fee to obtain a mortgage broker license is $600 per location and the fee is not refundable. The fee to renew the license will be $500 per licensed location.
- Certificate of Authority from the Secretary of State of Alabama.

WHO TO CONTACT – Contact the State Banking Department mortgage licensing staff by phone at (334) 242-3452 or send your questions via e-mail to hillary.brooks@banking.alabama.gov for additional assistance.

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