NC Mortgage Loan Originator License
New Application Checklist (Individual)

CHECKLIST SECTIONS

- General Information
- Prerequisites
- License Fees
- Requirements Completed in NMLS
- Requirements/Documents Uploaded In NMLS
- Requirements Submitted Outside of NMLS

GENERAL INFORMATION

Who Is Required to Have This License?

North Carolina General Statute (N.C.G.S.) § 53-244.030(21) defines a Mortgage Loan Originator as referenced below:

"Mortgage loan originator" means: An individual who for compensation or gain or in the expectation of compensation or gain, whether through contact by telephone, electronic means, mail, or in person with prospective borrowers:

- Takes a residential mortgage loan application,
- Accepts or offers to accept applications for mortgage loans,
- Solicits or offers to solicit applications for mortgage loans,
- Offers or negotiates the terms or conditions of a mortgage loan, or
- Issues mortgage loan commitments or interest rate guarantee agreements to prospective borrowers.

The Secure and Fair Enforcement Mortgage Licensing Act defines a “residential mortgage loan or mortgage loan” to mean 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.

NOTE: Most applicants follow the path to licensure though the standard Mortgage Loan Originator License application as it is both the application for the Mortgage Loan Originator license as well as the path to apply for Temporary Authority to Operate. Do not apply for the NC Transitional MLO license without being certain it is the right path for you. Contact our staff with any questions if you need clarification between the license types.
The transitional license is not the same as Temporary Authority to Operate. Applications for Temporary Authority to Operate go through the regular MLO application process. To apply as a Mortgage Loan Originator, with or without Temporary Authority to Operate, please use the standard Mortgage Loan Originator checklist and select application for licensure for Mortgage Loan Originator rather than the transitional. Typically only non-producing MLOs who have not completed the prelicensing education or testing AND intend to manage processors or underwriters for a Mortgage Origination Support Registrant business (not brokers or lenders) apply for the transitional license type. Please contact our office if clarification is required. Fees are non-refundable.

Who does not need this License?

- Federally registered mortgage loan originators are exempt and therefore, are not eligible for licensure in the State of North Carolina.
  - NOTE: Loan Originators who have an active federal registration may not obtain (or retain) a North Carolina MLO license in an approved-inactive status.
  - NOTE: Loan originators whose federal registrations are going inactive within 30 days may apply for licensure in the State of North Carolina; however, the MLO state license will not be approved until the federal registration is in inactive status.
- An individual engaged solely as a loan processor or underwriter (NOTE: contract processing and underwriting companies are required to register; refer to the new application checklist for a Mortgage Origination Support Registration for more information);
- A person or entity that only performs real estate brokerage activities and is licensed or registered as such in accordance with State law, unless the person or entity is compensated by a mortgage lender, mortgage broker, other mortgage loan originator, or by their agents;
- A person or entity solely involved in extensions of credit or sale of time share instruments as that term is defined in G.S. 93A-41(9a);
- An individual who only informs a prospective borrower of the availability of persons engaged in the mortgage business, does not take or assist in the completion of a loan application, and does not discuss specific terms or conditions of a mortgage loan.
- The taking of basic pre-application information for facilitating a residential mortgage loan transaction, such as the name and contact information of the prospective borrower, the prospective borrower's own assessment of creditworthiness, desired loan types, and resources to make a down payment, but not including social security number, credit, employment history, or specific rates of a desired mortgage loan.
- An individual who is a salesperson for a licensed manufactured housing retailer that performs the purely administrative and clerical tasks of physically handling or transmitting to a licensed mortgage loan originator an application and other forms completed by the prospective borrower. A salesperson may, upon written request of a mortgage loan originator and after a prospective borrower completes an application, pull and transmit a credit report with the application.

What are the pre-qualifications for licensure?

Applicants must:

- Be at least 18 years of age.
- Have satisfactorily completed, within the three years immediately preceding the date of application, the mortgage lending prelicensing education as required under G.S. 53-244.070; and
- Pass the National Test with Uniform State Content (the test must be current; not expired).
What are the disqualifications for licensure?

If an applicant satisfies the requirements of N.C.G.S. § 53-244.050, the Commissioner shall issue a license unless the Commissioner finds any of the following:

- The applicant’s mortgage loan originator license was revoked in a governmental jurisdiction, unless formally vacated.
- The applicant has been convicted of or plead guilty or nolo contendere to a felony in a domestic, foreign, or military court:
  - a) During the seven-year period preceding the date of the application for licensing and registration; or
  - b) At any time preceding the date of application, if the felony involved an act of fraud, dishonesty, a breach of trust, or money laundering.
- The applicant has been convicted of or plead guilty or nolo contendere to any charge in a domestic, foreign, or military court, within the past five years, or a misdemeanor involving moral turpitude or any fraud, false statement or omission, any theft or wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or conspiracy to commit any of these offenses, or involving any financial service or financial service-related business.
- The applicant has demonstrated a lack of financial responsibility, character, or general fitness such as to fail to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this Article. For purposes of this subdivision, a person shows a lack of financial responsibility when the person has shown a disregard in the management of the person’s own financial affairs. Evidence that a person has not shown financial responsibility may include:
  - a) Current outstanding judgments, except judgments resulting solely from medical expenses;
  - b) Current outstanding tax liens or other government liens and filings;
  - c) Foreclosures within the past three years; or
  - d) A pattern of serious delinquent accounts within the past three years.

Additional Information:

A mortgage loan originator shall not be employed simultaneously by more than one mortgage lender, mortgage broker, or mortgage origination support registrant under Article 19B of Chapter 53 of the North Carolina General Statutes, N.C.G.S. § 53-244.100(b).

If the applicant is not currently employed as a mortgage loan originator, the license will be issued as “Approved-Inactive” until sponsorship by a licensed mortgage company is requested. The Approved-Inactive status indicates that the individual meets all statutory licensing requirements but cannot originate until sponsorship has been submitted and approved through the NMLS.

Applications not completed within 30 days of an initial deficiency notification will be deemed withdrawn by applicant and placed in a Withdrawn-Application Abandoned Status unless under Temporary Authority to Operate which provides 120 days for education and testing completion (all other license items for Temporary Authority will have a 30-day due date except for background check items which must be addressed by the applicant by the 9th business day from the date of their application).

Temporary Authority to Operate is part of an addition to the federal SAFE Act by the passage of the Economic Growth, Regulatory Relief and Consumer Protection Act (12 USC § 5117). The provision streamlines the license application process for federally registered mortgage loan originators (MLOs) seeking state licensure and state-licensed MLOs seeking licensure in another state. It allows qualified MLOs who are changing employment temporary authority to originate loans while completing certain state-specific requirements. Temporary Authority to Operate took effect November 24, 2019. For additional information on the MLO qualifications and other specifications of the provision, please visit the following link to the Nationwide Multistate Licensing...
System & Registry Resource Center:  https://nationwidelicensingsystem.org/slr/common/Pages/Temporary-Authority-to-Operate.aspx.

The NC SAFE Act refers to Mortgage Loan Originators as employees which is defined in the Act as an individual who has an employment relationship and who is treated as a common law employee for purposes of compliance with federal income tax laws and whose income is reported on IRS Form W-2. Refer to N.C.G.S. §§ 53-244.030(10), 53-244.040(a), and 53-244.100.

Frequently-asked questions can be viewed on our website: https://www.nccob.gov/Public/FinancialInstitutions/Mortgage/MortgageMain.aspx.

North Carolina does issue paper licenses for this license type; they can be printed by the licensee the business day following license approval at: https://www.nccob.gov/online/Login.aspx. The requirements for the display of licenses is in North Carolina General Statute § 53-244.106.

Helpful Resources

- Individual Form (MU4) Filing Quick Guide
- License Status Definitions Quick Guide
- Disclosure Explanations - Document Upload Quick Guide
- State-Specific Education Chart
- Individual Test Enrollment Quick Guide
- Course Enrollment Quick Guide

Agency Contact Information

Contact the North Carolina Office of the Commissioner of Banks non-depository mortgage licensing staff by phone at (919) 733-3016 or send your questions via email to MLO@nccob.gov for additional assistance.

For U.S. Postal Service:
North Carolina Office of the Commissioner of Banks Non-Depository Mortgage Licensing Team
4309 Mail Service Center
Raleigh, NC 27699-4309

For Overnight Delivery:
North Carolina Office of the Commissioner of Banks Non-Depository Mortgage Licensing Team
316 West Edenton Street
Raleigh, NC 27603

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.
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| NOTE     | Federally registered mortgage loan originators are exempt and therefore, are not eligible for licensure in the State of North Carolina.  
• NOTE: Loan Originators who have an active federal registration may not obtain (or retain) a North Carolina MLO license in an approved-inactive status.  
• NOTE: Loan originators whose federal registrations are going inactive within 30 days may apply for licensure in the State of North Carolina; however, the MLO state license will not be approved until the federal registration is in inactive status. | N/A |
| Pre-licensure Education: Pursuant to [N.C.G.S. § 53-244.080](https://www.ncpedia.org/) complete 24 hours of NMLS-approved pre-licensure education (PE) courses which must include 4 hours of North Carolina laws and regulations.  
Pursuant to [N.C.G.S. § 53-244.050(b)(1b)](https://www.ncpedia.org/), education is valid for three (3) years preceding date of application. Once licensed, continuing education is required pursuant to [N.C.G.S. § 53-244.102](https://www.ncpedia.org/). If the license terminates (outside of late renewal), a new application for licensure must be made and will be reviewed for compliance with pre-licensure education requirements.  
Follow the instructions in the Course Completion Records Quick Guide to confirm that PE has been posted to your record and the PE Total indicates “Compliant.” | NMLS |
| Testing: Must satisfy one of the following three conditions:  
1. Passing results on both the National and North Carolina State components of the SAFE Test, or  
2. Passing results on both the National and Stand-alone UST components of the SAFE Test, or  
3. Passing results on the National Test Component with Uniform State Content  
Follow the instructions in the View Testing Information Quick Guide to confirm test results have been posted to your record and indicate “Pass.” | NMLS |
**LICENSE FEES -** Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

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<tr>
<td></td>
<td>NMLS Initial Processing Fee: $30</td>
<td>NMLS (Filing submission)</td>
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<td>NC Application Fee: $125.00</td>
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<td>Credit Report: $15</td>
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<td>FBI Criminal Background Check: $36.25</td>
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**REQUIREMENTS COMPLETED IN NMLS -** These items must be completed during or after the submission of your Individual Form (MU4).

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<td></td>
<td>Submission of Individual Form (MU4): Complete and submit the Individual Form (MU4) in NMLS. This form serves as the application for the license through NMLS.</td>
<td>NMLS</td>
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<td>Criminal Background Check: Authorization for an FBI criminal history background check to be completed in NMLS. After you authorize the FBI criminal history background check through the Individual Form (MU4), you must schedule an appointment to be fingerprinted. See the <a href="#">Completing the Criminal Background Check Process Quick Guide</a> for information. <strong>Note:</strong> If you are able to ‘Use Existing Prints’ to process the FBI criminal history background check, you DO NOT have to schedule an appointment. NMLS will submit the fingerprints already on file and the background check will begin to process automatically.</td>
<td>NMLS</td>
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<td>Credit Report: Authorization for a credit report must be completed. Upon initial authorization, you are required to complete an Identity Verification Process (IDV) within the Individual Form (MU4). See the <a href="#">Individual (MU4) Credit Report Quick Guide</a> for instructions on completing the IDV. Review the requirements of financial responsibility pursuant to <a href="#">N.C.G.S. § 53-244.060(4)</a>. <strong>Note:</strong> The same credit report can be used for any existing or additional licenses for up to 30 days.</td>
<td>NMLS</td>
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<td>Disclosure Questions: Provide an explanation and, if applicable, a supporting document for each “Yes” response. See the <a href="#">Individual Disclosure Explanations</a></td>
<td>Upload in NMLS in the Disclosure Explanations</td>
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<th>Company Sponsorship:</th>
<th>A sponsorship request must be submitted by your employer. North Carolina will review and accept or reject the sponsorship request. North Carolina offers an “Approved-Inactive” license status. If you are not currently employed by a mortgage company (or your employer has not yet requested sponsorship on your behalf) and you have completed all requirements for this license, the license may be issued as “Approved-Inactive” until sponsorship by a mortgage company is acquired. While in an “Approved-Inactive” status, you are NOT authorized to conduct business under the authority of the North Carolina Mortgage Loan Originator license.</th>
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<tr>
<td>Employment History:</td>
<td>The business address listed in the Employment History section of the Individual Form (MU4) must match the address of the registered location in the Company Relationship.</td>
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**REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS**

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<td>Credit Report Explanations:</td>
<td>Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies in the last 3 years, repossessions, loan modifications, etc.</td>
<td>Upload in NMLS: under the Document Type Credit Report Explanations in the Document Uploads section of the Individual Form (MU4).</td>
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<td>Note:</td>
<td>Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the Disclosure Explanations section of your Individual Form (MU4).</td>
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<td>Note:</td>
<td>For Temporary Authority to Operate applicants, supporting documentation of credit report items must be received, reviewed, and confirmed to clear the license item by the 30&lt;sup&gt;th&lt;/sup&gt; day from the date the license item was placed. Review the requirements of financial responsibility pursuant to N.C.G.S. § 53-244.060(4). This document should be named Credit Report Explanations – Sub Name – Document Creation Date.</td>
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**REQUIREMENTS SUBMITTED OUTSIDE OF NMLS** - These items must be completed outside of NMLS and submitted directly to the regulator.

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<td><strong>Criminal Background Check Documentation:</strong> Submit documentation to show plea, disposition, and severity of incidents pursuant to <a href="https://www.nclawlibrary.com/laws/statutes/northcarolina/section-53-244.060">N.C.G.S. §53-244.060(2) and (3)</a>. Note: For Temporary Authority to Operate applicants, supporting documentation of background check items must be received, reviewed, and confirmed to clear the license item by the 9th business day from application for temporary authority to operate to commence. Review the requirements: <a href="https://www.nclawlibrary.com/laws/statutes/northcarolina/section-53-244.060">N.C.G.S. §53-244.060(2) and (3)</a>.</td>
<td>Email by secure email to North Carolina Office of the Commissioner of Banks: <a href="mailto:MLO@nccob.gov">MLO@nccob.gov</a> or the specific email address of the Licensing Support Specialist if responding to a license item. Or upload in NMLS in the <em>Document Uploads</em> section of the Individual Form (MU4) or disclosure question explanations as applicable.</td>
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