

MORTGAGE LENDER AND BROKER LICENSURE

EXECUTIVE SUMMARY

October 11, 2007

The area of Mortgage Regulation is a rapidly evolving one in which both state and federal legislators and regulators are working with the various industries involved in this business to address the many problems which have arisen in the past couple of years. The following are some of the most vexatious or prevalent problems in the current mortgage environment:

- Rates on Adjustable Rate Mortgages (“ARMs”) are resetting from initial teaser rates to much higher – and more unaffordable rates.
- Rates on ARMs are readjusting as frequently as every six months usually capping the interest rate in double digits for the life of the loan.
- Onerous pre-payment penalties prohibit borrowers from refinancing these high-rate ARMs to mortgages with more affordable fixed rates and terms.
- Use of “no doc” or “low doc” loan applications is so prevalent that many loans are based on unverifiable financial and other information about the borrower;
- Appraisals – arguably the most crucial part of the mortgage transaction – are often performed by individuals whose qualifications, knowledge and accountability are suspect.

With respect to the current regulation of mortgage companies, the following can be concluded:

- Effective regulation by both states and the federal government of participants in the mortgage transaction is inconsistent (or non-existent) and has led to too low of a threshold for individuals to join the ranks of mortgage professionals.
- Of the 51 jurisdictions on which we have data, here are interesting data:

Number of Jurisdictions that regulate Mortgage Brokers: 51

Number of Jurisdictions that regulate Mortgage Lenders:

First Mortgages

Second Mortgages

Primary Regulator: Banking Department – 43 (list other agencies)

Number of Jurisdictions that split Regulation between agencies: 4

Number of Jurisdictions that provide exemptions for GSEs: 9

MORTGAGE LENDER AND BROKER LICENSURE BY JURISDICTION

MORTGAGE LENDER AND BROKER LICENSURE BY JURISDICTION			
Jurisdiction:	Does the Jurisdiction require licensure or registration for Mortgage Lenders or Brokers?	Discussion:	Additional Notes:
Alabama	<p>Lenders: Yes, if the entity has sufficient contacts in Alabama.</p> <p>Brokers: Yes</p>	<p>Lenders (a) No creditor having a place of business in Alabama, or having a resident employee in Alabama whose employment includes making consumer loans or taking assignments of consumer credit contracts shall engage in the business of making consumer loans or taking assignments of consumer credit contracts without first having obtained a license for each location in Alabama from the administrator; provided, however, that a creditor having no place of business in Alabama but having a resident employee in Alabama whose employment includes making consumer loans or taking assignments of consumer credit contracts shall obtain a license for the location where the creditor maintains its records regarding Alabama loans or Alabama consumer credit contracts; and provided further, that, banks chartered by this state or any other state, banks chartered by the United States, trust companies, savings or building and loan associations, savings banks and other thrift institutions, credit unions, life insurance companies, and federally constituted agencies shall be exempt from licensing. A seller, with respect to consumer credit sale transactions and the financing of charges permitted by this chapter, is not required to be licensed under this chapter. Ala.Code 1975 § 5-19-22 ()</p> <p>Brokers (a) On and after January 1, 2002, no person shall transact business in this state directly or indirectly as a mortgage broker unless he or she is licensed as a mortgage broker by the department, or is a person exempted from the licensing requirements pursuant to Section 5-25-3. Ala.Code 1975 § 5-25-4</p>	<p>Regulator: Alabama State Banking Department</p> <p>Link:www.bank.state.al.us</p>

<p>Alaska</p>	<p>Lenders: Yes Brokers: Yes (effective 1-1-08)</p>	<p>Lenders & Brokers License required. (a) Except as provided under AS 06.60.015, a person, including a person doing business from outside this state, may not operate as a mortgage lender or mortgage broker in this state unless the person is licensed under this chapter. A.S. § 06.60</p>	<p>Regulator: Division of Banking and Securities Link: www.dced.state.ak.us/bsc/</p>
<p>Arizona</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers A. A person shall not act as a mortgage banker if he is not licensed under this article. A.R.S. § 6-943 () A. A person shall not act as a mortgage broker if he is not licensed under this article. A.R.S. § 6-903</p>	<p>Regulator: Department of Financial Institutions Link: http://www.azbanking.com</p>
<p>Arkansas</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: (a)(1) It is unlawful for any person located in Arkansas, other than an exempt person, to act or attempt to act, directly or indirectly, as a mortgage broker, mortgage banker, loan officer, or mortgage servicer without first obtaining a license from the Securities Commissioner under this subchapter.</p>	<p>Regulator: Arkansas Securities Department Link: www.securities.arkansas.gov</p>
<p>California</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: No person shall engage in the business of a finance lender or broker without obtaining a license from the commissioner. West's Ann.Cal.Fin.Code § 22100 (California Finance Lenders Law) (a) No person shall engage in the business of making residential mortgage loans or servicing residential mortgage loans, in this state, without first obtaining a license from the commissioner in accordance with the requirements of Chapter 2 (commencing with Section 50120) or Chapter 3 (commencing with Section 50130), and any rules promulgated by the commissioner under this law, unless a person or transaction is excepted from a definition or exempt from licensure by a provision of this law or a rule of the commissioner. West's Ann.Cal.Fin.Code § 50002 () (California Residential Mortgage Act)It is unlawful for any person to engage in the business, act in the capacity of, advertise or assume to act as a real estate broker or a real estate salesman within this state without first obtaining a real estate license from the department. West's Ann.Cal.Bus. & Prof.Code § 10130 (Real Estate Law)</p>	<p>Regulator: Department of Corporations for mortgage lenders and brokers under Cal. Finance Lenders Law and for mortgage lenders under the Cal. Residential Mortgage Act Regulator: Department of Real Estate for real estate brokers (are permitted to broker mortgage loans under Real Estate Law) California is a little different from other states in the way it handles mortgage regulation and has 3 statutory schemes: (1) Licensed real estate brokers and salesmen are also authorized to serve as brokers for mortgages. (2) California also has a Residential Mortgage Act which allows licensees to make residential mortgages. (3) The California Finance Lenders Law licenses lenders engaged in the business of making consumer or commercial loans. Links: http://www.corp.ca.gov/; (Cal. Finance Lenders Law) http://www.dre.cahwnet.gov/; (Real Estate Law) http://www.corp.ca.gov (Cal Residential Mortgage Act)</p>

<p>Colorado</p>	<p>Yes. A Supervised Lender's License is required in connection with certain loan types</p> <p>Yes as to brokers effective 1-1-07</p>	<p>Lenders</p> <p>(1) Unless a person is a supervised financial organization or has first obtained a license from the administrator authorizing him or her to make supervised loans, he or she shall not engage in the business of:</p> <p>(a) Making supervised loans or undertaking direct collection of payments from or enforcement of rights against consumers arising from supervised loans he or she has previously made; or</p> <p>(b) Taking assignments of and undertaking direct collection of payments from or enforcement of rights against consumers arising from supervised loans.</p> <p>C.R.S.A. § 5-2-301 ()</p> <p>Brokers</p> <p>Colorado has enacted a mortgage broker registration statute. The licensing requirement went into effect on January 1, 2007.</p>	<p>Regulator: Division of Real Estate of the Department of Regulatory Agencies for brokers</p> <p>Regulator: Attorney General for second mortgage lenders</p> <p>Links: http://www.ago.state.co.us/UCCC/UCCCmain.cfm (Uniform Consumer Credit Code)</p> http://www.dora.state.co.us/real-estate (Mortgage Broker Registration Act)
<p>Connecticut</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders</p> <p>(a) No person shall engage in the business of making first mortgage loans or act as a first mortgage broker in this state unless such person has first obtained the required license in accordance with the provisions of sections 36a-485 to 36a-498a, inclusive.</p> <p>C.G.S.A. § 36a-486</p> <p>(a) No person shall engage in the business of making secondary mortgage loans or act as a secondary mortgage broker unless such person has first obtained the required license under sections 36a-510 to 36a-524, inclusive.</p> <p>C.G.S.A. § 36a-511</p> <p>Brokers</p> <p>(a) No person shall engage in the business of making first mortgage loans or act as a first mortgage broker in this state unless such person has first obtained the required license in accordance with the provisions of sections 36a-485 to 36a-498a, inclusive.</p> <p>C.G.S.A. § 36a-486</p> <p>(a) No person shall engage in the business of making secondary mortgage</p>	<p>Regulator: Department of Banking for first and second mortgage lenders and mortgage brokers</p> <p>Links: http://www.state.ct.us/dob (Nondepository First Mortgage Lenders and Brokers Act)</p> http://www.state.ct.us/dob_ (Secondary Mortgage Loan Act)

		loans or act as a secondary mortgage broker unless such person has first obtained the required license under sections 36a-510 to 36a-524, inclusive. C.G.S.A. § 36a-511	
Delaware	Lenders: Yes Brokers: Yes	<p>Lenders (a) Every person desiring to transact the business of lending money in this State shall be required to obtain a license under this chapter; provided, however, that a person that makes not more than 5 loans within any 12-month period shall be deemed not to be transacting the business of lending money. Except as otherwise provided by law, loans made by any such unlicensed lender shall fall under Chapter 23 of Title 6. This chapter shall not apply: (1) To any banking organization, federal credit union or insurance company; or (2) To any other person, if and to the extent that such person is lending money in accordance with and as authorized by any other applicable law of this State or the United States, including but not limited to the registration requirements in Chapter 17 of this title. DE ST TI 5 § 2202 ()</p> <p>Brokers Subject to the provisions of subsection (b) of this section, every person desiring to transact the business of a mortgage loan broker shall be required to obtain a license under this chapter; provided however, that a person who acts as a mortgage loan broker with respect to 5 or fewer mortgage loans within any 12-month period shall be deemed not to be transacting the business of a mortgage loan broker. DE ST TI 5 § 2102</p>	<p>Regulator: State Bank Commissioner</p> <p>Links: http://www.state.de.us/bank/default.shtml Licensed Lenders Act http://www.state.de.us/bank/default.shtml Mortgage Loan Broker Act</p>
District of Columbia	Lenders: Yes Brokers: Yes	<p>No person shall engage in business as a mortgage lender or mortgage broker, or both, or hold himself out to the public to be a mortgage lender or mortgage broker for 60 days after September 9, 1996, unless such person has first obtained a license under this chapter. DC ST § 26-1103</p>	<p>Regulator: Banking Bureau of the Department of Insurance, Securities and Banking for both mortgage lenders and brokers</p> <p>Links: http://www.dbfi.washingtondc.gov</p>
Florida	Lenders: Yes Brokers: Yes	<p>Lenders It is unlawful for any person: (1) To act as a mortgage lender in this state without a current, active license issued by the office pursuant to ss. 494.006-494.0077.</p>	<p>Regulator: Office of Financial Regulation, Division of Finance for both mortgage lenders and brokers</p> <p>Links: http://www.flofr.com</p>

		<p>(2) To act as a correspondent mortgage lender in this state without a current, active license issued by the office pursuant to ss. 494.006-494.0077. West's F.S.A. § 494.0025 ()</p> <p>Brokers Each natural person who acts as a mortgage broker for a mortgage brokerage business must be licensed pursuant to this section. To act as a mortgage broker, an individual must be an associate of a mortgage brokerage business. A mortgage broker is prohibited from being an associate of more than one mortgage brokerage business. West's F.S.A. § 494.0033</p>	<p>Very large volume: 82,000 individuals licensed as individual mortgage brokers (all must be affiliated with a company) 10,000 mortgage broker companies are licensed 12,000 mortgage lenders licensed</p>
Georgia	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers On and after July 1, 1993, it is prohibited for any person to transact business in this state directly or indirectly as a mortgage broker or a mortgage lender unless such person:</p> <p>(1) Is licensed or registered as such by the department; (2) Is a person exempted from the licensing or registration requirements pursuant to Code Section 7-1-1001; or (3) In the case of an employee of a mortgage broker or mortgage lender, such person has qualified to be relieved of the necessity for a license under the employee exemption in paragraph (11) of Code Section 7-1-1001. Ga. Code Ann., § 7-1-1002</p>	<p>Regulator: Department of Banking and Finance for both mortgage lenders and brokers</p> <p>Links: www.ganet.org/dbf/</p>
Hawaii	<p>No license is required in connection with Foreign Lender Status/Yes</p>	<p>Consumer Lenders & Brokers Except as expressly permitted by federal law or this chapter, no person shall engage in any activity for which a license to operate as a financial services loan company is required by this chapter, including without limitation, making loans and extensions of credit where the interest charged, contracted for, or received is in excess of rates permitted by law other than this article, the use of the term "financial services loan company", or the exercise of such other powers or privileges restricted to financial services loan companies under applicable law unless it is a corporation incorporated in this State and has such a license; provided that a nondepository financial services loan company shall not be required to be incorporated in this State.</p> <p>HI ST § 412-9 (a) No person shall act as a mortgage broker or mortgage solicitor without a license therefor as provided in this chapter, and no person not</p>	<p>Regulator: Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs</p> <p>Links: http://www.hawaii.gov/dcca/areas/dfi http://www.hawaii.gov/dcca/areas/pvl/programs/mortgage/ (Mortgage Brokers)</p> <p>Task Force is considering revising mortgage broker regulations.</p>

		licensed under this chapter shall charge or receive any commission, fee, or bonus in connection with arranging for, negotiating, or selling a mortgage loan. HI ST § 454-3	
Idaho	Lenders: Yes Brokers: Yes	Lenders and Brokers (1) Any person, except a person exempt under section 26-3103, Idaho Code, who engages in mortgage brokering or mortgage lending activities without first obtaining a mortgage broker or mortgage lender license in accordance with this chapter, shall be guilty of a felony. ID ST § 26-3104	Regulator: Department of Finance for mortgage lenders and brokers Links: http://finance.idaho.gov
Illinois	Lenders: Yes Brokers: Yes	Lenders and Brokers (a) No person, partnership, association, corporation or other entity shall engage in the business of brokering, funding, originating, servicing or purchasing of residential mortgage loans without first obtaining a license from the Commissioner in accordance with the licensing procedure provided in this Article I and such regulations as may be promulgated by the Commissioner. 205 ILCS 635/1-3	Regulator: Department of Financial and Professional Regulation for mortgage lenders and brokers Links: http://www.idfpr.com
Indiana	Yes, for 2nd Mortgage Consumer Loans/ Yes for Loan Brokers	Consumer Lenders (2nd mortgage) Authority to Make Consumer Loans--Unless a person is a supervised financial organization or has first obtained a license from the department, the person shall not regularly engage in this state in the business of: (a) making consumer loans; or (b) taking assignments of and undertaking direct collection of payments from or enforcement of rights against debtors arising from consumer loans. However, an assignee may collect and enforce for three (3) months without a license if the assignee promptly applies for a license and the assignee's application has not been denied. IC 24-4.5-3-502 () Brokers Any person desiring to engage or continue in the loan brokerage business shall apply to the commissioner for a license under this chapter. IC 23-2-5-4	Regulators: Department of Financial Institutions for 2 nd mortgage consumer lenders under Uniform Consumer Credit Code; Securities Division of Indiana Secretary of State for loan brokers (No license required for first mortgage lenders) Links: http://www.in.gov/sos/securities/ for loan brokers www.in.gov/dfi/ for UCCC 2nd mortgage lenders
Iowa	Lenders: Yes Brokers: Yes	Lenders & Brokers A person shall not act as a mortgage banker or mortgage broker in this state or use the title	Regulator: Iowa Division of Banking for mortgage lenders and brokers Links:

		<p>"mortgage banker" or "mortgage broker" without first obtaining a license from the administrator.</p> <p>I.C.A. § 535B.4</p>	<p>www.idob.state.ia.us</p>
Kansas	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers</p> <p>(a) Mortgage business shall only be conducted in this state at or from a mortgage company licensed by the commissioner as required by this act. A licensee shall be responsible for all mortgage business conducted on their behalf by loan originators or other employees.</p> <p>KS ST § 9-2203</p> <p>(g) "Mortgage business" means engaging in, or holding out to the public as willing to engage in, for compensation or gain, or in the expectation of compensation or gain, directly or indirectly, the business of making, originating, servicing, soliciting, placing, negotiating, acquiring, selling, or arranging for others, or offering to solicit, place, negotiate, acquire, sell or arrange for others, mortgage loans in the primary market.</p> <p>KS ST § 9-2201</p>	<p>Regulator:</p> <p>Links: Uniform Consumer Credit Code www.osbckansas.org Kansas Mortgage Business Act www.osbckansas.org Loan Brokers Act www.securities.state.ks.us</p>
Kentucky	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers</p> <p>1) (a) It is unlawful for any person to transact business in this state, either directly or indirectly, as a mortgage loan company or mortgage loan broker if he is not licensed under this chapter and registered in accordance with KRS 294.255, unless that person is exempt under KRS 294.020 and, if required by KRS 294.020(3) to file a claim of exemption, has filed a claim of exemption and the filed claim of exemption has been allowed by the executive director.</p> <p>KRS § 294.030</p>	<p>Regulator: Office of Financial Institutions for mortgage lenders and brokers</p> <p>Links: http://www.kfi.ky.gov</p>
Louisiana	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders and Brokers</p> <p>A. Beginning January 1, 2000, no person shall engage in any residential mortgage lending activity in this state unless such person has first obtained a license in accordance with the provisions of this Chapter.</p> <p>LSA-R.S. 6:1086 (Louisiana Residential Mortgage Lending Act)</p> <p>(11) "Residential mortgage lending activity" means an activity, including electronic activity, engaged in for compensation or with the</p>	<p>Regulator: Office of Financial Institutions Louisiana Residential Mortgage Lending Act</p> <p>Links: http://www.ofi.state.la.us</p> <p>The Louisiana Residential Mortgage Lending Act is the primary law governing mortgage lenders and brokers. however it permits the parties to a consumer loan that is secured by a residential mortgage to make the loan subject to the</p> <p>Louisiana Consumer Credit Law licenses parties to be broker</p>

		<p>expectation of compensation in connection with a residential loan transaction, including the origination or funding of a residential mortgage loan and the negotiation and placement, or offering to negotiate, place, or find a residential mortgage loan for another person.</p> <p>LSA-R.S. 6:1083</p>	
Maine	<p>Yes, for Supervised Loans/ Yes for Brokers*</p> <p>It's called registration, but it is required prior to doing business. Therefore, "Yes."</p>	<p>Lenders Unless a person is a supervised financial organization or has first obtained a license pursuant to this Act from the administrator authorizing him to make supervised loans, he shall not engage in the business of:</p> <ol style="list-style-type: none"> 1. Making supervised loans; or 2. Taking assignments of and undertaking direct collection of payments from or enforcement of rights from an office in this State against debtors arising from supervised loans. <p>9-A M.R.S.A. § 2-301 ()</p> <p>Brokers § 10-201. Registration and annual re-registration</p> <p>A person desiring to engage or continue in business in this State as a credit services organization shall apply to the administrator for registration under this article on or before January 31st of each year. The application must be in a form prescribed by the administrator. The administrator may refuse the application if it contains erroneous or incomplete information.</p>	<p>Regulators: Bureau of Consumer Credit Protection for supervised lenders and loan brokers</p> <p>Links: http://janus.state.me.us/legis/statutes/9-A/title9-Asec9-201.html Consumer Credit Code- Supervised Lenders http://janus.state.me.us/legis/statutes/9-A/title9-Asec10-201.html Consumer Credit Code-Brokers</p>
Maryland	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers A person may not act as a mortgage lender unless the person is:</p> <ol style="list-style-type: none"> (1) A licensee; (2) A person exempted from licensing under this subtitle; or (3) A person registered under § 11-522 of this subtitle. <p>MD Code, Financial Institutions, § 11-504</p> <p>(j) (1) "Mortgage lender" means any person who:</p> <ol style="list-style-type: none"> (i) Is a mortgage broker; (ii) Makes a mortgage loan to any person; or (iii) 1. Engages in whole or in part in the business of servicing mortgage loans for others; or 	<p>Regulator: Commissioner of Financial Regulation</p> <p>Links: http://www.dlr.state.md.us/finance/ Mortgage Lender Law http://www.dlr.state.md.us/finance/ Mortgage Originator Law</p>

		<p>2. Collects or otherwise receives payments on mortgage loans directly from borrowers for distribution to any other person.</p> <p>(2) "Mortgage lender" does not include:</p> <p>(i) A financial institution that accepts deposits and is regulated under Title 3, Title 4, Title 5, or Title 6 of this article;</p> <p>(ii) The Federal Home Loan Mortgage Corporation;</p> <p>(iii) The Federal National Mortgage Association;</p> <p>(iv) The Government National Mortgage Association; or</p> <p>(v) Any person engaged exclusively in the acquisition of all or any portion of a mortgage loan under any federal, State, or local governmental program of mortgage loan purchases.</p> <p>MD Code, Financial Institutions, § 11-501</p>	
Massachusetts	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers</p> <p>No person shall act as a mortgage broker or mortgage lender with respect to residential property unless first obtaining a license from the commissioner; provided, however, that any person who is employed by or associated with a licensed mortgage broker or mortgage lender in the capacity of a mortgage broker or mortgage lender under the direction of said licensed mortgage broker or mortgage lender shall not be required to obtain such license.</p> <p>M.G.L.A. 255E § 2</p>	<p>Regulator: Division of Banks of Office of Consumer Affairs</p> <p>Links: http://www.mass.gov/dob</p> <p>Mortgage Lender and Broker Laws</p>
Michigan	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders/brokers first mortgages</p> <p>Sec. 2. (1) A person shall not act as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registering under this act, unless 1 or more of the following apply:</p> <p>(a) The person is solely performing services as an employee of only 1 mortgage broker, mortgage lender, or mortgage servicer.</p> <p>(b) The person is exempted from the act under section 25.</p> <p>(c) The person is licensed as a class I licensee under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072.</p> <p>M.C.L.A. 445.1652</p> <p>Sec. 2. (1) Except for a person licensed under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, a depository financial institution, or an exclusive broker, a person shall not act as a broker, lender, or servicer without first obtaining a license or registration as provided by this act.</p>	<p>Regulator: Office of Financial & Insurance Services</p> <p>Links: http://www.michigan.gov/cis/0%2C1607%2C7-154-10555---%2C00.html</p> <p>Mortgage Brokers, Lenders, and Servicers Licensing Act</p> <p>http://www.michigan.gov/cis/0%2C1607%2C7-154-10555---%2C00.html</p> <p>Secondary Mortgage Loan Act</p> <p>MI has 2 laws: first covers brokers, lenders and servicers of first mtg: (Mortgage Brokers, Lenders, and Servicers Licensing Act)</p> <p>second covers brokers, lenders and servicers of junior liens: (The Secondary Mortgage Loan Act)</p> <p>Do not license individual loan originators</p> <p>Risk-based exams only; not enough staff to do more exams</p> <p>Would like to define "mortgage fraud" for both criminal and civil matters (like Ga)</p>

Minnesota	Lenders: Yes Brokers: Yes	<p>Lenders & Brokers</p> <p>(a) Beginning August 1, 1999, no person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter. M.S.A. § 58.04</p> <p>"Residential mortgage originator" means a person who, directly or indirectly, for compensation or gain or in expectation of compensation or gain, solicits or offers to solicit, or accepts or offers to accept an application for a residential mortgage loan through any medium or mode of communication from a borrower, or makes a residential mortgage loan. "Residential mortgage originator" includes a lender as defined in subdivision 11 and a broker as defined in subdivision 13. M.S.A. § 58.02</p>	<p>Regulator: Department of Commerce</p> <p>Links: http://www.commerce.state.mn.us Minnesota Residential Mortgage Originator and Servicer Licensing Act</p>
Mississippi	Lenders: Yes Brokers: Yes	<p>Lenders & Brokers</p> <p>(1) On and after July 1, 2000, no person or natural person shall transact business in this state, directly or indirectly, as a mortgage company unless he or she is licensed or registered as a mortgage company by the department or is a person exempted from the licensing requirements under Section 81-18-5. Miss. Code Ann. § 81-18-7 ()</p> <p>(m) "Mortgage company" means any person or entity who directly, indirectly or by electronic activity, solicits, places or negotiates mortgage loans for others, or offers to solicit, place or negotiate mortgage loans for others. Unless indicated otherwise, the use of the word "company" in this chapter means "mortgage company" as defined in this paragraph (m). Miss. Code Ann. § 81-18-3</p>	<p>Regulator: Department of Banking & Consumer Affairs</p> <p>Links: www.dbcf.state.ms.us</p> <p>Mississippi Mortgage Consumer Protection Law</p>
Missouri	Lenders: Yes Brokers: Yes	<p>Lenders & Brokers</p> <p>No person shall engage in the business of brokering, funding, originating, servicing or purchasing of residential mortgage loans without first obtaining a license from the director, pursuant to sections 443.800 to 443.893 and the regulations promulgated thereunder. V.A.M.S. 443.805</p>	<p>Regulator: Division of Finance</p> <p>Links: http://www.missouri-finance.org/ Residential Mortgage Broker License Act</p>
Montana	Lenders: Yes (as of January 1, 2008) Brokers: Yes	<p>(2) A mortgage banker who provides services for a fee as an intermediary between a borrower and a lender in obtaining financing for a borrower that is to be secured by a residential dwelling for between one and four</p>	<p>Regulator: Division of Finance and Banking Institutions</p> <p>Links: http://www.discoveringmontana.com/doa/banking Consumer Loan Act</p>

		families is acting as a mortgage broker and must be licensed as a mortgage broker. MT ST 32-9-102 ()	http://www.discoveringmontana.com/doa/banking Mortgage Broker and Loan Originator Licensing Act
Nebraska	Lenders: Yes Brokers: Yes	(1) No person shall act as a mortgage banker or use the title mortgage banker in this state unless he, she, or it is licensed or has registered with the department as provided in the Mortgage Bankers Registration and Licensing Act or is licensed under the Nebraska Installment Loan Act. NE ST § 45-705 (6) Mortgage banker means any person not exempt under section 45-703 who, for compensation or gain or in the expectation of compensation or gain, directly or indirectly makes, originates, services, negotiates, acquires, sells, arranges for, or offers to make, originate, service, negotiate, acquire, sell, or arrange for ten or more mortgage loans in a calendar year NE ST § 45-702	Regulator: Department of Banking & Finance Links: http://www.ndbf.org Mortgage Bankers Registration and Licensing Act http://www.ndbf.org Installment Loan Act
Nevada	Lenders: Yes Brokers: Yes	Lenders: It is unlawful for any person to offer or provide any of the services of a mortgage banker or otherwise to engage in, carry on or hold himself out as engaging in or carrying on the business of a mortgage banker without first obtaining a license as a mortgage banker pursuant to this chapter, unless the person: 1. Is exempt from the provisions of this chapter; and 2. Complies with the requirements for that exemption. N.R.S. 645E.900 () Brokers: 1. A license as a mortgage broker entitles a licensee to engage only in the activities authorized by this chapter. N.R.S. 645B.035	Regulator: Mortgage Lending Division Links: http://www.mld.nv.gov/ Mortgage Banker Act and Mortgage Broker Act
New Hampshire	Lenders: Yes Brokers: Yes	Lenders & Brokers 397-A:3 License Required. Any person not exempt under RSA 397-A:4 that, in its own name or on behalf of other persons, engages in the business of making or brokering mortgage loans secured by real property located in this state shall be required to obtain a license from the department. Persons licensed as mortgage bankers may engage in the mortgage broker business without obtaining a separate license. NH LEGIS 255 (2005)	Regulator: Banking Department Links: http://webster.state.nh.us/banking/index.html Nondepository Mortgage Lenders and Brokers Act

<p>New Jersey</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers a. No person shall act as a mortgage banker or mortgage broker, engage in the secondary mortgage loan business or engage in the consumer loan business without first obtaining a license under this act, except that a person licensed as a mortgage banker may act as a mortgage broker or mortgage solicitor, and a person licensed as a mortgage broker may act as a mortgage solicitor. N.J.S.A. 17:11C-3</p>	<p>Regulator: Office of Consumer Finance, Department of Banking and Insurance Links: http://www.state.nj.us/dobi/index.html Licensed Lenders Act</p>
<p>New Mexico</p>	<p>Lenders: Yes Brokers: Yes It's called registration, but it is required prior to doing business. Therefore, "Yes."</p>	<p>Lenders & Brokers: It is unlawful for any person to transact business in the state of New Mexico, either directly or indirectly, as a mortgage loan company or loan broker without first filing an application with the director and obtaining a registration certificate under the Mortgage Loan Company and Loan Broker Act. N. M. S. A. 1978, § 58-21-3</p>	<p>Regulator: Financial Institutions Division Links: www.RLD.state.nm.us/FID Mortgage Loan Company and Loan Broker Act</p>
<p>New York</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: (a) No person, partnership, association, corporation or other entity shall engage in the business of making five or more mortgage loans in any one calendar year without first obtaining a license from the superintendent in accordance with the licensing procedure provided in this article and such regulations as may be promulgated by the banking board or prescribed by the superintendent. The licensing provisions of this subdivision shall not apply to any exempt organization nor to any entity or entities which shall be exempted in accordance with regulations promulgated by the banking board hereunder. McKinney's Banking Law § 590 ()</p>	<p>Regulator: Banking Department Links: www.banking.state.ny.us</p>
<p>North Carolina</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: (a) Other than an exempt person, it is unlawful for any person in this State to act as a mortgage broker or mortgage banker, or directly or indirectly to engage in the business of a mortgage broker or a mortgage banker, without first obtaining a license from the Commissioner under the provisions of this Article. NC LEGIS 2005-316 (2005)</p>	<p>Regulator: Commissioner of Banks Links: http://www.nccob.com</p>
<p>North Dakota</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: Except as otherwise herein provided, a person other than a money broker licensed and authorized under this chapter may not provide loans or leases as a form of financing, or advertise or solicit either in print, by letter, in</p>	<p>Regulator: Department of Financial Institutions Links: http://www.state.nd.us/dfi/ Money Brokers Act</p>

		<p>person, or otherwise in North Dakota, the right to find lenders or provide loans or leases for persons or businesses desirous of obtaining funds for any purposes.</p> <p>ND ST 13-04.1-02 ()</p>	
<p>Ohio</p>	<p>Lenders: Yes for table funding brokers in connection with first lien loans, and Yes in connection with subordinate lien loan transactions./</p> <p>Brokers: Yes, It's called registration, but it is required prior to doing business. Therefore, "Yes."</p>	<p>Lenders & Brokers:</p> <p>(A)(1) No person, on the person's own behalf or on behalf of any other person, shall act as a mortgage broker without first having obtained a certificate of registration from the superintendent of financial institutions for every office to be maintained by the person for the transaction of business as a mortgage broker in this state. A registrant shall maintain an office location in this state for the transaction of business as a mortgage broker in this state.</p> <p>R.C. § 1322.02 ()</p> <p>(G) "Mortgage broker" means any of the following:</p> <p>(1) A person that holds that person out as being able to assist a buyer in obtaining a mortgage and charges or receives from either the buyer or lender money or other valuable consideration readily convertible into money for providing this assistance;</p> <p>(2) A person that solicits financial and mortgage information from the public, provides that information to a mortgage broker, and charges or receives from the mortgage broker money or other valuable consideration readily convertible into money for providing the information;</p> <p>(3) A person engaged in table-funding or warehouse-lending mortgage loans that are first lien mortgage loans.</p> <p>R.C. § 1322.01 ()</p> <p>(A)(1) No person, on that person's own behalf or on behalf of any other person, shall do either of the following without having first obtained a certificate of registration from the division of financial institutions:</p> <p>(a) Advertise, solicit, or hold out that the person is engaged in the business of making loans secured by a mortgage on a borrower's real estate which is other than a first lien on the real estate;</p> <p>(b) Engage in the business of lending or collecting the person's own or another person's money, credit, or choses in action for such loans.</p> <p>R.C. § 1321.52 ()</p>	<p>Regulator: Division of Financial Institutions</p> <p>Links:</p> <p>Second Mortgage Security Loans Act http://www.com.state.oh.us/dfi/default.htm</p> <p>Mortgage Broker Act http://www.com.state.oh.us/dfi/default.htm</p>

<p>Oklahoma</p>	<p>Lenders: Yes, (generally as well as in connection with making supervised loans) Brokers: Yes</p>	<p>Lenders & Brokers: Unless exempt from licensure under the Mortgage Broker Licensure Act, a person may not engage in the business of a mortgage broker without first obtaining and maintaining a license under the Mortgage Broker Licensure Act. However, a person who independently contracts with a licensed mortgage broker to perform mortgage broker services need not be licensed if the licensed mortgage broker and the independent contractor have on file with the Administrator of Consumer Credit a binding written agreement under which the licensed mortgage broker assumes responsibility for the independent contractor's violations of any provision of this act or rules promulgated pursuant to the provisions of the Mortgage Broker Licensure Act.</p> <p>59 Okl.St. Ann. § 2084 ()</p> <p>11. "Mortgage broker" means any person who is not exempt under Section 2083 of this title and who for compensation or in the expectation of compensation either directly or indirectly makes, negotiates or offers to make or negotiate a residential mortgage loan;</p> <p>59 Okl.St. Ann. § 2082 ()</p> <p>(1) Unless a person is a supervised financial organization or has first obtained a license from the Administrator authorizing the person to make supervised loans, a person shall not engage in the business of:</p> <p>(a) making supervised loans; or (b) taking assignments and undertaking direct collection of payments from or enforcement of rights against debtors arising from supervised loans.</p> <p>14A Okl.St. Ann. § 3-502 ()</p>	<p>Regulator: Department of Consumer Credit</p> <p>Links: Mortgage Broker Licensure Act http://www.okdccc.state.ok.us Uniform Consumer Credit Code http://www.okdccc.state.ok.us</p>
<p>Oregon</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: (1) It is unlawful for any person to engage in residential mortgage transactions in this state as a mortgage banker or mortgage broker unless the person is licensed under ORS 59.840 to 59.980. A person who is a mortgage banker or mortgage broker under ORS 59.840, but who does not engage in residential mortgage transactions in this state, is not required to obtain a license under ORS 59.840 to 59.980.</p> <p>O.R.S. § 59.845</p>	<p>Regulator: Division of Finance and Corporate Securities of Department of Business and Consumer Services</p> <p>Links: http://www.Oregondfcs.org/ Oregon Mortgage Lender Law</p>

<p>Pennsylvania</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: (a) License required.--On and after the effective date of this act, no person shall act as a mortgage banker, loan correspondent, mortgage broker or limited mortgage broker in this Commonwealth without a license as provided for in this chapter, provided, however, that any person licensed as a mortgage banker may also act as a loan correspondent or mortgage broker and any person licensed as a loan correspondent may also act as a mortgage broker without a separate license. A person licensed as a mortgage broker may only perform the services of a mortgage broker.</p> <p>Secondary Loan Brokers:</p> <p>63 P.S. § 456.302 (2) No person shall engage in the business of being a secondary mortgage loan broker until after first obtaining a license from the secretary in accordance with the provisions of this act.</p> <p>7 P.S. § 6603</p>	<p>Regulator: Department of Banking</p> <p>Links: http://www.banking.state.pa.us Mortgage Bankers and Brokers and Consumer Equity Protection Act http://www.banking.state.pa.us Secondary Mortgage Loan Act</p>
<p>Rhode Island</p>	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: No person shall engage within this state in the business of: (1) making or funding loans or acting as a lender or small loan lender; (2) brokering loans or acting as a loan broker; (3) selling checks for a fee or other consideration; (4) cashing checks for a fee or other consideration which includes any premium charged for the sale of goods in excess of the cash price of the goods; (5) providing electronic money transfers for a fee or other consideration; or (6) providing debt management plan(s) without first obtaining a license from the director or the director's designee.</p> <p>RI ST § 19-14-2</p>	<p>Regulator: Department of Business Regulation</p> <p>Links: www.dbr.state.ri.us General Laws Licensed Activities Act</p>
<p>South Carolina</p>	<p>Lenders: Yes, in connection with Supervised Loans Brokers: Yes</p>	<p>Lenders: Unless a person is a supervised financial organization or has first obtained a license from the State Board of Financial Institutions authorizing him to make supervised loans, he shall not engage in the business of (1) making supervised loans, or (2) taking assignments of and undertaking direct collection of payments from or enforcement of rights against debtors arising from supervised loans.</p> <p>Code 1976 § 37-3-502 ()</p> <p>Brokers: Section 40-58-30. (A) A mortgage broker, as defined in Section 40-58-20(3), or an</p>	<p>Regulator: Department of Consumer Affairs for Brokers</p> <p>Regulator: State Board of Financial Institutions (for second mortgages)</p> <p>Links: http://www.sccoconsumer.gov Consumer Protection Code http://www.sccoconsumer.gov Licensing Requirements Act of Certain Brokers of Mortgages on Residential Real Property</p>

		<p>originator, as defined in Section 40-58-20(14), may not engage in the business of processing, placing, or negotiating a mortgage or offering to process, place, or negotiate a mortgage in this State without first being licensed with the administrator.</p> <p>SC LEGIS 7 (2005)</p>	
South Dakota	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders & Brokers: Any person who engages in the business of a mortgage banker or mortgage broker shall obtain an original license to engage in such business under the terms and conditions of this chapter, shall apply therefor under oath, on forms prescribed by the division, and shall pay an original, nonrefundable license fee as set by rules of the commission promulgated pursuant to chapter 1-26.</p> <p>SDCL. § 54-14-2</p>	<p>Regulator: Division of Banking</p> <p>Links: http://www.state.sd.us/banking Mortgage Lender Business Statute</p>
Tennessee	<p>Lenders: Yes Brokers: Yes</p>	<p>Lenders and Brokers: (a) No person shall act as a mortgage lender, mortgage loan broker, mortgage loan servicer, or mortgage loan originator in this state without first complying with the applicable licensing or registration requirements under this chapter; provided, however, that no contractor or home improvement contractor or other person who supplies materials and renders services in the improvement of real property shall engage in the business of making mortgage loans or of being a mortgage loan servicer or mortgage loan broker in this state.</p> <p>T. C. A. § 45-13-103</p>	<p>Regulator: Department of Financial Institutions</p> <p>Links: http://www.state.tn.us/financialinst Residential Lending, Brokerage and Servicing Act of 1988</p>
Texas	<p>Lenders: Yes, under the Mortgage Banker Registration Act and/or Chapter 342 of the Texas Finance Code, as applicable Brokers: Yes</p>	<p>Lenders: (a) A person must register under this chapter before the person may conduct the business of a mortgage banker in this state, unless the person is exempt under this section or Section 157.004. V.T.C.A., Finance Code § 157.003 ()</p> <p>Brokers: (a) A person may not act in the capacity of, engage in the business of, or advertise or hold that person out as engaging in or conducting the business of a mortgage broker in this state unless the person holds an active mortgage broker license or is exempt under Section 156.202.</p> <p>V.T.C.A., Finance Code § 156.201</p>	<p>Regulator: Department of Savings and Mortgage Lending</p> <p>Office of Consumer Credit Commissioner</p> <p>Links: http://www.sml.state.tx.us Mortgage Banker Registration Act http://www.sml.state.tx.us Mortgage Broker License Act http://www.occ.state.tx.us/ Secondary Mortgage Loan Act</p>

		<p>Consumer Loans:</p> <p>(a) A person must hold a license issued under this chapter to:</p> <p>(1) engage in the business of making, transacting, or negotiating loans subject to this chapter; or</p> <p>(2) contract for, charge, or receive, directly or indirectly, in connection with a loan subject to this chapter, a charge, including interest, compensation, consideration, or another expense, authorized under this chapter that in the aggregate exceeds the charges authorized under other law.</p> <p>V.T.C.A., Finance Code § 342.051 ()</p>	
Utah	<p>Lenders: Yes</p> <p>Brokers: Yes</p>	<p>(1) Unless exempt from this chapter under Section 61-2c-105, an individual or entity may not transact the business of residential mortgage loans, as defined in Section 61-2c-102, without obtaining a license under this chapter.</p> <p>U.C.A. 1953 § 61-2c-201</p> <p>(e)(i) "Business of residential mortgage loans" means for compensation to:</p> <p>(A) make or originate a residential mortgage loan;</p> <p>(B) directly or indirectly solicit, place, or negotiate a residential mortgage loan for another; or</p> <p>(C) render services related to the origination of a residential mortgage loan including:</p> <p>(I) taking applications; and</p> <p>(II) communicating with the borrower and lender.</p> <p>U.C.A. 1953 § 61-2c-102</p> <p>(1) Except as provided in Subsection (2), no person may engage in the business of making mortgage loans nor may any person engage in the business of being a mortgage loan broker or servicer, without first filing written notification with the department and paying the fees required by this chapter.</p> <p>U.C.A. 1953 § 70D-1-10</p>	<p>Regulator: Division of Real Estate of Department of Commerce</p> <p>Regulator: Department of Financial Institutions for second mortgages</p> <p>Links: http://www.commerce.utah.gov/dre_Utah Residential Mortgage Practices Act</p> <p>http://www.dfi.utah.gov Utah Consumer Credit Code</p>
Vermont	<p>Lenders: Yes</p> <p>Brokers: Yes</p>	<p>(a) No person shall without first obtaining a license under this chapter from the commissioner:</p> <p>(1) engage in the business of making loans of money, credit, goods or things in action and charge, contract for or receive on any such loan interest, a finance charge, discount or</p>	<p>Regulator: Department of Banking, Insurance, Securities and Health Care Administration</p> <p>Links: www.bishca.state.vt.us Licensed Lenders Act</p>

		<p>consideration therefor;</p> <p>(2) act as a mortgage broker; or</p> <p>(3) act as a sales finance company.</p> <p>VT ST T. 8 § 2201</p>	
Virginia	<p>Lenders: Yes</p> <p>Brokers: Yes</p>	<p>No person shall engage in business as a mortgage lender or a mortgage broker, or hold himself out to the general public to be a mortgage lender or a mortgage broker unless such person has first obtained a license under this chapter. However, subject to such conditions as the Commission may prescribe, an individual who is a bona fide employee or exclusive agent of a person licensed under this chapter may negotiate, place or find mortgage loans without being licensed as a mortgage broker.</p> <p>Va. Code Ann. § 6.1-410</p>	<p>Regulator: Bureau of Financial Institutions</p> <p>Mortgage Lender and Broker Act</p> <p>www.state.va.us/scc/division/banking</p>
Washington	<p>Yes, under the Mortgage Broker Practices Act or the Consumer Loan Act, as applicable.</p>	<p>(1) A person may not engage in the business of a mortgage broker, except as an employee of a person licensed or exempt from licensing, without first obtaining and maintaining a license under this chapter. However, a person who independently contracts with a licensed mortgage broker need not be licensed if the licensed mortgage broker and the independent contractor have on file with the director a binding written agreement under which the licensed mortgage broker assumes responsibility for the independent contractor's violations of any provision of this chapter or rules adopted under this chapter; and if the licensed mortgage broker's bond or other security required under this chapter runs to the benefit of the state and any person who suffers loss by reason of the independent contractor's violation of any provision of this chapter or rules adopted under this chapter.</p> <p>West's RCWA 19.146.200 ()</p> <p>(12) "Mortgage broker" means any person who for compensation or gain, or in the expectation of compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage loan.</p> <p>West's RCWA 19.146.010 ()</p> <p>No person may engage in the business of making secured or unsecured loans of money,</p>	<p>Regulator: Department of Financial Institutions</p> <p>First mtg lenders will come under the broad definition of "mortgage brokers" while second mtg lenders are covered by Consumer Loan Act</p> <p>Links:</p> <p>www.dfi.wa.gov _Mortgage Broker Practices Act</p>

		credit, or things in action at interest rates authorized by this chapter without first obtaining and maintaining a license in accordance with this chapter. West's RCWA 31.04.035 ()	
West Virginia	Yes	(a) No person shall engage in this state in the business of lender, broker or loan originator unless and until he or she shall first obtain a license to do so from the commissioner, which license remains unexpired, unsuspended and unrevoked, and no foreign corporation shall engage in business in this state unless it is registered with the secretary of state to transact business in this state. W. Va. Code, § 31-17-2	Regulator: Division of Banking Links: www.wvdob.org Regulation of Mortgage Brokers, Lenders, Servicers and Loan Originators Act www.wvdob.org Consumer Credit Protection Act
Wisconsin	Yes	(1m) Registration required. A person may not act as a mortgage banker, loan originator or mortgage broker, use the title "mortgage banker", "loan originator" or "mortgage broker", or advertise or otherwise portray himself or herself as a mortgage banker, loan originator or mortgage broker, unless the person has been issued a certificate of registration from the division. W.S.A. 224.72	Regulator: Department of Financial Institutions Links: www.wdfi.org Mortgage Bankers, Loan Originators and Mortgage Brokers Act
Wyoming	Yes	(a) With the exception of those persons exempt pursuant to W.S. 40-23-105, on and after July 1, 2005, no person shall engage in mortgage lending activities or mortgage brokering activities without first obtaining a license in accordance with this act. WY ST § 40-23-104	Regulator: Department of Banking Links: http://audit.state.wy.us/banking/ Residential Mortgage Practices Act http://audit.state.wy.us/banking/ Uniform Consumer Credit Code