



State of North Carolina


OFFICE OF THE COMMISSIONER OF BANKS

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COMMISSIONER OF BANKS

MEMORANDUM

To: All Registered Mortgage Loan Originators who are also Licensed by NCCOB

FROM: Molly B. Sheehan
Deputy Commissioner of Banks 

DATE: December 3, 2015

RE: Clarification for Registered Mortgage Loan Originators

As a follow up to my December 2nd memo, I wanted to provide further clarification regarding mortgage loan originator licensure.

In 2013, the General Assembly passed House [Bill 616 \(S.L. 2013-327\)](#) to enable any mortgage loan originator that is employed with an exempt entity, such as a bank, to obtain a **transitional mortgage loan originator license**. This was intended to allow such loan originators who leave an exempt entity to work for a non-exempt mortgage company without any down time, while they fulfill the licensure requirements to work for a non-exempt mortgage company.

While every effort was made to notify the industry of the legislative change, we discovered that there were still some loan originators that had sought licensure despite this change. We understand that some have applied for licensure when there is no state law requirement, in the event that they may decide to work for a non-exempt entity in the future.

My Dec. 2nd memo was intended to inform these individuals that they do not need a license to do so since the enactment of S.L. 2013-327 in 2013, which allows for a **transitional mortgage loan originator license**.

For example, if you are working as a mortgage loan originator for a bank, you are already registered on the federal level, and do not need to be licensed with the state of North Carolina as a mortgage loan originator. However, if you decide to work for a non-exempt mortgage company, you can apply for a transitional mortgage loan originator license and immediately work for the company, without having to first fulfill the educational and testing requirements of the NC SAFE Act. The transitional license gives you four months to fulfill any requirements while you continue working for your new employer. Once the requirements are met, you will

receive a full mortgage loan originator license. This should help reduce costs and burden on you.

We also would like to note that any continuing education that has been completed by these originators are good for three years, and the national test score is good for five years. Therefore, if you were to choose to leave the exempt entity to work for a non-exempt entity, those education credits and score would carry forward until the next renewal period in 2016.

As soon as we discovered that these individuals were unnecessarily licensed, we immediately wanted to notify them and return the payments that were made payable to our agency and NMLS for this renewal period.

I hope this provides some clarification. If you have any questions, please contact me directly at 919-715-6938, or the designated individuals below:

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Thank you.