



September, 2009

## **RESIDENTIAL MORTGAGE LOAN ORIGINATOR**

### **Professional Requirements Under SAFE<sup>1</sup>**

Texas House Bill 10 ("HB10"), the Texas Secure and Fair Enforcement for Mortgage Licensing Act of 2009, was enacted into law on June 19, 2009, in order to bring the mortgage licensing laws of the State of Texas into compliance with the federal *Secure and Fair Enforcement for Mortgage Lending Act of 2008* ("SAFE Act"). The SAFE Act requires all states to pass mortgage licensing laws and regulations that meet or exceed certain national standards. More information about the SAFE Act can be found at:

[http://www.csbs.org/AM/Template.cfm?Section=SAFE\\_Act](http://www.csbs.org/AM/Template.cfm?Section=SAFE_Act).

Under HB10, all individuals meeting the definition in the law of a residential mortgage loan originator (RMLO) must meet new licensing requirements that are in compliance with the SAFE Act.

**In order to comply with the new law, all individuals acting as residential mortgage loan originators must do the following:**

#### **NMLS form - MU4 filing with the Office of Consumer Credit Commissioner ("Texas OCCC")**

All individuals acting as a residential mortgage loan originator (RMLO) must have filed or file a Form MU4 through National Mortgage Licensing System (NMLS) with the Texas OCCC, beginning April, 2010.

#### **The SAFE Mortgage Loan Originator Test**

All mortgage loan originators must pass the SAFE Mortgage Loan Originator Test, which is comprised of two components: a National Component and a State Component. Residential mortgage loan originators must pass each Component with a score of 75% or higher.

##### **National Component**

Individuals acting as residential mortgage loan originators must pass the National Component before filing Form MU4 through NMLS.

If you have already passed the National Component of the SAFE Mortgage Loan Originator Test and your passing score is part of your RMLO record in NMLS, you will not need to take it again.

##### **State Component**

It is anticipated that the Texas OCCC State Component Test will be available to test takers mid-June 2010.

Individuals acting as residential mortgage loan originators must pass the Texas OCCC State Component before filing Form MU4 through NMLS.

#### **Pre-Licensure Education Requirements**

Residential mortgage loan originators must complete a minimum of 20 hours of pre-licensure education under HB10, before filing Form MU4 through NMLS.

<sup>1</sup> Requirements may be refined and dates adjusted as planning for transitioning to the NMLS advances.

If the residential mortgage loan originator has already satisfied 20 hours of NMLS approved education in any state or have had education certified by another state, you are not responsible for the above.

### **Continuing Education Requirements**

In order to renew their license for calendar year 2012 all residential mortgage loan originators must complete 8 hours of NMLS approved Continuing Education during calendar year 2011.

### **Background Check**

#### **Criminal History**

All individuals acting as residential mortgage loan originators must authorize a fingerprint background check through NMLS for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation when filing Form MU4 through NMLS. This requirement applies to all individuals, regardless of whether you are currently licensed in the state or if you have previously submitted fingerprints for licensure.

NMLS will implement a comprehensive process which includes electronic fingerprint capture with locations throughout the state. NMLS anticipates this functionality to be available in January 2010.

#### **Credit Report**

All residential mortgage loan originators must provide authorization to obtain a credit report through NMLS. Texas OCCC will review the credit report provided through the NMLS as part of its determination of financial responsibility for each residential mortgage loan originator.

Additional information and details relating to background checks will be posted at a later date.

### **Financial Requirements**

Every licensed residential mortgage loan originator must be covered under the state-managed State-Licensed Residential Mortgage Loan Originator Recovery Fund. Each residential mortgage loan originator must participate in the Recovery Fund and do so through fees collected during the licensing process.

### **Additional Information Resources**

For information and instructions regarding the Professional Requirements listed above and the National Mortgage Licensing System visit the NMLS Resource Center:

<http://www.stateregulatoryregistry.org/NMLS//AM/Template.cfm?Section=Home3>

In addition, the Texas OCCC website offers state-specific information as it becomes available. Visit the Texas OCCC Website:

<http://www.occc.state.tx.us/safe.html>

If you have specific questions, contact:

Division of Licensing  
[licensing@occc.state.tx.us](mailto:licensing@occc.state.tx.us)