

## MEMORANDUM

**DATE:** January 21, 2010

**TO:** N C Manufactured Housing Retailers

**FROM:** Hazel T. Stephenson  
Deputy Director of the Manufactured Building Division

**RE:** MORTGAGE LENDING LAW CHANGES AS A RESULT OF THE NC SAFE ACT

- Congress passed the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) in response to the meltdown in the mortgage industry.
- The SAFE Act requires ALL States to establish minimum standards for the licensing and regulation of mortgage loan officers (called “mortgage loan originators”), mortgage bankers, and mortgage brokers.
- In order to bring North Carolina’s mortgage lending laws into compliance with the new federal minimum standards, the General Assembly of North Carolina enacted the North Carolina secure and Fair Enforcement Mortgage Licensing Act (NC SAFE Act). As of July 31, 2009, the NC Commissioner of Banks Office has the responsibility of the issuance of the Mortgage Loan Originator license for any individual who:
  1. Takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan,
  2. Accepts or offers to accept applications for mortgage loans
  3. Solicits or offers to solicit a mortgage loan,
  4. Negotiates the terms or conditions of a mortgage loan, or
  5. Issued mortgage loan commitments or interest rate guarantee agreements to prospective borrowers.
- A salesperson is prohibited from doing the following without a mortgage loan originator license:
  1. Cannot solicit, request, or require a borrower to complete a mortgage loan application;
  2. Cannot fill out a mortgage loan application for a borrower;
  3. Cannot assist a borrower in the completion of a mortgage loan application;
  4. Cannot advise a borrower about mortgage rates or terms that may be available by a lender or broker; and
  5. Cannot pull a buyer’s credit report and geive them advice about which lenders may approve the borrower.

(over)

- A manufactured housing retailer salesperson may perform the purely administrative and clerical tasks of physically handling or transmitting to a licensed Mortgage Loan Originator on behalf of a prospective borrower an application and other forms completed by the prospective borrower. Upon the written request of a Mortgage Loan Originator and after a prospective borrower completes an application, a salesperson may pull and transmit a credit report with the application.

If you have questions concerning these requirements for licensing as a Mortgage Loan Originator or SAFE Act, you should contact Charlie Fields, of the Office of the N C Commissioner of Banks at (919) 733-3016.