



## Description



# VIRGINIA MORTGAGE LOAN ORIGINATOR LICENSE

### Definitions

A mortgage loan originator is defined as an individual who takes an application for or offers or negotiates the terms of a residential mortgage loan, as defined by the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E.).

S.A.F.E. defines a residential mortgage loan as any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent security interest on a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling.

A dwelling is a residential structure that contains 1 to 4 units, whether or not that structure is attached to real property. The term includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence.

### Who is required to have this license?

1. Individuals acting as mortgage loan originators who are employees or exclusive agents of licensed mortgage lender/brokers under Chapter 16.1 of Title 6.1 of the Code of Virginia.
2. Individuals, other than registered mortgage loan originators, acting as mortgage loan originators who are employees or exclusive agents of persons exempt from licensure under Chapter 16 of Title 6.1 of the Code of Virginia.
3. Individuals acting as mortgage loan originators who are not employees or exclusive agents of either persons licensed or exempt from licensing under Chapter 16, Title 6.1 of the Code of Virginia.

### Who does not need this license?

1. Any individual who only performs administrative or clerical tasks on behalf of a person licensed or exempt from licensing pursuant to the Virginia Mortgage Lender and Broker Act or on behalf of any individual licensed as a Virginia mortgage loan originator;
2. Licensed real estate brokers unless the person is compensated by the lender, a mortgage broker, or other mortgage loan originator;
3. Persons solely involved in extensions of credit relating to timeshare plans;
4. A registered mortgage loan originator. "Registered mortgage loan originator" means any individual who (i) meets the definition of mortgage loan originator and is an employee of (a) a depository institution, (b) a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or (c) an institution regulated by the Farm Credit Administration, and (ii) is registered with, and maintains a unique identifier through, the Registry;
5. Any individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member;
6. A licensed attorney who negotiates the terms of a residential mortgage loan as an incident to representing a client unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator;
7. An individual performing certain activities as an employee of a mortgage loan servicer.

## **Who must submit application Form MU4 through the NMLS?**

Each individual mortgage loan originator must submit Form MU4 through NMLS.

### **License Prerequisites at Glance:**

1. Surety bond (see details below)
2. Fingerprint cards and satisfactory criminal background check through NMLS
3. Pre-license educational certification through NMLS
4. A passing score on the national and state mortgage test through NMLS
5. A finding of financial responsibility, character and general fitness, including a satisfactory credit report

### **NMLS functionality for certain prerequisites**

At the time you submit the application for a mortgage loan originator license, the NMLS system might not be able to perform certain functions, such as criminal background checks and credit reports. However, follow the NMLS application instructions and submit the application as soon as possible. The Bureau will designate the status of the application as "Pending -Incomplete" and proceed with the investigation of the application. At the time the required information becomes available from NMLS, the Bureau should be ready to complete the application process.

## **What must I do or send outside the NMLS to apply for a Virginia Mortgage Loan Originator License?**

### **Disclosure Questions**

For each "yes" answer in the Disclosure Question section of Form MU4, provide details of all events or proceedings in an attachment. Refer to the explanation of terms section of the instructions in NMLS.

### **Surety Bond**

There are two types of surety bond forms in Virginia, form CCB-8813 and form CCB-8814. These surety bond forms will replace surety bond form CCB-8802 which is used by licensed mortgage lender/brokers.

Individuals wishing to obtain a mortgage loan originator's license who are employees or exclusive agents of mortgage lender/brokers licensed or exempt from licensing pursuant to the Virginia Mortgage Lender and Broker Act will be covered by surety bond form CCB-8813. Each employer, including a sole proprietor whether or not he employs other loan originators, must obtain surety bond CCB-8813, as prescribed by Virginia regulation and submit it to Virginia within 5 days from the filing of a mortgage loan originator's application through NMLS. If an employer has submitted the surety bond CCB-8813 on a previous filing and the bond remains in force, it is not necessary to file a new bond.

Individuals wishing to obtain a mortgage loan originator's license that are not employees or exclusive agents of mortgage lender/brokers licensed or exempt from licensing pursuant to the Virginia Mortgage Lender and Broker Act and are themselves exempt from licensing under the Mortgage Lender and Broker Act, must obtain and submit surety bond CCB-8814 within 5 days from filing the application through NMLS.

Independent contractors taking loan applications or offering or negotiating terms of a residential mortgage must obtain a mortgage broker's license and a mortgage loan originator's license. These individuals will file surety bond CCB-8813 which will cover the bonding requirement for both licenses.

The surety must be an insurance company authorized to execute such bond in Virginia and must be accompanied by a power of attorney authorizing an agent to execute such bond. The surety bond forms can be downloaded from the Checklist (New Application Jurisdiction-Specific Requirements).

The following table establishes the amount of the surety bond required to be filed on behalf of mortgage loan originator applicants. In most instances the amount of the surety bond will be based on the volume of loans brokered, made or originated during the preceding calendar year by the entity or individual filing the bond.

REQUIRED SURETY BOND AMOUNT

LOAN VOLUME	BOND AMOUNT
\$0 - \$5,000,000	\$25,000
\$5,000,001 - \$20,000,000	\$50,000
\$20,000,001 - \$50,000,000	\$75,000
\$50,000,001 - \$100,000,000	\$100,000
over \$100,000,000	\$150,000

The surety bond amount for a person, filing a bond on behalf of a mortgage loan originator applicant, that was not conducting a mortgage lending or brokering business or performing business as a mortgage loan originator during the previous calendar year is \$25,000.

For persons licensed under Chapter 16 of Title 6.1 of the Code of Virginia (Virginia Mortgage Lender and Broker Act) as a mortgage lender or a mortgage lender AND broker, the minimum amount for the surety bond is \$50,000. Submitting surety bond CCB-8813 in the appropriate amount will meet Virginia Mortgage Lender and Broker Act requirements as well as mortgage loan originator bond requirements.

**Employment Verification**

Each employer must complete the employment verification form for each employee or exclusive agent applying for a MLO license. This form is not applicable for self-employed individuals who are not exclusive agents.

**Mortgage Business Verification Form**

Any entity or individual required to file surety bond form CCB-8813 or CCB-8814 in connection with an application for a mortgage loan originator license must complete the business certification form CCB-8816. This form will assist in determining the amount of the surety bond.