

CHAPTER 161

MORTGAGE LOAN ORIGINATORS

10 VAC 5-161-10. Definitions.

The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Bureau" means the State Corporation Commission's Bureau of Financial Institutions.

"Licensee," "mortgage loan originator," "person," "registered mortgage loan originator," "registry," "residential mortgage loan," and "unique identifier" shall have the meanings ascribed to them in § 6.1-431.1 of the Code of Virginia.

10 VAC 5-161-20. Individuals subject to licensure.

A. On or after July 1, 2010, the following individuals must obtain a license:

1. Individuals acting as mortgage loan originators who are employees or exclusive agents of persons licensed under Chapter 16 (§ 6.1-408 et seq.) 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 (§ 6.1-408 et seq.) of Title 6.1 of the Code of Virginia; and
3. Individuals acting as mortgage loan originators who are not employees or exclusive agents of either persons licensed under Chapter 16 (§ 6.1-408 et seq.) of Title 6.1 of the Code of Virginia or exempt from such licensure.

B. Individuals who are coemployees of professional employer organizations or staffing services shall be deemed to be employees of the client company.

10 VAC 5-161-30. License application procedure.

A. Applications for a mortgage loan originator license shall be made through the registry in accordance with instructions from the registry and the bureau. In connection with such applications, the individual seeking a license shall furnish the registry all required information concerning his identity, personal history and experience, and fingerprints, and shall pay or cause to be paid through the registry required registry fees and an application fee of \$150.

B. Within five days after submitting an application for a mortgage loan originator license with the registry, a bond with corporate surety on a commission-approved form and in an amount conforming to 10 VAC 5-161-50 shall be filed with the bureau, together with such further information as the bureau may require concerning the applicant's qualifications for licensure. In the case of individuals described in 10 VAC 5-161-20 A 1 and 2, the bond shall be filed (or documentation shall be filed indicating that the applicant is covered by a bond previously filed) by the person for whom the applicant will perform mortgage loan origination services. Filing of a bond under this subsection by a person licensed under Chapter 16 (§ 6.1-408 et seq.) of Title 6.1 of the Code of Virginia shall constitute compliance with § 6.1-413 of the Code of Virginia if the bond is in the amount required under § 6.1-413 of the Code of Virginia. In the case of individuals described in 10 VAC 5-161-20 A 3, the bond shall be filed by the individual applicant. In either case the person filing the bond shall, unless such information is contained in a prior filing under Chapter 16 of Title 6.1 of the Code of Virginia, simultaneously provide information to the bureau concerning his or its dollar volume of residential mortgage loans originated during the immediately preceding calendar year.

C. If the bureau requests information to complete a deficient application and the information is not received within 60 days of the bureau's request, the application shall be deemed abandoned unless a request for an extension of time is received and approved by the bureau prior to the expiration of the 60-day period.

10 VAC 5-161-40. Conditions of licensure and renewals.

A. A mortgage loan originator license will be granted only if the individual meets the following conditions:

1. Application is made in accordance with 10 VAC 5-161-30;
2. The individual has obtained a unique identifier from the registry;
3. The individual has never had a mortgage loan originator license revoked by any governmental authority;
4. The individual's criminal history record contains no disqualifying convictions under § 6.1-431.8 of the Code of Virginia;
5. The individual has completed the prelicensing education prescribed by § 6.1-431.9 of the Code of Virginia.
6. The individual has achieved an acceptable score on the qualified written test prescribed by § 6.1-431.10 of the Code of Virginia; and
7. The individual possesses the financial responsibility, character, and general fitness required for licensure by § 6.1-431.7 of the Code of Virginia.

B. Licenses shall be subject to renewal each calendar year unless granted within 90 days before the end of the preceding calendar year. In order to renew a license, a licensee must renew through the registry on or before the end of the current license year in accordance with instructions from the registry and the bureau. The licensee shall

furnish the registry and the bureau all required information and documentation and shall pay or cause to be paid through the registry all required registry fees and a license renewal fee of \$100.

C. A mortgage loan originator license will be renewed only if the licensee meets the following conditions:

1. License renewal application is made in accordance with subsection B of this section;
2. The licensee continues to meet the conditions for initial licensure; and
3. The licensee has obtained the continuing education prescribed in § 6.1-431.11 of the Code of Virginia.

D. If a licensee fails to timely meet the conditions specified in subsection C of this section, but meets such conditions before March 1 of a renewal year and pays a reinstatement fee of \$30, his license will be reinstated.

10 VAC 5-161-50. Surety bond amount.

The surety bond amount required to be filed and maintained by or on behalf of the licensee shall be set and adjusted as necessary annually by the bureau in accordance with the following scale, based upon residential mortgage loans originated during the preceding calendar year:

LOANS	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

10 VAC 5-161-60. Required reports and notices.

A. On or before March 1 of each year, each person for whom an individual described in 10 VAC 5-161-20 A 1 or 2 performs services shall file an annual report with the bureau stating the amount of residential mortgage loans made or brokered during the preceding calendar year, identifying all licensees performing services for that person, and providing such additional information as the bureau may require. Timely filing of the annual report required by Chapter 16 (§ 6.1-408 et seq.) of Title 6.1 of the Code of Virginia by a person licensed under that chapter shall constitute compliance with this subsection by that person if the annual report contains the information specified in this subsection.

B. On or before March 1 of each year, each licensee who is an individual described in 10 VAC 5-161-20 A 3 shall file an annual report with the bureau stating the amount of residential mortgage loans originated during the preceding calendar year and providing such additional information as the bureau may require.

C. Each licensee shall give notice to the bureau, either directly for a notice under subdivision 1 of this subsection or through the registry for other notices required by this section, within 15 days after the occurrence of any of the following events:

1. Cessation of activities for which a license is required, upon receipt of which notice the individual's license will be placed in inactive status and the individual shall not engage in activities requiring licensure under this chapter until such time as the individual meets the description in 10 VAC 5-161-20 A 1, 2, or 3 and other provisions of this chapter;
2. Termination of employment or exclusive agency as a mortgage loan originator for a person licensed or exempt from licensing under Chapter 16 of Title 6.1 of

the Code of Virginia, upon receipt of which notice the individual's license will be placed in inactive status and the individual shall not engage in activities requiring licensure under this chapter until such time as the individual meets the description in 10 VAC 5-161-20 A 1, 2, or 3 and other provisions of this chapter;

3. Commencement of employment or exclusive agency as a mortgage loan originator for a new person licensed or exempt from licensing under Chapter 16 of Title 6.1 of the Code of Virginia, in which event the new person shall comply with the surety bond filing requirements of 10 VAC 5-161-30 B and 10 VAC 5-161-50; or

4. Surrender of a license, in which case the licensee shall mail his license to the bureau immediately upon giving notice of surrender of the license.