



Mortgage Loan
**Originator in North
Carolina**



Introducing a Career as a Mortgage Loan Originator in North Carolina

Mortgage Loan Originators, or MLOs, are an integral component of real estate sales, and a fantastic career opportunity to consider. In this booklet we will provide an overview of the job description, responsibilities, projected salary, and job potential, as well as how to get started on your path towards your new career as a mortgage loan originator.



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What is the role of a Mortgage Loan Originator?

Let's have a look at the role of a mortgage loan originator.

A MLO works to help those buyers that will need to borrow money, in the form of a mortgage, in order for them to purchase real estate. The MLO helps their borrowers to start the process by completing their mortgage application, and all the way through the closing of their finalised loan.

In order to do this, the MLO helps to gather the borrower's financial information (including credit reports and proof of employment). They then use this financial information to assess the needs of the borrower, and advise them on the mortgage options available to them. They also work to negotiate the best possible mortgage terms and interest rates for the applicants.

The MLO takes all of the data they have gathered for the borrower, and then educates them about their available options. This includes detailing various loan options available to the borrower, and the exact terms for each option in consideration.

Finally, the MLO submits the application with the finalised terms to their mortgage underwriters, serving as a liaison between the borrower and lender to ensure that the mortgage is ready for the date of closing.

They work to coordinate the loan for closing with the borrowers, the agents involved in the sale, and any applicable escrow accounts. It is important to note that as a liaison, a mortgage loan originator is not the one responsible for the approval of the final mortgage loan, nor the amount of that loan. That is the role of the underwriting department.

Average Salaries

Now that we know what a mortgage loan originator does, let's explore what you can expect in this career.

How about the potential for a high-earning income? Most MLOs receive a commission on any loans they originate. The size of the commission and how it is calculated differs for each financial institution. Larger banks tend to pay their MLOs a salary, plus a small percentage of the final mortgage amount. Smaller banks may pay a salary plus a percentage of the final mortgage amount.

According to Salary.com, MLOs in North Carolina bring home around \$78,357 a year on average. This is on par with the national average, and is a sector showing steady job security and growth. As can be expected, different locations throughout North Carolina do vary from the overall average.

Employment Options

In addition to high-earning potential, a benefit of working in the mortgage industry as a Mortgage Loan Originator is the option of workplaces available to you.

MLOs are commonly found working in banks or credit unions, large and small mortgage firms, and even as real estate agents! Like Real Estate Agents, MLOs also have the option of working independently and opening their own mortgage firm. In opening your own mortgage firm, your earning potential truly becomes limitless, with the potential to bring home a six-figure income!

In North Carolina, you have the option to legally fulfill the role of real estate agent in addition to also operating as their MLO, as long as the client is not pursuing an FHA or VA loan. In this scenario, you would receive a commission on the sale as the agent, and a commission from the execution of the mortgage. It's a win win!



Application and Education Requirements

As with any sort of professional license, a mortgage loan originator must fulfil certain requirements to successfully apply for and be granted licensure. These include education hours, character assessment, and successfully passing the licensing exam. But what exactly are all of these requirements?

In this section we will explore the course requirements for MLOs in North Carolina.

General Requirements

Let's start with the general requirements to apply for a mortgage loan originator license in North Carolina. You will need to be at least 18 years old to apply. Next, you will need to make sure that you have completed the 24-hours of required pre-licensing education. It's important to note that you will need to remember that these course hours expire three years after completion. Such being the case, you will need to make sure to complete and submit your application within three years of passing the pre-licensing courses.

Finally, you will need to take and pass the National Mortgage Loan Originator's Exam, with Uniform State Content as required by the SAFE Act. The Secure And Fair Enforcement Mortgage Licensing Act, also known as the SAFE Act is The objectives of the SAFE Act include aggregating and improving the flow of information to and between regulators, providing increased accountability and tracking of MLOs, enhancing consumer protections, supporting anti-fraud measures, and providing consumers with easily accessible information at no charge regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against MLOs. In short, the SAFE Act makes sure that the consumer is protected from predatory lending and unlicensed mortgage officers, thereby guaranteeing that the buyer is fully aware of the terms of the loans they agree to, and that they are made in their best interest.

Now that you know what you will need to complete for your application, let's have a look at each item individually.



Education Requirements

Let's look in-depth at the education requirements that are necessary for you to complete prior to applying for your North Carolina MLO license. First, per North Carolina General Statute, you will need to complete a 20-hour pre-licensing course. This course must be taken through a NMLS approved North Carolina mortgage education provider.

The 20-hours of pre-licensing education covers a number of topics, including Federal laws, ethics (especially regarding fraud, consumer protection, and fair lending practices), non-traditional mortgage lending, and general mortgage-industry specific topics. In addition, you will be required to complete a 4-hour North Carolina-specific mortgage law course.

Following completion of these education requirements, you will have three years to then apply for your MLO license. If you fail to complete and submit your application before the three years are up, you will have to complete them again.

Exam Requirements

Let's look at the details of the National Section of the SAFE Mortgage Loan Originator exam first. This section consists of 120 total multiple-choice questions, with five being pretest questions that are scattered throughout.

Pretest questions are not counted towards your passing score, and are added to help evaluate questions that will possibly be counted on the exam in the future. These questions are selected to appear randomly throughout the exam: you will not be able to tell which questions are scored, and which are being considered pretest questions.

You will have a total of 190-minutes to complete the test. Per mandates set forth in the SAFE Act, the minimum passing score for all SAFE MLO tests is 75%.



Scheduling Your Exam

Now that we know about the composition of the test, let's go over how to schedule and take it.

As with most things, you will need to begin by logging into your NMLS account. Once you are signed into your account, you will need to register and pay for a testing window, which can be accessed through the "MLO Testing & Education" tab. It is important to remember, you cannot schedule a specific appointment to take your test without first registering for a testing window.

Once your testing window request and payment has been accepted, NMLS will notify you that your 180-day testing window is open, and you may now schedule to take your exam. In this 180-day testing window period, you will need to complete the Candidate Agreement, schedule, and then take your test at your designated day and time.

Your \$110.00 test fee will be paid when you schedule your testing appointment. Don't forget that payments for the test will NOT be accepted at the testing centre. ALL payments must be submitted through NMLS.

Testing Locations

But where will you take your test?

The majority of SAFE MLO tests are conducted in-person at Prometric Test Centres. Prometric Testing locations in North Carolina are located in Raleigh, Charlotte, Greensboro, Greenville, and Asheville. A list of all Prometric Testing sites nationwide may be found at Prometric.com/nmls.

If none of these locations are convenient to you, you may request to complete the test online through Prometric ProProctor, an official online test proctoring system. For this option you will need to ensure that you have access to an area with a dependable internet connection where you can be visible via camera and audible through a microphone. You must also be sure that you will not be disturbed by others whilst taking your test.

Detailed information on Prometric ProProctor online testing guidelines, prohibited items, and required technical specifications (including operating systems, internet upload and download speeds, and audio/video requirements) are also located on Prometric.com/nmls.

Getting Your Exam Results

You've completed your test, when will you know if you have passed?

Per NMLS guidelines, a student that has taken their test in-person at a Prometric Testing Centre will be presented with a printed score report prior to leaving the testing location. It is important to remember that this score report given at the test centre is NOT made official until the test results have been posted in NMLS.

Those taking their test through Prometric ProProctor will receive their official results report within three business days. It will then be sent directly to the email address provided at the time of appointment scheduling.

Do Exam Results Expire?

You may be asking yourself if your test results can expire like your course credit hours. The answer is yes!

If you have passed the National Mortgage Loan Originator's Exam, but then do not conduct any business in the mortgage field at any time for five continuous years, your test scores will expire.

If this happens, you will need to complete both the education requirements, testing, and license application before conducting any mortgage industry business.

The Background Check Requirement

As you can imagine, an MLO license carries a need for an exceptionally high degree of personal responsibility and a demonstration of upstanding personal character. You are being entrusted with large financial transactions, and must be trusted to do so honourably and truthfully.

Such being the case, per the regulations set forth by the NMLS Resource Centre, every mortgage loan originator, whether state or federally registered, is required to complete a Criminal Background Check, or CBC, through NMLS. Completion of the Criminal Background Check Authorisation Request is required for submission of your application form. State licensure requires completing the Form MU4 for your background check.

The criminal background check performed is a Federal Bureau of Investigations level check. It is important to note, Skyline School is not able to determine whether or not a past incident on your background check will keep you from being considered. Though we will examine potential disqualifications for licensure in just a moment, questions regarding individual circumstance must be submitted directly to NMLS.

Disqualifications for Licensure

Life happens, and we all make the occasional mistake. What could be on your background check that could disqualify you? Per the North Carolina Office of the Commissioner of Banks, any applicant that fulfils the requirements presented in N.C.G.S. § 53-244.050 will be granted a license. However, a license will be denied to applicants that have any of the following in their background report:

1. An MLO license that was revoked in any governmental jurisdiction.
2. A conviction, guilty plea, or “nolo contendere” (no contest) plea to a felony in any court.
3. This includes not only domestic courts in the United States, but also to any foreign or military court.
 - a) During the seven-year period preceding the date of the application for licensing and registration; or
 - b) At any time preceding the date of application if the felony involved an act of fraud, dishonesty, a breach of trust, or money laundering.
4. Conviction, guilty plea, or “nolo contendere” plea in the past five years to misdemeanour charges, particularly those related to:
 - a) moral turpitude/fraud
 - b) false statements or falsehood by omission
 - c) theft of wrongfully taking property
 - d) bribery
 - e) forgery
 - f) counterfeiting
 - g) extortion
 - h) conspiracy to commit any of the above crimes
 - i) any crime involving financial service, or financial-service related business

As an applicant, you will need to disclose any such felony plea or conviction that has occurred in the seven-years prior to your date of application. However, it is very important to note that there is no statute of limitations or expiration date for the disclosure of any felony convictions or pleas that involved any act of fraud, dishonesty, breach of trust, and/or money laundering.

Additionally, applicants will need to disclose if they have been convicted, or pled guilty or no contest in the five years prior to application to any misdemeanours indicating crimes of moral turpitude or fraud, false statements or omission, theft or wrongful taking of someone else’s property, bribery, forgery, counterfeiting, extortion, the conspiracy to commit any of these crimes, or any crime involving financial service, or financial-service related business. As you can see, the licensure Commissioner has very strict and detailed guidelines in regards to the types of occurrences on a criminal background report that will

disqualify an applicant from becoming a licensed MLO. This is an understandable consideration, given that a mortgage loan originator is directly involved in large financial transactions. Displaying a track-record of upstanding morality and strength of character is integral to your success as an applicant.

Authorising Your Criminal Background Check

To begin the authorisation for your criminal background check, you will need to go to the NMLS website at mortgage.nationwidelicencingsystem.org.

Your authorisation to submit for a Federal criminal background check and schedule your appointment to be fingerprinted will be completed entirely through your NMLS account.

Whilst you are completing your application and request forms, it is important to remember to disclose any applicable event or circumstance that may be found on your Criminal Background Check. Be sure to include any and all dates of occurrences, court documents and legal filings, and complete explanations of the circumstances of any charges. When in doubt, it is always best to list it out.



Fingerprinting

Once your background check authorisation has been submitted to NMLS, you will need to schedule an appointment to be fingerprinted. After your CBC authorisation has been received, you will automatically receive a link to register to be fingerprinted through the NMLS Fingerprint Registration Portal.

When you are ready to schedule, you will be able to select a location convenient to you, and a time and date that will work well for your schedule. Fingerprinting locations in North Carolina are not limited to major cities like Raleigh and Charlotte. They also include sites in Davidson, Hampstead, Goldsboro, Wilmington, Greensboro, Winston-Salem, Hickory, Rocky Mount, Durham, Youngsville, Clayton, Greenville, Arden, Jacksonville, and Fayetteville.

In addition to the location, you will be given the option to be fingerprinted using LiveScan electronic capture, or traditional Paper Card Capture. LiveScan fingerprint results are typically reviewed by the FBI and returned to NMLS within 48-hours. Paper Card Capture processing may require an extra day or two of processing time prior to submission to NMLS, and does have an extra charge in order to provide the Paper Card Capture supplies.

Don't forget! You will need to be fingerprinted within 180-days. If you are not fingerprinted within 180-days, you will need to submit a new CBC. If you have already been fingerprinted for NMLS within the past three years, you will not need to be fingerprinted again.

You may be curious about how much all of this will cost. Per the NMLS website, the processing fee for the CBC and fingerprinting using LiveScan technology is \$36.25.

For Paper Card Capture, there will be a charge of \$36.25 for the CBC processing fee, and then an additional charge of \$10.00 for the fingerprint card packet. The total charge for Paper Card Capture comes to \$46.25. The additional \$10.00 charge is to cover the cost of the fingerprinting supplies and processing them accordingly.

The Credit Report Requirement

You've submitted your Federal criminal background report and fingerprints, what else is needed to complete the applicant information portion of your application?

The other piece of official documentation that NMLS requires with your application is an official credit report. Let's discuss the credit report requirement and how to submit it for your Mortgage Loan Originator licensing application.

Requirement to Demonstrate Financial Responsibility

Per NMLS, every state-licensed mortgage loan originator is required to submit a credit report, with the credit report authorization process being completed strictly through NMLS.

Your credit report is used to demonstrate a history of sound financial responsibility. If you have made smart decisions with your own money, NMLS and state regulators can be all the more confident that you will do the same for others. Thus, your credit report helps to legally fulfil the requirements of the statute, and guarantee that you have demonstrated a history of responsible management of financial transactions.

Using this understanding, let's discuss the instances on a credit report that would demonstrate financial irresponsibility.

Examples of Financial Irresponsibility

According to the statute, a credit report is examined for proof of a mortgage loan originator applicants financial responsibility. Instances the statute defines as evidence that a person has not shown financial responsibility include:

- a. Current outstanding judgments, except judgments resulting solely from medical expenses;
- b. Current outstanding tax liens or other government liens and filings;
- c. Foreclosures within the past three years; or
- d. A pattern of serious delinquent accounts within the past three years.



About the Credit Report

Your credit report is obtained through a single Bureau TransUnion credit report, utilising the Vantage Score.

Vantage Score is a credit score developed by Equifax, TransUnion, and Experian. These are the nation's three major credit reporting companies, and the Vantage Score takes the credit score from each of these three agencies and determines your credit score accordingly. Please note! If you have placed a security freeze on your credit report to prevent fraud, this must be lifted prior to authorising your credit report for NMLS. If it is not, your credit report will not be submitted to NMLS.

Now that we know what NMLS is looking for, how do you submit your credit report authorization to NMLS? To begin, you will need to login to your NMLS account. On your left panel, you will need to simply select "Credit Report Request", and then follow the prompts to complete and submit your credit report authorization.

There is an Identity Verification Process necessary to complete the authorization process. The IDV Process consists of a series of questions that only the applicant would know, and must be answered to verify the applicant's id for authorization. The questions include, but are not limited to, the address for a previous residence, types of cars that have been registered to the applicant's social security number, or the names of family members.

Following completion and submission of your authorization form, your credit report will be sent directly to NMLS, and then reviewed by state regulators for clearance.



Frequently Asked Questions

You may be wondering, will this credit report register as a “hard” hit on your credit, possibly having a negative impact on your credit score? The answer is no! According to NMLS, the credit report simply registers as a “soft” hit to your credit.

Is there a minimum credit score that you must have to be granted licensure as a mortgage loan originator? The answer to this question is also no. There is no standard minimum credit score that you need to have to be considered for licensure. The state regulators that review your application and credit report review them as a whole, and do not make a decision solely based on your score.

Are there any fees associated with your credit report authorisation? Yes! Your credit report authorisation will require you to submit a payment of \$15.00. This payment may only be made online through your NMLS account portal.

Does my credit report expire? Yes, and this is important to remember as the expiration window is rather short. Your credit report will expire 30-days after it has been authorised. If you have not submitted all the components of your application and/or been granted approval for licensure after 30-days, you will have to submit another authorisation and payment for a new credit report.



In Conclusion

A mortgage loan originator carries a high degree of duty of financial responsibility throughout their career. Such being the case, they must themselves demonstrate adherence to the completion of education requirements, successfully passing the licensing exam, and a history of responsibility in their background and financial history.

You as a buyer would not want to knowingly entrust your hard-earned money, money that is being used to fund what is generally considered the largest transaction a person will experience in their lifetime, to an agent with a less than stellar past.

The primary role of the NMLS is to protect the consumer, and ensure that their licensed MLOs are trustworthy and diligent. Hence, their requirements work to provide an additional layer of protection. By completing the process detailed here, you too can join the ranks and start your new career as a licensed mortgage loan originator in North Carolina.

