



UTAH DEPARTMENT OF COMMERCE

Division of Real Estate

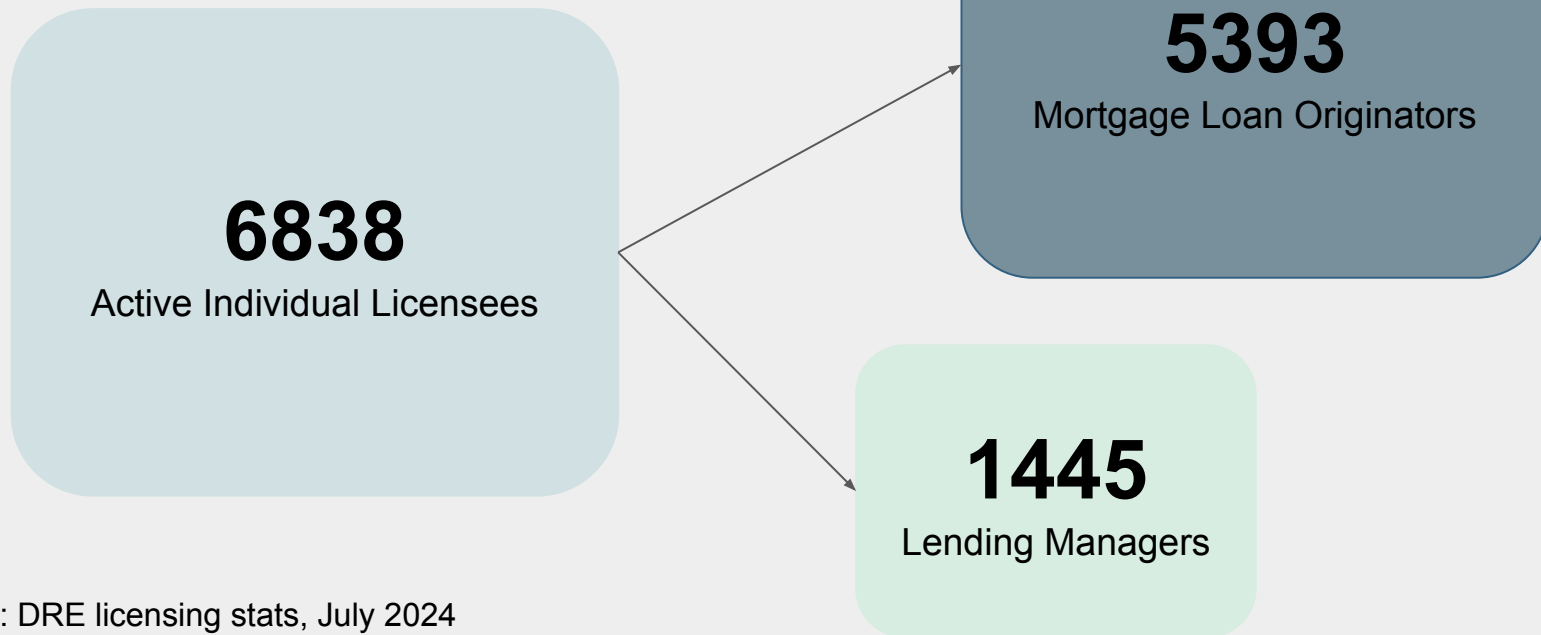
Mortgage Professional Licensing

Business & Labor Interim Committee
August 2024



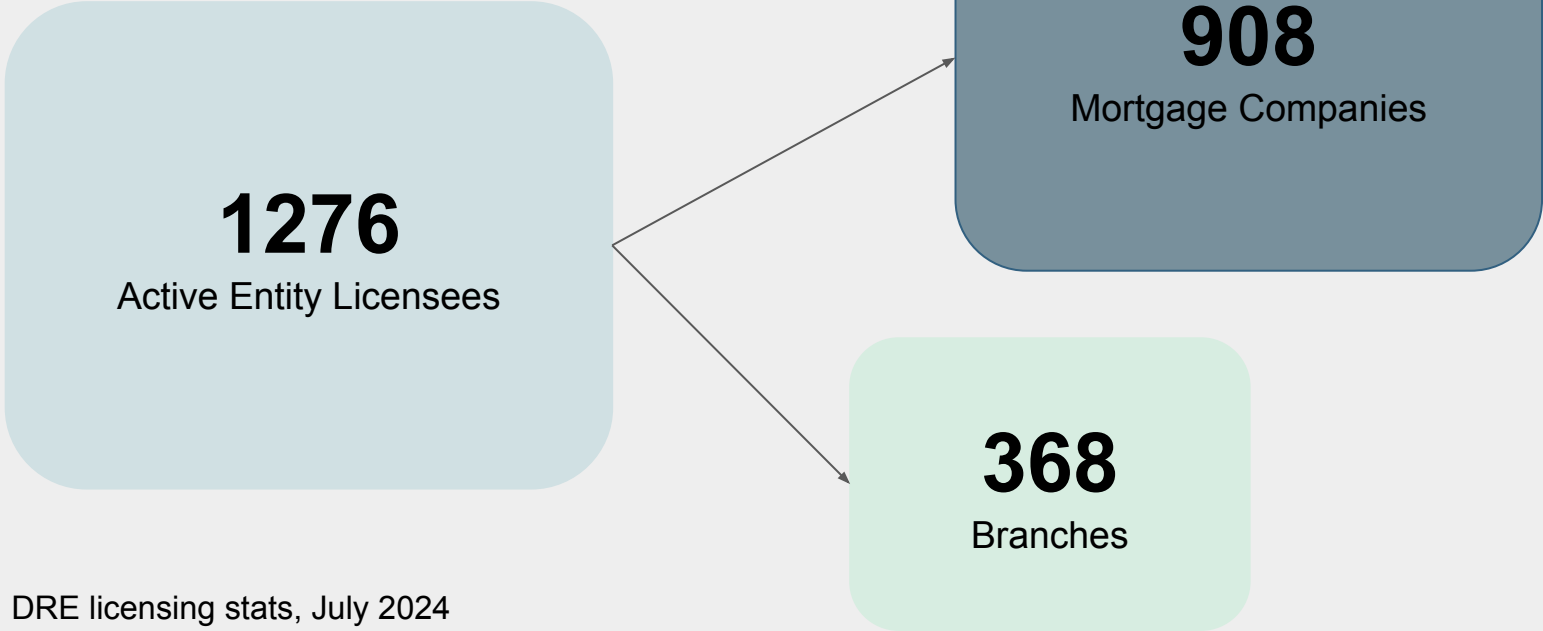
DRE: Closed-end residential first mortgages

Mortgage Licensee Snapshot



Source: DRE licensing stats, July 2024

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SAFE Act

Secure and Fair Enforcement for Mortgage Licensing Act

- SAFE Act created in response to the mortgage crisis
- Consumer Financial Protection Bureau's Regulations G and H
- Requires states to establish minimum standards for licensing and registering **mortgage loan originators (MLOs)**
- Federal registration and state licensing and registration through the **Nationwide Multistate Licensing System & Registry (NMLS)**

Utah Residential Mortgage Practices and Licensing Act

Utah Code § 61-2c-101 et seq.

- Residential Mortgage Regulatory Commission
- Lending Manager licensure
- R162-2c Utah Residential Mortgage Practices and Licensing Rules
 - Education
 - Frequency of background and credit checks
 - Separate license for DBAs



Lending Managers

Principal lending manager

Identified in the NMLS by the individual's sponsoring entity as the entity's principal lending manager

Associate lending manager

Works by or on behalf of another principal lending manager in transacting the business of residential mortgage loans

Branch lending manager

Designated in the NMLS by the individual's sponsoring entity as being responsible to work from a branch office and to supervise the business of residential mortgage loans that is conducted at the branch office

Lending Managers

Must meet standards for MLOs **PLUS**

- 40 hours of Utah specific prelicensing education
- Lending manager licensing exam
- Proof of three years full-time active experience as an MLO licensed in any state
- Sponsorship with a licensed entity

Possible Legislative Approaches

Maintain Utah's Lending Manager/MLO structure

OR

Change this structure through amending the Utah Residential Mortgage Practices and Licensing Act

*DRE is not recommending either approach



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Thank you

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