



SAFE Mortgage Licensing Act

Who needs to be licensed?

Per published HUD information we offer the following chart on who does and doesn't need to be licensed based on example activities performed by the individual. Job title does not determine the licensing requirement. For purposes of this chart, all activities listed below are performed with the expectation of compensation or gain. Also note that state licensing requirements may differ and each company/individual should make final determinations based on competent legal advice.

Activity (MLO = Mortgage Loan Originator)	Licensed Required	Exempt
MLO who is employed by a bank, credit union or their subsidiary		●
Loan processor who only performs clerical processing functions and is a W2 employee of broker/lender.		●
Underwriter who is a W2 employee of broker/lender and only underwrites files for broker/lender.		●
Individual who negotiates terms of a mortgage loan with or on behalf of immediate family member.		●
Individual who offers or negotiates terms of mortgage loan secured by individual's residence.		●
Attorney who negotiates terms of mortgage loan on behalf of client as an ancillary matter of representation and is not compensated by a lender, broker, MLO or any agent thereof.		●
MLO who is not employed by a bank or a bank subsidiary	●	
Independent contractor loan processor	●	
Independent contractor underwriter	●	
Individual who assists the borrower in completing a loan application	●	
Individual who quotes interest rates and loan terms to prospective borrowers	●	
Individual who works directly with loan applicant to complete loan package	●	
Individual who only receives and negotiates loan terms on applications via internet.	●	