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Important Mortgage Loan Activity Licensing Requirements - Senate Bill 36/SAFE ACT

**NEW FILING REQUIREMENTS FOR LICENSEES WHO CONDUCT RESIDENTIAL OR
COMMERCIAL MORTGAGE LOAN ACTIVITIES GO INTO EFFECT ON JANUARY 1, 2010**

By January 31, 2010, or within 30 days of commencing the activity whichever is later, all licensees must report to the Department of Real Estate if they make, arrange or service loans secured by real property. This requirement applies to both residential and commercial businesses. The report must be completed online using [Form RE 866- Mortgage Loan Activity Notification](#). Future business activity reporting will also be required.

Penalty fees can apply for failure to submit this required notification. Penalties are fifty dollars (\$50) per day for the first 30 days the report is not filed and one hundred dollars (\$100) per day for every day thereafter not to exceed a maximum of \$10,000.

- [Additional background information](#)
- [Senate Bill 36](#)

**NEW LICENSING REQUIREMENTS FOR INDIVIDUALS WHO CONDUCT ACTIVITIES AS A
RESIDENTIAL MORTGAGE LOAN ORIGINATOR**

The following steps must be completed in order to comply with SB 36 and the SAFE Act by January 1, 2011:

1. [Register on the Nationwide Mortgage Licensing System and Registry \(NMLS&R\)](#) 

The NMLS&R will contain a single license record for each mortgage loan lender, broker, branch and mortgage loan originator (MLO). A fee is not required to create this initial NMLS&R base record, however, this first registration step is needed to initiate the necessary examination process.

2. Satisfy the federal requirements for MLO licensure. Requirements include new qualification assessments, federal and state examinations, and background checks. There are no exceptions to or exemptions from these requirements for existing licensees.

3. By January 1, 2011, be issued an MLO endorsement on your real estate license. **Endorsement applications for qualified MLO registrants must be submitted electronically to the NMLS&R by September 15, 2010 to be issued by January 1, 2011. Review the qualification and examination requirements before you initiate the electronic application process.**

The initial MLO license endorsements will expire on December 31, 2011. MLO endorsements are issued annually and expire December 31st each year. The endorsement will carry a nationwide identification number known as a “unique identifier” which will be assigned by the NMLS&R. The term and license identification number of the “base” real estate license will not change. Real estate licensees will continue to be responsible for filing the necessary renewal and record update requirements to maintain their four year real estate license separate from the MLO endorsement.

Penalty fees can apply for failure to obtain a license endorsement. Penalties are fifty dollars (\$50) per day for the first 30 days the report is not filed and one hundred dollars (\$100) per day for every day thereafter not to exceed a maximum of \$10,000.

- [Detailed Instructions for obtaining a MLO license endorsement](#)