



# CMBA Helps You Meet Your S.A.F.E. Act Deadline!

Many people have questions about California's implementation of the federal S.A.F.E. Act, specifically the new requirement for licensing of mortgage loan originators through the Nationwide Mortgage Licensing System (NMLS).

**New!** The California Department of Corporations has released their [Implementation Plan](#) that outlines the steps you need to take to apply for and receive your new mortgage originator license. The California Department of Real Estate has also [released information](#) about complying with their new regulations.

CMBA is here to help! Here is some information you need to know to make sure you are properly prepared for the S.A.F.E. Act\*:

The S.A.F.E. Act only applies to residential mortgage loan originators. Commercial/multi-family originators are exempt.

In order to provide services as a mortgage loan originator in California, you must apply for and receive a mortgage loan originator license by **July 31, 2010** (for those licensed by the California Department of Corporations). **New!** The DOC will waive the \$100 application fee for all applications received on or before **March 31, 2010** ([Click here for more information](#)). For those licensed by the California Department of Real Estate, the licensing deadline is **December 31, 2010**.

**New!** CA Department of Real Estate 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. **The deadline for reporting is January 31, 2010.**

\*This document is being provided by the California Mortgage Bankers Association strictly for informational purposes only, and should not be interpreted as legal advice. CMBA strongly recommends you contact an attorney for legal advice or counsel.



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## A few tips about the DOC's Implementation Plan:

- One of the 'Pre-Requisites for License Applications' is that the applicant 'Demonstrate financial responsibility, character and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly and efficiently.' This determination will be made using a number of measurements including, but not limited to: applicant's DRE record (if applicable), any past bankruptcies, bond refusals, criminal/civil record.
- Another pre-requisite for applicants is 'coverage by a surety bond provided by the mortgage loan originator's employer.' The amount of the bond must be at least \$25,000.
- A reminder, the DOC strongly recommends applicants register with the NMLS and receive their unique ID number by May 28, 2010 to allow for processing by the July 31, 2010 deadline

## **Important Notice!**

All loan originators are **required** to take 20 hours of pre-licensure and 8 hours of continuing education – CMBA is your source for premier mortgage education!

CMBA has partnered with [CampusMBA](#) for live classroom courses (NMLS Provider No. 1400036) and [TrainingPro](#) for online instructor-led and webinar courses (NMLS Provider No. 1400013). CMBA members are eligible for discounts through both providers. For CampusMBA dates, click on the 'Conferences' tab at the top of the [CMBA homepage](#).

Additionally, opportunities are available for private group classroom courses. For all questions regarding CMBA's education program, contact Stacey Ward at (916) 446-7100 or [stacey@cmba.com](mailto:stacey@cmba.com).

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For any other questions you have regarding the S.A.F.E. Act and how you can best prepare yourself to meet the deadline for licensing, contact the CMBA office at (916) 446-7100 or check out our website, [www.CMBA.com](http://www.CMBA.com).



NMLS Provider No.  
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