



NC Transitional Mortgage Loan Originator License New Application Checklist (Individual)

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GENERAL INFORMATION

Who Is Required to Have This License?

North Carolina General Statute (N.C.G.S.) [§ 53-244.030\(33a\)](#) defines a Transitional Mortgage Loan Originator as referenced below:

“Transitional mortgage loan originator” means an individual who is authorized to act as a mortgage loan originator subject to a transitional mortgage loan originator license which is limited to a term of **no more than 120 days** and is not subject to reapplication, renewal, or extension by the Commissioner.

Most applicants follow the path to licensure though the standard Mortgage Loan Originator License application in lieu of the transitional license. Contact our staff with any questions if you need clarification between the two types.

Please note: This transitional license is not the same as Temporary Authority to Operate. Applications for Temporary Authority to Operate go through the regular MLO application process. To apply as a Mortgage Loan Originator, with or without Temporary Authority to Operate, please use the Mortgage Loan Originator checklist and select application for licensure for Mortgage Loan Originator rather than the transitional. Typically only MLOs who have not completed the prelicensing education or testing AND intend to manage processors or underwriters for a Mortgage Origination Support Registrant business apply for the transitional license type. Please contact our office if clarification is required. Fees are non-refundable.

What are some of the differences between the Transitional MLO license and Temporary Authority to Operate?

- Transitional MLO licensing is available to MLOs who have been employed for a period of no less than two years as a mortgage loan originator; whereas, the employment timeframe is 30 days for Temporary Authority to Operate;
- Transitional MLO licensing is not available to Federal Registrants; whereas, the Temporary Authority to Operate may be granted to Federal Registrant with one year of employment prior to application;

- A Transitional MLO (as well as a standard MLO licensee) would be authorized to supervise processors and underwriters for a Mortgage Origination Support Registrant; whereas, an individual under Temporary Authority to Operate would not be authorized to do so pursuant to [N.C.G.S. § 53-244.040\(c1\)](#).

Who does not need this License?

- Federally registered mortgage loan originators are exempt and therefore, are not eligible for licensure in the State of North Carolina.
- An individual engaged solely as a loan processor or underwriter (**NOTE:** contract processing and underwriting companies are required to register; refer to the new application checklist for a Mortgage Origination Support Registration for more information).
- A person or entity that only performs real estate brokerage activities and is licensed or registered as such in accordance with State law, unless the person or entity is compensated by a mortgage lender, mortgage broker, other mortgage loan originator, or by their agents.
- A person or entity solely involved in extensions of credit or sale of time share instruments as that term is defined in G.S. 93A-41(9a).
- An individual who only informs a prospective borrower of the availability of persons engaged in the mortgage business, does not take or assist in the completion of a loan application, and does not discuss specific terms or conditions of a mortgage loan.
- The taking of basic pre-application information for facilitating a residential mortgage loan transaction, such as the name and contact information of the prospective borrower, the prospective borrower's own assessment of creditworthiness, desired loan types, and resources to make a down payment, but not including social security number, credit, employment history, or specific rates of a desired mortgage loan.
- An individual who is a salesperson for a licensed manufactured housing retailer that performs the purely administrative and clerical tasks of physically handling or transmitting to a licensed mortgage loan originator an application and other forms completed by the prospective borrower. A salesperson may, upon written request of a mortgage loan originator and after a prospective borrower completes an application, pull and transmit a credit report with the application.

What are the pre-qualifications for licensure?

Applicants must:

- Be at least 18 years of age.
- Have an active license to originate mortgage loans pursuant to the laws of any state or territory of the United States other than North Carolina.
- Have a valid unique identifier and fingerprints on file with the NMLS.
- Have been employed for a period of no less than two years as a mortgage loan originator.
- Provide certification of employment with a mortgage lender or mortgage broker licensed under the NC SAFE Act including an employer attestation that the applicant is employed.

NOTE: Within 120 of the issuance of the Transitional Mortgage Loan Originator License, the individual must:

- Complete 24 hours of pre-licensing education ([N.C.G.S. § 53-244.070\(d\)](#)):
 - 20 hours live classroom or classroom equivalent course approved by NMLS.
 - 4 hours live classroom or classroom equivalent course on North Carolina laws and regulations.
- Pass the National Test with Uniform State Content.
- After passing the Test and completing pre-licensing education, apply for a Mortgage Loan Originator license.
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What are the disqualifications for licensure?

If an applicant satisfies the requirements of [N.C.G.S. § 53-244.050](#), the Commissioner shall issue a license unless the Commissioner finds any of the following:

- The applicant's mortgage loan originator license was revoked in a governmental jurisdiction, unless formally vacated.
- The applicant has been convicted of or plead guilty or nolo contendere to a felony in a domestic, 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.
- The applicant has been convicted of or plead guilty or nolo contendere to any charge in a domestic, foreign, or military court, within the past five years, or a misdemeanor involving moral turpitude or any fraud, false statement or omission, any theft or wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or conspiracy to commit any of these offenses, or involving any financial service or financial service-related business.
- The applicant has demonstrated a lack of financial responsibility, character, or general fitness such as to fail to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this Article. For purposes of this subdivision, a person shows a lack of financial responsibility when the person has shown a disregard in the management of the person's own financial affairs. Evidence that a person has not shown financial responsibility may 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.

Applications not completed within 30 days of an initial deficiency notification will be deemed withdrawn by applicant and placed in a Withdrawn-Application Abandoned status.

Frequently-asked questions can be viewed on our website:

<https://www.nccob.gov/Public/FinancialInstitutions/Mortgage/MortgageMain.aspx>.

North Carolina does issue paper licenses for this license type; they can be printed by the licensee the business day following license approval at: <https://www.nccob.gov/online/Login.aspx>. The requirements for the display of licenses is in North Carolina General Statute [§ 53-244.106](#).

Helpful Resources

- [Individual Form \(MU4\) Filing Quick Guide](#)
- [License Status Definitions Quick Guide](#)
- [Disclosure Explanations - Document Upload Quick Guide](#)
- [State-Specific Education Chart](#)
- [Individual Test Enrollment Quick Guide](#)
- [Course Enrollment Quick Guide](#)

Agency Contact Information

Contact the *North Carolina Office of the Commissioner of Banks non-depository mortgage* licensing staff by phone at [\(919\) 733-3016](tel:9197333016) or send your questions via email to MLO@nccob.gov for additional assistance.

For U.S. Postal Service:

*North Carolina Office of the Commissioner of Banks
Non-Depository Mortgage Licensing Team
4309 Mail Service Center
Raleigh, NC 27699-4309*

For Overnight Delivery:

*North Carolina Office of the Commissioner of Banks
Non-Depository Mortgage Licensing Team
316 West Edenton Street
Raleigh, NC 27603*

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING.
THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS.
SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

Complete	NC Transitional Mortgage Loan Originator License	Submitted via...
<input type="checkbox"/>	<p>Pre-licensure Education: Pursuant to NCGS § 53-244.080 complete 24 hours of NMLS-approved pre-licensure education (PE) courses <u>within 120 days of approval of the transitional license</u> which must include 4 hours of North Carolina laws and regulations.</p> <p>Pursuant to NCGS § 53-244.050(b)(1b), education is valid for three (3) years preceding date of application. Once licensed, continuing education is required pursuant to NCGS § 53-244.102. If the license terminates (outside of late-renewal), a new application for licensure must be made and will be reviewed for compliance with pre-licensure education requirements.</p> <p>Follow the instructions in the Course Completion Records Quick Guide to confirm that PE has been posted to your record and the PE Total indicates “Compliant.”</p>	<p>NMLS</p>
<input type="checkbox"/>	<p>Testing: Must satisfy one of the following three conditions:</p> <ol style="list-style-type: none"> 1. Passing results on both the National and North Carolina State components of the SAFE Test, or 2. Passing results on both the National and Stand-alone UST components of the SAFE Test, or 3. Passing results on the National Test Component with Uniform State Content <p><u>Must be completed within 120 days of approval of the transitional license.</u></p> <p>Follow the instructions in the View Testing Information Quick Guide to confirm test results have been posted to your record and indicate “Pass.”</p>	<p>NMLS</p>

NMLS ID Number	
Applicant Legal Name	

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	NC Transitional Mortgage Loan Originator License	Submitted via...
<input type="checkbox"/>	<p>NMLS Initial Processing Fee: \$30</p> <p>NC Application Fee: \$125.00</p> <p>Credit Report: \$15</p> <p>FBI Criminal Background Check: \$36.25</p> <p>NOTE: After 120 days, a transitional MLO license expires and the individual must re-apply under the standard MLO application. This transitional license is not the same as Temporary Authority to Operate. See the description area above for details on the difference between the two application types. Contact our staff for clarification if required.</p>	NMLS (Filing submission)

REQUIREMENTS COMPLETED IN NMLS- These items must be completed during or after the submission of your Individual Form (MU4).

Complete	NC Transitional Mortgage Loan Originator License	Submitted via...
<input type="checkbox"/>	<p>Submission of Individual Form (MU4): Complete and submit the Individual Form (MU4) in NMLS. This form serves as the application for the license through NMLS.</p>	NMLS
<input type="checkbox"/>	<p>Criminal Background Check: Authorization for an FBI criminal history background check to be completed in NMLS.</p> <p>After you authorize the FBI criminal history background check through the Individual Form (MU4), you must schedule an appointment to be fingerprinted.</p> <p>See the Completing the Criminal Background Check Process Quick Guide for information.</p> <p>Note: If you are able to 'Use Existing Prints' to process the FBI criminal history background check, you DO NOT have to schedule an appointment. NMLS will submit the fingerprints already on file and the background check will begin to process automatically.</p>	NMLS
<input type="checkbox"/>	<p>Credit Report: Authorization for a credit report must be completed. Upon initial authorization, you are required to complete an Identity Verification Process (IDV) within the Individual Form (MU4). See the Individual (MU4) Credit Report Quick Guide for instructions on completing the IDV. Review the requirements</p>	NMLS

	of financial responsibility pursuant to NCGS § 53-244.060(4) . Note: The same credit report can be used for any existing or additional licenses for up to 30 days.	
<input type="checkbox"/>	Disclosure Questions: Provide an explanation and, if applicable, a supporting document for each “Yes” response. See the Individual Disclosure Explanations Quick Guide and the Disclosure Explanations - Document Upload Quick Guide for instructions.	Upload in NMLS in the <i>Disclosure Explanations</i> section of the Individual Form (MU4).
<input type="checkbox"/>	Company Sponsorship: A sponsorship request must be submitted by your employer. North Carolina will review and accept or reject the sponsorship request.	NMLS
<input type="checkbox"/>	<p>Employment History: The business address listed in the <i>Employment History</i> section of the Individual Form (MU4) must match the address of the registered location in the Company Relationship.</p> <p>Note: Transitional MLO licensing is only available to MLOs who have been employed for a period of no less than two years as a mortgage loan originator; whereas, the employment timeframe is 30 days for Temporary Authority to Operate.</p> <p>Transitional MLO licensing is not available to Federal Registrants; whereas, the Temporary Authority to Operate may be granted to Federal Registrant with one year of employment prior to application.</p> <p>Most applicants follow the path to licensure through the standard Mortgage Loan Originator License application in lieu of the transitional license. Contact our staff with any questions if you need clarification between the two types.</p>	NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	NC Transitional Mortgage Loan Originator License	Submitted via...
<input type="checkbox"/>	<p>Credit Report Explanations: Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies in the last 3 years, repossessions, loan modifications, etc.</p> <p>Note: Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the <i>Disclosure Explanations</i> section of your Individual Form (MU4).</p> <p>This document should be named <i>Credit Report Explanations – Sub Name – Document Creation Date</i>.</p>	Upload in NMLS: under the Document Type Credit Report Explanations in the <i>Document Uploads</i> section of the Individual Form (MU4).

NMLS ID Number	
Applicant Legal Name	

REQUIREMENTS SUBMITTED OUTSIDE OF NMLS- *These items must be completed outside of NMLS and submitted directly to the regulator.*

Complete	Transitional Mortgage Loan Originator License	Submitted via...
<input type="checkbox"/>	<p>Criminal Background Check Documentation: Submit documentation to show plea, disposition, and severity of incidents pursuant to NCGS §53-244.060(2) and (3).</p> <p>Note: For Temporary Authority to Operate applicants, supporting documentation of background check items must be received, reviewed, and confirmed to clear the license item <u>by the 9th business day</u> from application for temporary authority to operate to commence. Review the requirements: NCGS §53-244.060(2) and (3).</p>	<p>Email by secure email to North Carolina Office of the Commissioner of Banks: MLO@nccob.gov or the specific email address of the Licensing Support Specialist if responding to a license item.</p>