

# How To Become Licensed

## You Must Be Licensed

In many states, it is required by state law that loan officers be licensed. Specifically, in North Carolina, you cannot originate a mortgage loan, or even ask a customer if they wish to apply for a loan, unless you have been granted a license to do so. At Abacus Mortgage Training we know the law, we know the sequence required and we know how to help you through the process. You can get more information on license requirements for loan officers in NC at

[www.abacustomortgagetraining.com/lorequirementsnc.html](http://www.abacustomortgagetraining.com/lorequirementsnc.html)

## A Deeper Mission

We have a mission of much greater significance than 'compliance.' We seek to instill standards of practice, competency and success far beyond those necessary to comply with the law. **Compliance does not in itself make you successful, nor does it make you ethical.** The skills, attitudes and principles taught by Abacus Mortgage Training, will.

That having been said, here is our recommended sequence for becoming licensed as a loan officer in North Carolina:

## Step 1:

### Register for the Fundamentals Course

You are required to take an 8-hour Fundamentals course approved by the North Carolina Commission of Banks (NC COB). Abacus' accredited fundamentals course is, "The Fundamentals of Residential Mortgage Loan Origination." The course number assigned by the NC COB is F00005. The NC COB does NOT write or teach licensing courses; private companies and other organizations do. Therefore, **all courses are different, with different authors, materials, information and instructors.** No one else has our exclusive tools.

Generally, you will learn about loan officer practices, ethics, legal requirements, mortgage math and gain a general knowledge of the mortgage lending industry. Our service includes these basics, but it is far richer than that; we call it the Start Right System.

<http://www.abacustomortgagetraining.com/startrightssystem.html>

You can register one of four ways:

1. **Call** us at **888-341-7767** and one of our knowledgeable staff will be happy to register you over the phone and answer any questions you may have.
2. **Click** on the date you wish to attend class on the calendar featured on this page ([www.abacustomortgagetraining.com/nloanofficerlicense.com](http://www.abacustomortgagetraining.com/nloanofficerlicense.com)). It will take you to a registration page for that specific date. There you can get venue and time information as well as register yourself for a class.
3. **Mail** in a copy of a completed registration form. Click on the **Registration Form** button (<http://www.abacustomortgagetraining.com/prelicenseregform.pdf>) to the left of the calendar, print the form, fill it out and mail it to us at the address on the form (PO Box 780, Summerfield, NC 27358).
4. **Fax** in a copy of a completed registration form. Click on the **Registration Form** button to the left of the calendar, print the form, fill it out and fax it to our secure fax **800-773-4187** (all faxed registrations are destroyed once the information is put into our secured database).

You will receive confirmation emails once your registration is completed and can begin using the Online Supplemental Materials and Videos right away!

## Step 2:

### Attend a class and study the material

The course is **comprehensive**, designed to prepare you for the licensing exam and for success in your career. You will receive legal and practical fundamentals and encounter a glossary of terms of the trade. You will receive access to our one-of-a-kind home study tool which will be available to you both before and after you attend live class. We provide access to our page of **Online Supplemental Materials and Videos** with over 280 interactive quiz questions, all the course text and exercises as well as dozens of videos of both instructors teaching the course live. Our exclusive testing and grading mechanism is an invaluable resource for gauging your readiness for the state exam.

[www.abacusmortgagetraining.com/osmvgateway.html](http://www.abacusmortgagetraining.com/osmvgateway.html)

Live class requires your **full attention and concentration**. The State guidelines require us to cover a great deal of information within the eight-hour timeframe. There is a substantial array of information to be discussed. Make sure you come to class **well rested** and prepared to absorb information and **remain attentive**. We schedule frequent breaks during the class to ensure that everyone remains focused.

If this is your first introduction to the mortgage industry, you should also plan on **significant, serious study outside class**. More on this in Step 4.

## Step 3:

### Receive your Certificate of Completion

Upon successful completion of the live class, you will receive a **Course Certificate** to frame and display. You will also receive significant literature on the examination process.

## Step 4:

### Review the Course Online

At no additional charge and as part of our **Start Right System**, you will receive a user name and password to access our **Online Supplemental Materials and Videos** in your confirmation/welcome letter. The online materials feature more than 12 hours of video of Paul Donohue and Kathy Godin actually teaching the course, the full course text, all the case studies and quizzes as well as 4 interactive quizzes with over 280 questions not featured in the live course specifically addressing the four exam categories; General Concepts, State Law, Federal Law, Mortgage Math and the Application.

You are strongly advised to log on and review the videos, text and interactive materials. If you can answer the questions there, you should feel confident in making your appointment to take the State exam. You can choose to review the class in its entirety or skip around. The State exam is **rigorous** and requires a solid understanding of all the materials and concepts provided in our course.

## Step 5:

### Make an appointment to take the State Licensing Examination

The North Carolina Commissioner of Bank's Exam is given by a testing proctor company called **PSI Examination Services**. It is their job to give you a place to take the exam and to verify that you are who you say you are.

To register for the state exam, please take the following steps:

1. Either go to [www.psiexams.com](http://www.psiexams.com) or call them at **800-733-9267** to register. You must specify that you are interested in taking the **North Carolina Commissioner of Banks Exam**. Do not say mortgage or real estate exam as it will cause confusion.

Occasionally the dates are available on their website, but **generally you will NOT be given any information about the times, dates or availability until you have paid the \$100 examination fee.**

2. Register for the date, time and city that is most convenient for you.  
**Note:** Make sure that you register yourself in exact the name that you have on two forms of identification, one of them being your photo ID.
3. You will need to tell them that the school code is **0106**.
4. Make sure that you are on time for your exam. **You will loose your examination fee** if you no-show or if you do not cancel or reschedule a full 48 hours prior to your scheduled test date.

### Tips for the day of your exam

- You will not be able to take **anything** into the test except your calculator. You will be given a pencil and some scrap paper which you will have to return to the test proctor before you leave the center.
- Arrive early so that you can familiarize yourself with the computer you will be taking the exam on. They will allow you to go in up to 15 minutes early to go through some practice questions to familiarize yourself with the way the system works.

**NOTE:** Getting tested is complex, as you can see. You only want to go through it once!

**Our advice:** Use all parts of the Start Right System to increase your odds of success!

### PSI Examination centers in North Carolina:

#### ASHEVILLE

1306 C PATTON AVE  
ASHEVILLE, NC 28806

#### CHARLOTTE

TYVOLA EXECUTIVE PARK 1  
5701 WESTPARK DRIVE  
SUITE 202  
CHARLOTTE, NC 28217

#### FAYETTEVILLE

3724 SYCAMORE DAIRY RD N  
SUITE 128  
FAYETTEVILLE, NC 28303

#### GREENVILLE

CHARLES CENTER  
2404 SOUTH CHARLES BLVD.  
SUITE B  
GREENVILLE, NC 27858

#### RALEIGH

5711 SIX FORKS ROAD  
SUITE 208  
RALEIGH, NC 27609

#### WILMINGTON

JUDGES RD BUSINESS PK  
311 JUDGE'S ROAD  
SUITE 8D  
WILMINGTON, NC 28405

#### WINSTON-SALEM

1540 WESTBROOK PLAZA DR  
SUITE 103  
WINSTON SALEM, NC 27103

## Step 6:

After passing, retain a copy of your Score Card and get the official fingerprint card. You will be scored immediately after completing the exam. Your results will be printed on a form called a "Score Card". When you pass the examination, it will state so on your score card.

If you do not pass the exam, you will receive a summary of what sections you were weak in, to help you study more. To retake the exam, you have to make a new appointment and **pay again**. You cannot immediately retake the exam; there is a mandatory 48 hour waiting period. Keep in mind, you can retake the live class and continue to use the online resources at no cost.

**PSI will also give you an official fingerprint card.** You will need this card for submission of your application to the state. If they do not provide you with a fingerprint card, write or call the Office of the Commissioner of Banks immediately to obtain one.

## STEP 7: Fingerprinting

Generally, your local Sheriff's office provides fingerprinting services for a small fee. They will perform the fingerprinting and sign your fingerprint card. The fee for this is generally between \$5.00 - \$20.00. Most offices only provide fingerprinting on certain days, at certain times. It is a good idea to call ahead for information. It is best to choose a Sheriff's office that is in a larger metro area. For example, if you live in Whitsett, you would want to go to Greensboro's downtown station at the courthouse rather than the smaller local Sheriff's office.

There is also a release form that you receive with your fingerprint card that must be completed permitting the OCOB do a full background check. See STEP 8 for more on this.

## Step 8:

Fill out license application form.

The fastest way to get through the licensing process is to apply for your license and pay your fees online. **You will still be required to mail the hard copies of some of your documents through the mail.** Applying online will accelerate your process by at least a week. The link to the online application page is <https://www.nccob.org/Online/MLS/>.

You can also print a copy of the Loan Officer License application form <http://www.nccob.org/NR/rdonlyres/DFC518D8-24DC-4A9C-AFE8-667BD7C154B8/0/MLA13MortgageLoanOfficerRenewal.pdf>.

Be sure to include the completed fingerprint card and the notarized release form.

**If you are mailing in your application** you will also need to include your printed copy of the application signed and notarized and also your application fee. Money Orders are the preferred form of payment, but they also accept personal checks.

## Step 9:

Notarize and submit your application for licensure

You can skip this step if you are submitting your application online

There is a section of the physical application form that must be notarized. Go to a Notary and have them sign-off at the proper place on the application. Mail in the application, your fingerprint card and your fee to the address indicated on the application form.

## Step 10:

### Approval

The Office of the Commissioner of Banks will review your application, including the documents that accompany it as well as order an official FBI, SBI and credit check. Upon approval, you will be notified by mail and receive your license. It will take between 2 and 5 weeks to receive your license in the mail once you are approved.

**Congratulations, you will then be a licensed professional in the NC mortgage lending industry.**

**Important:** The licensing year for North Carolina Loan Officers, Brokers and Lenders runs from January 1st to December 31st (This was changed June 30<sup>th</sup> 2007).

After your first licensing year, each year before December 31st, in addition to renewing your license and paying the renewal fee, you must attend eight hours of approved Continuing Education. You are required to complete an **eight-hour approved course** prior to December 31st every year in order to maintain your license. Each year Abacus Mortgage Training will continue to offer interesting, useful and well-planned classes for Continuing Education. Because we offer new courses every year, you can rely on Abacus for all your mandatory education needs and the vital training you want. Please check on us frequently; we promise to remain a critical resource to help you succeed in the mortgage industry.

Abacus: Making your mortgage education count.

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### Frequently

#### Asked Questions:

From the OCOB's Website

**Q: Who must be licensed in the mortgage lending industry in the state of North Carolina?**

A: According to the official State of North Carolina Commissioner of Banks Website, quoting the MLA: "Other than an exempt person, it is unlawful for any person in this State to act as a mortgage broker or mortgage banker, or directly or indirectly to engage in the business of a mortgage broker or a mortgage banker, without first obtaining a license from the Commissioner under the provisions of this Article."

This means, mortgage bankers, mortgage brokers, table-funding mortgage brokers and all loan officers who work for them must be licensed. Depending on their particular duties, some telemarketers and processors must also be licensed.

**Q: Who is exempt from licensing?**

A: According to the official State of North Carolina Commissioner of Banks Website, "Exempt entities are primarily banks, thrifts, credit unions and their wholly owned subsidiaries. The various bases for claiming exemption are set out in the Mortgage Lending Act, Section 53-243.01(8). Note that employees of exempt entities are also exempt from the MLA's loan officer licensure requirement and will be treated as exempt without filing individually to claim exempt status."

You can read the entire facts of exemption at the site,

<http://www.nccob.org/NCCOB/Mortgage/FAQ/Loan+Officers.htm>, including the requirement to file notice of exemption annually.

**Q: I'm just a salesperson. I talk to people on the phone, take a little information and offer to find a loan for them, then pass the actual application to be originated to my boss. Do I have to**

**be licensed?**

A: Yes. According to the official State of North Carolina Commissioner of Banks' website "any individual who for compensation accepts or offers to accept residential mortgage applications..." is a loan officer and must be licensed.

**Q: Are you sure of that? Salespeople such as myself never used to be required to get a license.**

A: We are sure. The law changed on June 30, 2002. Here is a longer definition of a loan officer, according to the official State of North Carolina Commissioner of Banks' website:

"A Loan Officer is an individual who, in exchange for compensation as an employee of another person, accepts or offers to accept applications for mortgage loans. Employees whose responsibilities are limited to clerical and administrative tasks for his or her employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer are not considered Loan Officers and do not require licenses."

You can read the entire page of mortgage loan officer information and requirements

<http://www.nccob.com/NCCOB/Mortgage/LoanOfficers/>.

**Q: As a loan officer, shouldn't my boss take care of the details of getting me licensed, since I work for him?**

A: No. You are considered a separate entity by the State of North Carolina. If you change employment, your license does not have to be renewed, only transferred (you do have to notify the state.) All renewal notifications and applications are sent to your private address, and the renewal of your license is a matter between you as an individual loan officer and the State. YOU are responsible for your professional development and legal status, not your employer.

**Q: What will my total costs be to get my initial license?**

|             |                      |
|-------------|----------------------|
| A:          |                      |
| Class       | \$225.00             |
| Exam        | \$100.00             |
| License Fee | \$113.50 (see below) |
| Total:      | <b>\$438.50</b>      |

The license application fee for an initial loan officer license is \$113.50. This fee includes:

|                        |         |
|------------------------|---------|
| SBI background check   | \$14.00 |
| FBI background check   | \$24.00 |
| Detailed credit report | \$8.00  |
| Application fee        | \$67.50 |

This information can be found on the NC Mortgage Loan Officer application MLA002.

You should also budget for the expenses you will incur fulfilling the required class and examination such as travel, meals, etc.

**Q: How long do I have to apply for a license after I take the class?**

A: Three years.

**Q: How long do I have to apply for the license after I pass the exam?**

A: 180 days.

**Q: How long after I take the class must I wait to take the exam?**

A: There is no required "wait" time, but you cannot take the exam on a walk-in basis. You will need to

contact PSI Examination Services and make an appointment to sit for the exam. Plan on a minimum of three days, but in busy times of the year can be a week or 10 days.

**Q: What is the cost to become a mortgage broker or mortgage lender?**

A: The initial license is \$1250 with an annual renewal of \$625, plus fees for each branch office. There are significant bonding and experience requirements also.

**Q: Once I take the exam and get my license, am I also required to complete a continuing education class before my first license renewal?**

A: No. You are exempt from the education requirement **the first time you renew** (the next December 31st). Thus, if you are licensed after May 1st, 2007, your deadline for completing a Continuing Education class is December 31st, 2009 (the first December renewal is scheduled for December 2008). But don't let that stop you from taking our classes as part of your development plan to be truly successful as an originator!

**Q: Will I be investigated in order to become a loan officer?**

A: Yes. According to the official State of North Carolina Commissioner of Banks' website, "Applicants are subject to investigations of their criminal, civil, educational, employment/business and credit histories. Attach a credit report from one of the following three credit reporting services: Equifax, Experian, or TransUnion. Provision of social security numbers is mandatory and authorized under the provisions of NCGS Chapter 53 in order to conduct these investigations." If there are any mars on your credit report or criminal history that you feel may cause the Commissioner's Office to pause when considering granting you your license, you should include a brief letter of explanation.

The OCOB takes everyone's application on an individual basis. Do not make them guess why your credit dipped in the past or what situation may have caused charges to be filed against you. With the exception of serious felony charges you should not be denied licensure for minor problems with your credit or personal history. Honesty is appreciated by the OCOB and a short letter of explanation could be the difference between licensure and denial of licensure.

**Q: What is the cost of the licensing exam?**

A: \$100

**Q: Is the licensing exam difficult?**

A: The exam is designed to be challenging for anyone who is not informed of the basic fundamentals of mortgage lending and who has not studied the laws governing the industry. We suggest you study the fundamentals course materials after you have sat through the class and before you take the exam.

**Q: Where and how do I take the exam?**

A: According to the official State of North Carolina Commissioner of Banks' website, "The North Carolina Office of the Commissioner of Banks has contracted with PSI Examination Services (PSI) to conduct the North Carolina Mortgage Loan Officer License examination. PSI provides examinations through a network of computer examination centers in North Carolina. The Commissioner of Banks works closely with PSI to be certain that the exam meets state as well as national requirements in basic principles and examination development standards." PSI has examination centers throughout the United States. You may take this examination daily at any of these locations by calling (800) 733-9267. You will find these other locations at their web address.

The website for PSI is [www.psiexams.com](http://www.psiexams.com).

**Q: What is the mailing and contact information for the State of North Carolina Office of the Commissioner of Banks?**

A: NC Commissioner of Banks

Mortgage Licensing Division

Mailing address:

4309 Mail Service Center,

Raleigh, NC 27699-4309

Street Address:

316 W Edenton St,

Raleigh, NC 27603

Phone: 919-733-0589

Fax: 919-733-2978

Website: [www.nccob.org/NCCOB](http://www.nccob.org/NCCOB)