

115TH CONGRESS
1ST SESSION

H. R. 2948

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2017

Mr. STIVERS (for himself, Mrs. BEATTY, Ms. SINEMA, and Mr. POLIQUIN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ELIMINATING BARRIERS TO JOBS FOR LOAN**
4 **ORIGINATORS.**

5 (a) IN GENERAL.—The S.A.F.E. Mortgage Licensing
6 Act of 2008 (12 U.S.C. 5101 et seq.) is amended by add-
7 ing at the end the following:

1 **“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINA-**
2 **TORS.**

3 “(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS
4 FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY
5 INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—

6 “(1) IN GENERAL.—Upon employment by a
7 State-licensed mortgage company, an individual who
8 is a registered loan originator shall be deemed to
9 have temporary authority to act as a loan originator
10 in an application State for the period described in
11 paragraph (2) if the individual—

12 “(A) has not had an application for a loan
13 originator license denied, or had such a license
14 revoked or suspended in any governmental ju-
15 risdiction;

16 “(B) has not been subject to or served
17 with a cease and desist order in any govern-
18 mental jurisdiction or as described in section
19 1514(c);

20 “(C) has not been convicted of a felony
21 that would preclude licensure under the law of
22 the application State;

23 “(D) has submitted an application to be a
24 State-licensed loan originator in the application
25 State; and

1 “(E) was registered in the Nationwide
2 Mortgage Licensing System and Registry as a
3 loan originator during the 12-month period pre-
4 ceeding the date of submission of the informa-
5 tion required under section 1505(a).

6 “(2) PERIOD.—The period described in para-
7 graph (1) shall begin on the date that the individual
8 submits the information required under section
9 1505(a) and shall end on the earliest of—

10 “(A) the date that the individual with-
11 draws the application to be a State-licensed
12 loan originator in the application State;

13 “(B) the date that the application State
14 denies, or issues a notice of intent to deny, the
15 application;

16 “(C) the date that the application State
17 grants a State license; or

18 “(D) the date that is 120 days after the
19 date on which the individual submits the appli-
20 cation, if the application is listed on the Nation-
21 wide Mortgage Licensing System and Registry
22 as incomplete.

23 “(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS
24 FOR STATE-LICENSED LOAN ORIGINATORS MOVING
25 INTERSTATE.—

1 “(1) IN GENERAL.—A State-licensed loan origi-
2 nator shall be deemed to have temporary authority
3 to act as a loan originator in an application State
4 for the period described in paragraph (2) if the
5 State-licensed loan originator—

6 “(A) meets the requirements of subpara-
7 graphs (A), (B), (C), and (D) of subsection
8 (a)(1);

9 “(B) is employed by a State-licensed mort-
10 gage company in the application State; and

11 “(C) was licensed in a State that is not the
12 application State during the 30-day period pre-
13 ceding the date of submission of the informa-
14 tion required under section 1505(a) in connec-
15 tion with the application submitted to the appli-
16 cation State.

17 “(2) PERIOD.—The period described in para-
18 graph (1) shall begin on the date that the State-li-
19 censed loan originator submits the information re-
20 quired under section 1505(a) in connection with the
21 application submitted to the application State and
22 end on the earliest of—

23 “(A) the date that the State-licensed loan
24 originator withdraws the application to be a

1 State-licensed loan originator in the application
2 State;

3 “(B) the date that the application State
4 denies, or issues a notice of intent to deny, the
5 application;

6 “(C) the date that the application State
7 grants a State license; or

8 “(D) the date that is 120 days after the
9 date on which the State-licensed loan originator
10 submits the application, if the application is
11 listed on the Nationwide Mortgage Licensing
12 System and Registry as incomplete.

13 “(c) APPLICABILITY.—

14 “(1) Any person employing an individual who is
15 deemed to have temporary authority to act as a loan
16 originator in an application State pursuant to this
17 section shall be subject to the requirements of this
18 title and to applicable State law to the same extent
19 as if such individual was a State-licensed loan origi-
20 nator licensed by the application State.

21 “(2) Any individual who is deemed to have tem-
22 porary authority to act as a loan originator in an ap-
23 plication State pursuant to this section and who en-
24 gages in residential mortgage loan origination activi-
25 ties shall be subject to the requirements of this title

1 and to applicable State law to the same extent as if
2 such individual was a State-licensed loan originator
3 licensed by the application State.

4 “(d) DEFINITIONS.—In this section, the following
5 definitions shall apply:

6 “(1) STATE-LICENSED MORTGAGE COMPANY.—
7 The term ‘State-licensed mortgage company’ means
8 an entity licensed or registered under the law of any
9 State to engage in residential mortgage loan origina-
10 tion and processing activities.

11 “(2) APPLICATION STATE.—The term ‘applica-
12 tion State’ means a State in which a registered loan
13 originator or a State-licensed loan originator seeks
14 to be licensed.”.

15 (b) TABLE OF CONTENTS AMENDMENT.—The table
16 of contents in section 1(b) of the Housing and Economic
17 Recovery Act of 2008 (42 U.S.C. 4501 note) is amended
18 by inserting after the item relating to section 1517 the
19 following:

“Sec. 1518. Employment transition of loan originators.”.

20 **SEC. 2. AMENDMENT TO CIVIL LIABILITY OF THE BUREAU**
21 **AND OTHER OFFICIALS.**

22 Section 1513 of the S.A.F.E. Mortgage Licensing Act
23 of 2008 (12 U.S.C. 5112) is amended by striking “are
24 loan originators or are applying for licensing or registra-
25 tion as loan originators.” and inserting “have applied, are

1 applying, or are currently licensed or registered through
2 the Nationwide Mortgage Licensing System and Registry.
3 The previous sentence shall only apply to persons in an
4 industry with respect to which persons were licensed or
5 registered through the Nationwide Mortgage Licensing
6 System and Registry on the date of the enactment of this
7 sentence.”.

8 **SEC. 3. EFFECTIVE DATE.**

9 This Act and the amendments made by this Act shall
10 take effect on the date that is 18 months after the date
11 of the enactment of this Act.

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