

NEWS FROM SCDCA

South Carolina Department of Consumer Affairs



Brandolyn Thomas Pinkston, Administrator

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CHANGES TO MORTGAGE BROKERS ACT IN EFFECT JAN. 13

Effective January 13, 2005, the Mortgage Brokers Act (as codified in SC Code Title 40 Chapter 58) requires that Originators register and become licensed with the South Carolina Department of Consumer Affairs prior to originating residential mortgages.

There are six very important amendments in this bill:

- ✓ **Originators must now be individually licensed.**
- ✓ **There is an added requirement for broker and originator to notify the Department of changes in employment and restricts originators to being employed by only one broker.**
- ✓ **The presumption of financial responsibility by the broker (who will continuously maintain the bond) is also added.**
- ✓ **Owners of mortgage broker companies and originators are also required to consent to and pay the cost of a SLED criminal records check.**
- ✓ **Originators are required to receive a continuing education requirement of 8 hours per year.**
- ✓ **A nonrefundable licensing fee of \$150 per branch location will be required.**

“This ensures that employees of mortgage brokers that accept or offer to accept applications for mortgage loans are held to the same licensing standards as mortgage brokers,” said SCDCA Administrator Brandolyn Thomas Pinkston. “It also helps protect both consumers and the industry from unscrupulous lenders and practices.” Additionally, Larry Compton, President of the South Carolina Mortgage Broker Association stated that the increased level of professionalism and accountability will provide a lasting benefit to both consumers and the industry.

For more information on loan originators or licensing, contact the South Carolina Department of Consumer Affairs’ Legal Division at (803) 734.4236 or log on to the SCDCA website at www.state.sc.us/consumer. Forms and Frequently Asked Questions can be downloaded from the website.

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About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education. For more information, visit www.state.sc.us/consumer.
