

Department of Real Estate Advisory: Implementation of Section 106, Eliminating Barriers to Jobs for Loan Originators, of S.2155, the Economic Growth, Regulatory Relief and Consumer Protection Act

The Economic Growth, Regulatory Relief and Consumer Protection Act was signed into federal law on May 24, 2018. It added a section to the federal SAFE Act that grants to certain applicants for mortgage loan originator licenses a temporary authority to operate as mortgage loan originators, which will become effective November 24, 2019.

This advisory serves to notify persons who intend to apply for a mortgage loan originator license endorsement through the California Department of Real Estate pursuant to S.2155 of the necessity of first possessing a valid real estate license issued by the Department.

Business & Professions Code section 10166.02 requires applicants for mortgage loan originator license endorsements to hold an underlying real estate license as a prerequisite to receiving the endorsement. As such, the Department of Real Estate will issue a Notice of Intent to Deny to all mortgage loan originator license endorsement applicants who do not hold valid real estate licenses. The Department's issuance of the Notice of Intent to Deny will automatically terminate applicants' temporary authority to operate granted pursuant to Section 106 of S.2155. After issuance of the Notice of Intent to Deny, the Department will take steps to formally deny those applications.

The Department of Real Estate will continue to post information about implementation of the act on the Department's website at www.dre.ca.gov.

