58A.03 LICENSE AND REGISTRATION REQUIRED.

Subdivision 1. **Generally.** An individual, unless specifically exempted from this chapter under subdivision 2, shall not engage in the business of a mortgage loan originator with respect to a dwelling located in this state without first obtaining and maintaining a license under this chapter. An individual may not engage in the mortgage loan business unless the individual is employed and supervised by an entity which is either licensed or exempt from licensing under chapter 58. A licensed mortgage loan originator must register with and maintain a valid unique identifier issued by the Nationwide Multistate Licensing System and Registry.

Subd. 2. **Exemptions.** (a) The following are exempt from this chapter:

(1) a registered mortgage loan originator, when acting for an entity described in section 58A.02, subdivision 12, clause (1);

(2) an individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual;

(3) an individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as the individual's residence;

(4) a licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of the lender, mortgage broker, or other mortgage loan originator;

(5) an employee of a nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, or a local unit of government, that is not otherwise engaged in the mortgage loan business, engaged in the financing of housing for low- and moderate-income households or housing counseling under programs designed specifically for those purposes, to the extent exempted by the commissioner by rule, advisory ruling, or interpretation, after taking into consideration any law, rule, advisory ruling, or interpretation by the United States Department of Housing and Urban Development;

(6) an employee of a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b; or an employee of a manufactured home salesperson, as defined in section 327B.01, subdivision 19; that:

(i) performs only clerical or support duties in connection with assisting a consumer in filling out a residential mortgage loan application but does not in any way offer or negotiate loan terms, or hold themselves out as a housing counselor;

(ii) does not receive any direct or indirect compensation or gain from any individual or company for assisting consumers with a residential mortgage loan application, in excess of the customary salary or commission from the employer in connection with the sales transaction; and

(iii) discloses to the borrower in writing:

(A) if a corporate affiliation with a lender exists;

(B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the lowest or best terms available and the consumer has the right to choose their lender; and

(C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated lender; and

(7) an individual who offers or negotiates the terms of a residential mortgage loan, when acting under the temporary authority granted in United States Code, title 12, section 5117, as amended by section 106 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, Public Law 115-174.

(b) For the purposes of this subdivision, "housing counselor" means an individual who provides assistance and guidance about residential mortgage loan terms including rates, fees, or other costs.

(c) The disclosures required under paragraph (a), clause (6), item (iii), must be made on a one-page form prescribed by the commissioner and developed in consultation with the Manufactured and Modular Home Association. The form must be posted on the department's website.

Subd. 3. **Independent contractor loan processors or underwriters.** A loan processor or underwriter who is an independent contractor may not engage in the activities of a loan processor or underwriter unless the independent contractor loan processor or underwriter obtains and maintains a license under subdivision 1. An independent contractor loan processor or underwriter licensed as a mortgage loan originator must have and maintain a valid unique identifier issued by the Nationwide Multistate Licensing System and Registry.

History: *2010 c 347 art 4 s 3; 2018 c 104 s 3; 2019 c 58 s 2; 2019 c 59 s 2*