CHAPTER 53

ARTICLE 19B - THE SECURE AND FAIR ENFORCEMENT MORTGAGE LICENSING ACT

N.C.G.S. § 53-244.050.

License and registration application; claim of exemption.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	No amendment history on record	21 September 2026, 02:12 UTC	2d1d10364de07441ccdf86a0 - a502bb00300540fdace7fffd - 14ef09aa33529f19

§ 53-244.050(a)

Applicants shall have a principal office located in the United States and shall apply through the NMLS on a form acceptable to the Commissioner. An application shall include the following information:

(1) The applicant's name and address, including street address, mailing address, email, telephone contact information, and either the applicant's social security number or taxpayer identification number.

(2) The applicant's form and place of organization, if applicable.

(3) The applicant's proposed method of and locations for doing business, if applicable.

(4) The applicant's qualifications and business history and, if applicable, the business history of any partner, officer, director, or individual occupying a similar status or performing similar functions, or any person directly or indirectly controlling the applicant, including all of the following:

a.A description of any injunction or administrative order by any state or federal authority to which the person is or has been subject.

b.Any conviction, within the past five years, of a misdemeanor involving any fraud, false statement or omission, any theft or wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or conspiracy to commit any of these offenses, or involving any financial service or financial service-related business.

c.Any felony convictions.

(5) The applicant's financial condition, credit history, and business history.

(6) The applicant's consent to a federal and state criminal history record check and a set of the applicant's fingerprints in a form acceptable to the Commissioner. In the case of an applicant that is a person other than an individual, each individual who has control of the applicant, the qualifying individual, or a branch manager shall consent to a federal and state criminal history record check and submit a set of that individual's fingerprints pursuant to this subdivision.

§ 53-244.050(b) The eligibility requirements for an application under this Article are as follows:

(1) Each individual applicant for licensure as a mortgage loan originator or qualifying individual shall satisfy all of the following requirements:

a.Be at least 18 years of age.

b.Have satisfactorily completed, within the three years immediately preceding the date of application, the mortgage lending prelicensing education as required under G.S. 53-244.070. However, an individual applicant holding a valid mortgage loan originator license in any other state or territory shall receive credit for the education completed under G.S. 53-244.070(e) if the individual has completed all required continuing education for the preceding year. This sub-subdivision does not apply to a qualifying individual for a mortgage servicer.

c.Have passed, within the five years immediately preceding the date of application, the test required under G.S. 53-244.080. However, an individual applicant holding a valid mortgage loan originator license in any other state or territory or a registered mortgage loan originator shall receive credit for the passage of the test under G.S. 53-244.080, except as otherwise provided in G.S. 53-244.080(e). This sub-subdivision does not apply to a qualifying individual for a mortgage servicer.

(1a) Repealed by Session Laws 2025-43, s. 1, effective October 1, 2025.

(1b) Each applicant for licensure as a mortgage lender, mortgage broker, or mortgage servicer and each applicant for registration as a registrant shall employ a qualifying individual.

(1c) Each applicant shall register any branch office of a mortgage lender or mortgage broker and shall employ a branch manager.

(2) If the applicant is a corporation, limited liability company, general or limited partnership, association, or other group engaged in a joint enterprise, however organized, at least one of its principal officers, managers, or general partners shall have three years of experience in residential mortgage lending or meet competency requirements as the Commissioner may impose.

(3) If an individual applicant to be licensed as a mortgage broker is a licensed mortgage loan originator and meets the requirements for licensure as a mortgage broker, but is not an employee as defined in G.S. 53-244.030 and does not meet the experience requirements of G.S. 53-244.050(b)(2)a., the individual may be licensed as an exclusive mortgage broker upon compliance with all of the following:

a.Successfully completes the prelicensing education required under G.S. 53-244.070.

b.Acts exclusively as a mortgage broker and shall be an agent for a single mortgage lender or mortgage broker licensee or a single exempt mortgage lender that satisfies all of the following:

1.Shall be responsible for supervising the individual as required by this Article and in accordance with a plan of supervision approved by the Commissioner in the Commissioner's discretion.

2.Shall sign the license application of the individual.

3.Shall be jointly and severally liable with the individual for any claims arising from the broker's mortgage brokering activities.

c.Shall be compensated on a basis that is not dependent upon the interest rate, fees, or other terms of the loan brokered. This sub-subdivision does not prohibit compensation based on the principal balance of the loan.

d.Shall offer only fixed-term, fixed-rate, fully amortizing mortgage loans originated by a single mortgage lender with substantially equal monthly mortgage payments and without a prepayment penalty, unless the Commissioner approves, in the Commissioner's discretion, the sale of other mortgage loan products for that lender.

e.Shall not handle borrower or other third-party funds in connection with the brokering or closing of mortgage loans.

f.Shall meet the surety bond requirement of a mortgage broker or otherwise be covered by a surety bond provided by the mortgage lender or broker licensee or exempt mortgage lender of the lesser of five million dollars ($5,000,000) or an amount equal to or greater than the sum of the surety bond requirements for each exclusive mortgage broker supervised by the broker or lender.

§ 53-244.050(c) In connection with an application for licensing as a mortgage loan originator, mortgage lender, mortgage broker, or mortgage servicer, or registration as a registrant, the applicant and its owners, qualifying individual, and control persons shall furnish to the NMLS information concerning the applicant's identity, including all of the following:

(1) Fingerprints for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive this information for a state, national, and international criminal history background check.

(2) Personal history and experience in a form prescribed by the NMLS and the Commissioner to obtain both of the following:

a.Independent credit reports obtained from a consumer reporting agency described in 15 U.S.C. § 1681a.

b.Information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

(3) Repealed by Session Laws 2025-43, s. 1, effective October 1, 2025.

(4) Repealed by Session Laws 2025-43, s. 1, effective October 1, 2025.

§ 53-244.050(c1) The Commissioner may, for good cause shown, permit equivalent information in lieu of the information required by subsection (c) of this section for a control person of an applicant that is not applying to be licensed as a mortgage loan originator. The Commissioner may request authorization from the NMLS to obtain the information required by subsection (c) of this section at any time.

§ 53-244.050(d) For the purposes of this section and in order to reduce the points of contact that the Federal Bureau of Investigation may have to maintain for purposes of the criminal information required by this section, the Commissioner may use the NMLS as a channeling agent for requesting information from and distributing information to the State Bureau of Investigation or any governmental agency.

§ 53-244.050(e) For the purposes of this section and in order to reduce the points of contact that the Commissioner may have to maintain for purposes of the noncriminal information required by this section, the Commissioner may use the NMLS as a channeling agent for requesting and distributing information to and from any source so directed by the Commissioner.

§ 53-244.050(f) For purposes of this section, the Commissioner may request and the State Bureau of Investigation may provide a criminal record check to the Commissioner for any individual who has applied for or holds a mortgage loan originator license or is a control person, executive officer, qualifying individual, or branch manager of a person licensed or registered under this Article. The Commissioner shall provide the individual's fingerprints, a signed consent form, and any additional information required by the State Bureau of Investigation. The individual's fingerprints shall be used by the State Bureau of Investigation for a search of the State's criminal records, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal record check. The State Bureau of Investigation may charge a fee for the services authorized by this section.

§ 53-244.050(g) Except as provided by subsection (h) of this section, persons engaged in the mortgage business and exempt from licensure pursuant to G.S. 53-244.040(d)(5), 53-244.040(d)(10), 53-244.040(d)(11), and 53-244.040(d)(12) shall notify the Commissioner in order to claim and confirm the exemption and to facilitate the referral of consumers that contact the Commissioner. The Commissioner shall prescribe a form for a claim of exemption that contains all of the following:

(1) The name of the exempt person.

(2) The basis of the exempt status.

(3) The principal business address and contact information for the exempt person.

(4) If applicable, the state or federal regulatory authority responsible for the exempt person's supervision, examination, or regulation.

§ 53-244.050(h) A state or federally chartered credit union may claim and confirm an exemption from this Article by notifying the Administrator of the Credit Union Division of the Department of Commerce and providing substantially the same information required by subsection (g) of this section.

§ 53-244.050(i) The Commissioner shall keep all information pursuant to this section privileged, in accordance with applicable State law and federal guidelines, and the information is confidential and is not a public record under Chapter 132 of the General Statutes.

(2009-374, s. 2; 2013-327, s. 3; 2013-412, s. 1; 2014-100, s. 17.1(o); 2014-115, s. 39; 2015-293, s. 1; 2023-134, s. 19F.4(ss); 2025-43, s. 1.)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
7 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 53-244.070	(b)	*"lending prelicensing education as required under"*
G.S. 53-244.070(e)	(b)	*"credit for the education completed under"*
G.S. 53-244.080	(b)	*"of application, the test required under"*
G.S. 53-244.080(e)	(b)	*"53-244.080, except as otherwise provided in"*
G.S. 53-244.030	(b)(3)	*"not an employee as defined in"*
G.S. 53-244.050(b)(2)	(b)(3)	*"not meet the experience requirements of"*
G.S. 53-244.040(d)(5)	(g)	*"and exempt from licensure pursuant to"*

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 53-244.050 (2026).

PINPOINT

N.C. Gen. Stat. § 53-244.050(a) (2026).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

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