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Patrick-Murray Administration's Division of Banks Announces Actions against 43 Mortgage Loan Originators

Cited licensees did not meet standards of SAFE Act

BOSTON - August 9, 2010 - The Patrick-Murray Administration's Division of Banks today announced the issuance of 43 temporary cease-and-desist orders against licensed mortgage loan originators in Massachusetts for failing to meet requirements for licensure under state law. The mortgage loan originators did not meet the standards set in a 2009 law, an Act Adopting the Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008, also known as the SAFE Act.

A significant provision of the 2007 foreclosure prevention legislation filed and signed by Governor Deval Patrick was the extension of licensing requirements to individual mortgage loan originators employed by licensed non-bank mortgage lenders and mortgage brokers. This law was updated in 2009 by Chapter 44 to ensure compliance with the federal SAFE Act which was largely patterned after the existing Massachusetts law.

Mortgage loan originators are required to complete 20 hours of pre-licensing education, pass both the Massachusetts SAFE Mortgage Loan Originator Test and the National SAFE Mortgage Loan Originator Test, and submit fingerprints for a national criminal background check. Mortgage loan originators who applied for a license after July 31, 2009, had until July 31, 2010 to meet the licensing requirements under the federal SAFE Act. For all mortgage loan originators licensed prior to July 31, 2009, the state and national test must be passed by October 31, 2010 and fingerprints for a national criminal background check must be submitted by December 31, 2010.

"High standards for licensure are integral to maximizing consumer protection and eliminating mortgage fraud," said Barbara Anthony, Undersecretary of the Office of Consumer Affairs and Business Regulation. "Every borrower and potential homeowner has the right to know they are meeting with a mortgage professional that meets or exceeds these standards."

[NMLS Consumer Access](#) allows consumers to confirm that the mortgage lender, mortgage broker, or mortgage loan originator with whom they wish to conduct business is licensed in their state.

"The mortgage loan originators who received temporary cease-and-desist orders today had ample opportunity to meet the revised licensing requirements. The Division made it clear that any mortgage loan originator that failed to meet all requirements for licensure by the stated deadlines would be unable to continue to do business in the Commonwealth," said Commissioner of Banks Steven L. Antonakes. The Division sent notifications to the individuals in an industry letter in September 2009, four separate e-mail notifications, and a final notice mailed July 13, 2010.

Today's orders require the 43 mortgage loan originators to cease all loan origination activities. A link to the [list of mortgage loan originators](#) issued enforcement actions is included in this release. The Division currently licenses 4,167 mortgage loan originators, 250 mortgage lenders, and 457 mortgage brokers.

Any consumer who has a pending application with one of the mortgage loan originators for which a temporary cease-and-desist order was issued is urged to contact their mortgage lender or broker. The mortgage lender or broker will be responsible for placing the loan with a licensed mortgage loan originator. Consumers can also call the Division's Mortgage Hotline at (800) 495-2265, extension 1501.

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