

115TH CONGRESS  
1ST SESSION

# S. 1753

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2017

Mr. HELLER (for himself and Mr. MENENDEZ) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SAFE Transitional  
5 License Act”.

1 **SEC. 2. ELIMINATING BARRIERS TO JOBS FOR LOAN ORIGI-**  
2 **NATORS.**

3 (a) IN GENERAL.—The S.A.F.E. Mortgage Licensing  
4 Act of 2008 (12 U.S.C. 5101 et seq.) is amended by add-  
5 ing at the end the following:

6 **“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINA-**  
7 **TORS.**

8 “(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS  
9 FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY  
10 INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—

11 “(1) IN GENERAL.—Upon employment by a  
12 State-licensed mortgage company, an individual who  
13 is a registered loan originator shall be deemed to  
14 have temporary authority to act as a loan originator  
15 in an application State for the period described in  
16 paragraph (2) if the individual—

17 “(A) has not had an application for a loan  
18 originator license denied, or had such a license  
19 revoked or suspended in any governmental ju-  
20 risdiction;

21 “(B) has not been subject to or served  
22 with a cease and desist order in any govern-  
23 mental jurisdiction or as described in section  
24 1514(c);

1           “(C) has not been convicted of a felony  
2 that would preclude licensure under the law of  
3 the application State;

4           “(D) has submitted an application to be a  
5 State-licensed loan originator in the application  
6 State; and

7           “(E) was registered in the Nationwide  
8 Mortgage Licensing System and Registry as a  
9 loan originator during the 12-month period pre-  
10 ceeding the date of submission of the informa-  
11 tion required under section 1505(a).

12           “(2) PERIOD.—The period described in this  
13 paragraph shall begin on the date on which the indi-  
14 vidual submits the information required under sec-  
15 tion 1505(a) and shall end on the earliest of—

16           “(A) the date on which the individual with-  
17 draws the application to be a State-licensed  
18 loan originator in the application State;

19           “(B) the date on which the application  
20 State denies, or issues a notice of intent to  
21 deny, the application;

22           “(C) the date on which the application  
23 State grants a State license; or

24           “(D) the date that is 120 days after the  
25 date on which the individual submits the appli-

1 cation, if the application is listed on the Nation-  
2 wide Mortgage Licensing System and Registry  
3 as incomplete.

4 “(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS  
5 FOR STATE-LICENSED LOAN ORIGINATORS MOVING  
6 INTERSTATE.—

7 “(1) IN GENERAL.—A State-licensed loan origi-  
8 nator shall be deemed to have temporary authority  
9 to act as a loan originator in an application State  
10 for the period described in paragraph (2) if the  
11 State-licensed loan originator—

12 “(A) meets the requirements of subpara-  
13 graphs (A), (B), (C), and (D) of subsection  
14 (a)(1);

15 “(B) is employed by a State-licensed mort-  
16 gage company in the application State; and

17 “(C) was licensed in a State that is not the  
18 application State during the 30-day period pre-  
19 ceding the date of submission of the informa-  
20 tion required under section 1505(a) in connec-  
21 tion with the application submitted to the appli-  
22 cation State.

23 “(2) PERIOD.—The period described in this  
24 paragraph shall begin on the date on which the  
25 State-licensed loan originator submits the informa-

1 tion required under section 1505(a) in connection  
2 with the application submitted to the application  
3 State and end on the earliest of—

4 “(A) the date on which the State-licensed  
5 loan originator withdraws the application to be  
6 a State-licensed loan originator in the applica-  
7 tion State;

8 “(B) the date on which the application  
9 State denies, or issues a notice of intent to  
10 deny, the application;

11 “(C) the date on which the application  
12 State grants a State license; or

13 “(D) the date that is 120 days after the  
14 date on which the State-licensed loan originator  
15 submits the application, if the application is  
16 listed on the Nationwide Mortgage Licensing  
17 System and Registry as incomplete.

18 “(c) APPLICABILITY.—

19 “(1) EMPLOYER OF LOAN ORIGINATORS.—Any  
20 person employing an individual who is deemed to  
21 have temporary authority to act as a loan originator  
22 in an application State pursuant to this section shall  
23 be subject to the requirements of this title and to  
24 applicable State law to the same extent as if such

1 individual was a State-licensed loan originator li-  
2 censed by the application State.

3 “(2) ENGAGING IN MORTGAGE LOAN ACTIVI-  
4 TIES.—Any individual who is deemed to have tem-  
5 porary authority to act as a loan originator in an ap-  
6 plication State pursuant to this section and who en-  
7 gages in residential mortgage loan origination activi-  
8 ties shall be subject to the requirements of this title  
9 and to applicable State law to the same extent as if  
10 such individual was a State-licensed loan originator  
11 licensed by the application State.

12 “(d) DEFINITIONS.—In this section, the following  
13 definitions shall apply:

14 “(1) APPLICATION STATE.—The term ‘applica-  
15 tion State’ means a State in which a registered loan  
16 originator or a State-licensed loan originator seeks  
17 to be licensed.

18 “(2) STATE-LICENSED MORTGAGE COMPANY.—  
19 The term ‘State-licensed mortgage company’ means  
20 an entity licensed or registered under the law of any  
21 State to engage in residential mortgage loan origina-  
22 tion and processing activities.”.

23 (b) TABLE OF CONTENTS AMENDMENT.—The table  
24 of contents in section 1(b) of the Housing and Economic  
25 Recovery Act of 2008 (42 U.S.C. 4501 note) is amended

1 by inserting after the item relating to section 1517 the  
2 following:

“Sec. 1518. Employment transition of loan originators.”.

3       (c) EFFECTIVE DATE.—This section and the amend-  
4 ments made by this section shall take effect on the date  
5 that is 18 months after the date of enactment of this Act.

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