

**Utah QuickNotes™**

Residential Mortgage Regulatory Commission Utah Division of Real Estate

Phone (801) 530-6747

Herber M. Wells Building

Fax (801) 530-6749

160 East 300 South, 2<sup>nd</sup> Floor, Salt Lake City, Utah 84111

www.commerce.utah.gov/dre/index.html

**Licensing Requirements**

Type	Mortgage Banker	Mortgage Broker	Loan Officer	Principal Lender
Requirements	\$100,000 in Net Worth OR \$25,000 Surety Bond, Letter of Credit and \$250,000 Warehouse Line	\$100,000 in Net Worth OR \$10,000 Surety Bond, Letter of Credit	• Loan Officers under Principal Lending Manager become inactive with manager	• Principal Lending Manager – 3 yrs full time exp. previous 5 years
	Physical Location Required		• Utah Recovery fund contributions to (\$100,000	
	Principals/Owners not subject to Licensing		Prelicensing Education 20 Hrs Live or On-Line and Mortgage Test	Pre Licensing Education 40 Hrs- can be exempt 40 hrs with 5 Years mortgage experience and passing Federal Law Test
Fees Initial	250 Initial		Test Fee 75; 236 Initial	Test Fee 150; 236 Initial
Fees Renewal	253 Renewal; 100 Late Renewal		139 Renewal + 14 Hours CE Late Renewal \$100	139 Renewal+ 14 hrs CE; Late Renewal \$100
Exemptions	Standard entities regulated by Federal or other branch of State Individual using his/her own money to make a loan			
License Changes	Notify within 10 days of change – location/name/principal and criminal conviction/bankruptcy/ suspension in other jurisdiction. Written notice.			

**Required Practices**

Trust Accounts	Must maintain trust accounts separate from operating account		
Agreements/ Disclosures	<b>Mortgage Broker Agreement</b> – applicable to brokers only – disclosing 1.) fees/charges payable to 3 <sup>rd</sup> parties and 2.) Whether fees or deposits are refundable		
	<b>Consumer Disclosure Statement</b> – Written statement explaining broker compensation and legal obligations.		
Record Retention	4 Years from date of closing or servicing ends – all records		
Fines/Penalties	Up to \$2,500/violation plus license revocation, suspension or denial of renewal		
Prohibited Practices	Making residential mortgage loans without a license	Ordering a title insurance report without a license	
	Receiving kickbacks or referral fees	Failing, within 90 days, to provide copy of an	
	Charging an excessive fee for a mortgage lending transaction	Failing to exercise reasonable supervision over mortgage officers	
	Making a false statement or representation, or acts of omission on loan applications, to the Division in licensing statements, engaging in fraud dishonesty or misrepresentation.	Encouraging a loan applicant to default or to become delinquent on an existing debt	
	Influence the independent judgment of an appraiser	Using false or misleading advertising	
	No Identity of interest transactions for appraiser, escrow agent, or general contractor	Pay an unlicensed individual for work	
		Failing to respond to a notice or complaint from the Division	

**Utah High Cost Home Loan Act**

All Loans	No lender can recommend or encourage default on an existing loan prior to a closing on a high-cost loan that will refinance the existing debt.	
Max Rate	1 <sup>st</sup> Mortgage 8% - 2 <sup>nd</sup> Mortgage 10% over comparable Treasury Bills	
Max Points	8 points or \$510	
Prohibited Practices	No prepayment penalty more than 36 months after the loan is made.	No arbitration comply with the Utah Uniform Arbitration Act of the Federal Arbitration Act
	No financing of points, fees, or other loan-related	No negative amortization
	No single premium credit life insurance	Special disclosure high cost loan
Requirements	Lender must provide borrower copies of all mortgage-related documents within 3 business days after	
	All sections of mortgage forms must be completed prior to signing	
	Lenders must provide borrowers who consider high-cost loans with information on education resources on mortgage loans	