What do Mortgage Loan Originators Do?

Mortgage loan originators work for commercial banks, credit unions, savings institutions, and mortgage companies. They function as salespersons, who together with realtors, property appraisers, and attorneys, work to develop new business opportunities. Make no mistake -- this job is about selling, and requires one to be good with dealing with the public!

Loan originators interview mortgage applicants, analyzing and screening preliminary loan requests. They gather background financial information, assist the borrower with completing mortgage forms, and submit loan applications for processing. They determine whether loan applicants meet the lender's credit criteria or loan standards; in so doing, the loan originator may call the applicant to resolve discrepancies in the credit application, such as a credit report showing late payments. They will package loans for review by senior loan officers or a loan committee, and monitor progress of loans from the loan application to loan closing.

Mortgage loan originators spend much of their time out of the office, working with laptop computers, cellular phones, and pagers to stay in contact with their offices and clients. In many cases, they work from their homes, and usually are assigned a geographic territory to work. While mortgage loan officers may work a 40-hour week, they often work evenings and weekends in order to better serve their clients. Weekend and evening work is also required when there is a heavy volume of mortgage originations and loan refinancings -- in other words, when the business is there, the mortgage loan originator will be expected to be there as well.

Employment change and job outlook.

Employment of loan officers is projected to grow 10 percent between 2008 and 2018, which is about as fast as the average for all occupations. Employment growth will be driven by economic expansion and population increases—factors that generate demand for loans.

The collapse of the real estate bubble greatly reduced the size of the mortgage industry's workforce. Going forward, most job openings will result from the need to replace workers who retire or otherwise leave the occupation permanently.

Good job opportunities should exist for mortgage and consumer loan officers as the industry retools.

How much does a Mortgage Loan Originator make?

Median annual wages of wage and salary loan originators were **$54,700** in May 2008. The middle 50 percent earned between **$39,710** and **$76,860**. The lowest 10 percent earned less than**$30,850**, while the top 10 percent earned more than **$106,360**.

How loan officers are varies. Most are paid by commission based on the number of loans they originate. Some firms may pay only salaries, while others pay their loan officers a salary plus a commission or bonus based on the number of loans -- or the performance of the loans -- that they originated.

Source for above: Bureau of Labor Statistics, www.bls.gov

How does one become a Mortgage Loan Originator?

The SAFE Act, which was passed in 2008, requires that all residential mortgage loan originators must be either federally registered or state-licensed. A mortgage loan originator employed by a federally insured depository institution or any credit union or an owned and controlled subsidiary that is federally supervised must be *federally registered*, while ll other mortgage loan originatorsmust be *state licensed*. All mortgage loan originators must be registered with the Nationwide Mortgage Licensing System & Registry, which is maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

Requirements for Licensure

As a state-licensed mortgage loan originator, the applicant must provide certain information to the NMLSR, including -- but not limited to -- fingerprints for a criminal background check, a personal history and disclosure of experience. *Minimum* standards for license issuance includes:

1. Never having had a revocation of loan originator license;
2. Never having had a felony conviction involving an act of fraud, dishonesty, or a breach of trust, or money laundering (no other types of felonies seven years prior to application);
3. Demonstration of financial responsibility;
4. **Completing pre-licensing education** reviewed, and approved by the NMLSR (at least 20 hours);
5. Passing a written test developed and administered by the NMLSR (at least 75% correct

answers out of minimum 100 questions).
6. States must include a minimum net worth requirement or surety bond requirement for applicants, or have had the applicant pay into a state fund.

The six standards are just the minimum -- each state may have additional standards beyond these six. To learn what your state requires, visit the **NMLS Resource Center**.

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