

To: Minnesota Residential Mortgage Originator Licensees

From: Maxwell Zappia
Deputy Commissioner, Financial Institutions Division

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RE: Temporary Authority to Operate for Mortgage Loan Originators

Effective November 24, 2019, qualified mortgage loan originators (MLOs) may be eligible to originate loans while completing any state specific requirements for licensure such as education and testing. This is in response to the [Economic Growth, Regulatory Relief, and Consumer Protection Act \(S.2155\) \(SEC. 106\)](#) which was signed into law in May 2018. The federal law added a section to the SAFE Act entitled “Employment Transition of Loan Originators.” See 12 U.S.C. § 5117. Additionally, Minnesota Statutes §58A.03, subdivision 2(7) was amended to incorporate, by reference, the temporary authority granted in 12 U.S.C. § 5117(b).

Temporary Authority will be available to qualified MLOs who are changing employment from a depository institution as defined in the SAFE and FDI Acts (12 USC 5102 and 12 USC 1813) to a state-licensed mortgage company and to qualified state-licensed MLOs seeking licensure in another state. A qualified MLO must be:

1. employed through NMLS by a state-licensed mortgage company **AND**;
2. either be registered in NMLS through a depository institution as an MLO continuously during the one-year period preceding the application submission **OR** licensed in another state with in NMLS as an MLO continuously during the 30-day period preceding the date of application.

Temporary Authority begins on the date an eligible MLO submits a license application with the required background check information (fingerprints, personal history and experience, and authorization for a credit report), assuming there is no disqualifying event. Temporary Authority ends when the earliest of the following occurs:

1. The MLO withdraws the application
2. The state denies or issues a notice of intent to deny the application
3. The state grants the license, or
4. 120 days after the application submission if the application is listed on NMLS as incomplete.

The NMLS Resource Center has launched a [Temporary Authority to Operate \(TA\)](#) web page to help prepare for the November 24 implementation of the new law. You are encouraged to visit the NMLS Resource Center web page and view the [Frequently Asked Questions](#) and [TA Demo](#).

In addition, please remember that renewal season begins November 1, 2019. You are encouraged to request renewal of your company license as well as all of your MLOs as soon as possible. The Department is anticipating a substantial increase in workload with the Temporary Authority legislation which falls right in the middle of the renewal season.

If you have questions, please contact the Commerce Department at 651-539-1570 or email at: mortgage.commerce@state.mn.us