



STATE OF SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS

MORTGAGE BROKER LICENSE RENEWAL INSTRUCTIONS

Mailing Address

P.O. Box 5757
Columbia, SC 29250-5757

S.C. Code Ann. § 40-58-10 through -110 (Supp. 2005)

www.sccoconsumer.gov

803-734-4182/800-922-1594

Street Address

3600 Forest Drive, 3rd Floor
Columbia, SC 29204-4406

Read the instructions, to see if you qualify for the NEW EZ Form and Send your renewal In Early! Verify your information on the web at www.sccoconsumer.gov.

All mortgage brokers licensed prior to *August* of the current year must renew their license by *September 30*. The renewal application, available on this website, must be completed in its entirety and submitted to the Department. You must have earned eight hours of Continuing Professional Education (CPE) by September 30, of the current broker year (Oct. 1 – Sept. 30). (You cannot renew without your 8 hours of Continuing Professional Education). Any loan closed without a valid license may invalidate all or a portion of the loan even if you assign it to another broker.

Note: All forms necessary for renewal are available on this website.

HERE'S HOW TO RENEW

1. Read and keep a copy of the Renewal Instructions.
 2. Use the most current forms. **Note:** Verify your company information on our website for accuracy. http://www.sccoconsumer.gov/licensing/mortgage_brokers/broker_list.pdf
If all information in your file is current, including licensed originators and locations, then you can file an EZ form. If the information is not current or incorrect, then you must file a Renewal Application and the appropriate supplemental forms to update changes."
 3. Fully read and complete the appropriate renewal application, the **EZ** or two page [Renewal Application](#). Make sure the application and all supplemental forms, if applicable, are signed by the **owner/authorized officer/member** and notarized. Faxed copies of the required forms are not acceptable. **To verify your current information (licensed originators and locations), prior to renewal, go to our website at www.sccoconsumer.gov, print your company's information, verify by signature of owner/authorized officer/member and attach to your application.**
 4. **Include the following with your renewal application only if there are changes, if you are eligible to file the new EZ Form skip to item E:**
 - B1. [Supplemental Form B1](#) (Location - Main or Branch): Note: A branch office must be open 30 hours per week and staffed by a licensed employee who can contract and accept service on behalf of the company. See S.C. Code Ann. §40-58-65. Out-of-state brokers need to list their out-of-state main location on a separate B1 form from their South Carolina branch location. A branch office requires an additional \$150 renewal fee for each location. Use a separate B1 form for each branch location. Remember to list all employees including originators.
 - B2. [Supplemental Form B2](#) (Location - Satellite) A satellite office does not require an employee staffing it 30 hours per week; it does require an additional \$150 renewal fee for each location. Use a separate form for each satellite location. Remember to list all employees including originators.
 - C. [Supplemental Form C](#) (Corporate or Limited Liability Company (LLC) Information).
 - D. **Current [Mortgage Broker Fee Agreement for Financial Services](#):** It must comply with S.C. Code Ann 40-58-10 through -110, S.C. Code Ann 37-23-10 through -85 and S.C. Code Regs. 28-400C. **If you use a fee agreement other than the one on file with the Department you could be required to refund all broker fees and be subject to administrative action by the Department.**
 - E. **Continuing Professional Education Information:** Who must complete CPE?
 - i. Sole Proprietorship: The owner;
 - ii. Partnership: Each partner;
 - iii. Corporation/Limited Liability Company: CEO and President must complete. Also any other officer who is active in the business and owns 25% or more of the business. "Active" means an individual who is engaged in running the business, not a silent investor.
- Remember to include a copy of your Certificate of Completion with the renewal application.
- A current CPE calendar is located on the Department's website, should you require additional hours.
- F. **A check** (made payable to SCDCA) in the amount of \$550 (renewal fee). Include \$150 for each branch or satellite location (no location fee required for main), if applicable. **Note:** If renewal is completed after September 30th, include \$250 late renewal penalty. If CPE is completed after September 30th, include a \$100 late CPE penalty. You must file before October 30th or your license will be cancelled and you will have to apply as a new applicant.
5. **Include the following with your renewal application ONLY if there are changes OR the information has not been previously submitted.**
 - A. [Supplemental Form A](#) (Owner/Employee Information): A separate form is required for each owner/employee other

than originators. Originators are separately licensed and do not require a Supplemental Form A, however they must still be listed on the Supplemental Form B1 or B2.

HOW RENEWALS ARE HANDLED BY THE DEPARTMENT

1. Renewals are processed in order of receipt, including walk-in renewal applications. If the renewal is deficient, in any respect, it will be returned to you for correction/completion. Your license will not be renewed until the corrections/completion is received and evaluated by the Department.
2. Do not wait until the last week of the renewal period and expect to be renewed by September 30. Usually, half of the brokers wait until the last week to renew. Failure to renew your license and continuing to engage in brokering activity will result in administrative action. Please notify the Department in writing if you are no longer in business and are inactivating your broker license. Remember, you cannot engage in any brokering activity until you receive your new license. Brokering a mortgage without a license can result in unenforceable contracts.
3. Plan ahead, you can file as early as August 1st, especially if you want to close a loan on October 1.
4. Do not have a lender call us and request a letter permitting your company to close a loan when the license is not timely renewed and/or a deficient renewal package is pending with the Department.
5. A lender may check our website or submit a faxed request to the Legal Department at 803-734-4229 to verify whether your company's license has been renewed.
6. Your renewal license may be delayed if you have failed to respond to an investigator's compliance review letter, outstanding obligations to third parties or to a consumer's complaint pending in our Services Department.
7. Call, fax or e-mail the Investigator for your area, Assistants, CPE Coordinator or me, if you have questions.
8. You should receive your license within two weeks of the approval of your renewal application.
9. **Do not fax any forms. We need the original, fully completed and notarized.**

LEGAL STAFF

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|-------------------|-----------------------------|----------|--|
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| Charles Knight | Staff Attorney | 734-4187 | cknight@scconsumer.gov |

PROBLEMS NOTED BY DEPARTMENT'S INVESTIGATORS DURING COMPLIANCE REVIEWS

1. **Broker Fee Agreement:** All brokers should be using the new fee agreement, which became law on January 1, 2004. Remember: Broker fees of 10% or more will continue to be questioned under the unconscionability provisions of the law. Brokers are not permitted - an application fee, an administration fee, an underwriting fee, a document preparation fee, or fees normally associated with lenders. Additionally broker fees that exceed 5% are considered high cost and require consumer counseling. **Further, if you use a fee agreement other than the one on file with the Department you could be required to refund all fees and be subject to other administrative actions.**
2. All employees including telemarketers must have a Supplemental Form A on file, unless they are originators that require a Supplemental Form O. Please notify us in writing when the employee is separated or terminated and include the date of separation or termination.
3. Remember, the closed loan files should contain copies of the following documents: A. The loan application; B. The Mortgage Broker Fee Agreement; C. The estimated Truth-in-Lending statement; D. The Good Faith Estimate; E. The Attorney/Insurance Preference Form; F. The consumer's method of payment for third-party services; G. The receipts and/or invoices from third-party service providers; H. The final Truth-in-Lending Statement; I. The final HUD-1 or HUD-1A Settlement Statement; J. The Notice of Right to Rescind or Cancel, if required; K. The Mortgage Broker's fee check(s); and L. Any co-brokered Mortgage Broker agreements and fee checks.
4. Timely provide the disclosures (ex. Mortgage Broker Fee Agreement, Attorney/Insurance Preference Form, Estimated Truth-in-Lending Disclosure, Good Faith Estimate, Transmittal Letter (if mailing disclosures)) to the borrower.
5. Processing Fee: If a broker charges this fee, the dollar amount of the fee also needs to be stated on the broker fee agreement with language which indicates it is "payable only at closing."
6. Premiums: The Good Faith Estimate needs to indicate the dollar amount of premium the broker may receive P.O.C. as well as the HUD1 Settlement Statement, additionally it must be disclosed on the Broker Fee Agreement.
7. One of the biggest problems continues to be brokers not staffing their offices as required by law or using unlicensed originators. (See staffing requirements above under Supplemental Form B1.) The Department will begin taking administrative action against violators.