



**JOINT PRESS RELEASE
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State Agencies Partner for Changes to State Mortgage Lender/Broker Laws

COLUMBIA, S.C. – The South Carolina Department of Consumer Affairs (DCA) and the South Carolina State Board of Financial Institutions - Consumer Finance Division (BOFI-CFD) are announcing changes made during the 2017 legislative session to state mortgage laws.

Senate Bill 366 amends the Mortgage Lending Act and Mortgage Broker Act, providing updates that reduce the regulatory burden on industry. These changes also decrease initial license application costs without compromising consumer protections. The bill was a collaborative effort between the agencies and the Mortgage Bankers Association of the Carolinas. The new law becomes effective September 16, 2017, and makes the following changes:

- **Adoption of the Uniform State Test.** License applicants will no longer take a South Carolina specific test as a part of the licensing process. Instead, applicants will take the Uniform State Test along with three hours of South Carolina specific training for prelicensing education (PE).
- **Elimination of State Criminal Background Check.** The requirement of a state criminal background check for license applicants has been removed. The Nationwide Multistate Licensing System & Registry (NMLS) already administers national background checks for mortgage companies and individuals. State background check data is reported to the national system within 24 hours of processing.
- **Continuing Education Requirements.** The amendment requires that at least one hour of the eight hours of required Continuing Education (CE) be on South Carolina specific laws. Current licensees will have until license renewal in **November of 2018** to satisfy this requirement.

Additional changes include:

- **Residence as licensed location.** Clarifies when a residence may be licensed as a branch location.
- **Broker brick and mortar removal.** Deletes the requirement for a mortgage broker to have a physical location in SC.
- **Dual license clarification.** Adds parameters to determine when a mortgage lender would not need to obtain a mortgage broker license when engaging in both activities.

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About SCDCA

The South Carolina Department of Consumer Affairs aims to protect consumers from inequities in the marketplace through advocacy, complaint mediation, enforcement and education. To file a complaint or get information on consumer issues, visit www.consumer.sc.gov or call toll-free, 1-800-922-1594.

About BOFI-CFD

The South Carolina Board of Financial Institutions - Consumer Finance Division is responsible for the licensing, supervision, and examination of all consumer finance companies, deferred presentment companies, check-cashing companies and mortgage lender/servicer companies.