



State of North Carolina

North Carolina Prelicensing Education (PE) for Mortgage Loan Originators 4 Hour State Specific Curriculum Outline

Statement of Purpose

The purpose of this course is to raise the bar of professionalism for the NC mortgage industry. A Prelicensing (PE) program must provide prospective mortgage loan originators (MLO) with a basic knowledge of and competency in: basics of home purchase and ownership, the mortgage industry generally, loan evaluation and documentation, the operation of a mortgage firm, features of various loan products, state and federally required disclosures, fraud prevention and ethical considerations. N. C. Gen. Stat. §53-244.070 mandates that an applicant for a MLO license complete 24 hours of prelicensing education approved in accordance with the Nationwide Mortgage Licensing System and Registry (NMLS & R), which shall include **four hours** relating specifically to North Carolina laws and regulations. These **four hours** are in addition to the **20 hours** of required NMLS & R approved education as required by the SAFE Mortgage Act.

I.	<p>North Carolina General Statutes and Administrative Codes</p> <p>A. Mortgage Licensing Act – Article 19B</p> <ol style="list-style-type: none"> 1. Mortgage broker duties (N. C. Gen. Stat. §53-244.109) 2. Prohibited Acts (N. C. Gen. Stat. § 53-244.111) 3. Regulation of Mortgage Servicing 4. Foreclosure suspension (N. C. Gen. Stat. §53-244.117) <p>B. Chapter 24 Interest</p> <ol style="list-style-type: none"> 1. Contract rates on home loans secured by first mortgages or Deeds of trust (N. C. Gen. Stat. §24-1.1A) <ol style="list-style-type: none"> a. Permitted fees and charges b. Notice of Amortization 2. Restrictions and limitations on high-cost home loans (N. C. Gen. Stat. §24-1.1 E) 3. Rate spread home loan (N. C. Gen. Stat. §24-1.1F) <p>C. NC Administrative Rules (04 NCAC 03N)</p> <p>D. Residential Mortgage Fraud Act – Chapter 14, Article 20A</p> <p>E. Nontraditional Mortgage Guidance</p> <p>F. Emergency program to reduce home foreclosure - Chapter 45, Article 11</p> <p>G. Duty of lender (N. C. Gen. Stat. §45A-5 (b))</p> <p>H. Reverse Mortgage Act (N. C. Gen. Stat. § 53-255)</p> <p>I. Net Branching – Declaratory Ruling 2003-1</p>	4 hours
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*Prelicensing education for **initial** applicants may be offered only in a classroom or classroom equivalent setting as approved by NMLS & R