

The Seven Steps to Becoming a Residential Mortgage Loan Originator (MLO)

Step 1 – Create Your NMLS Account! – It’s Free!

The very first thing that the prospective residential mortgage loan originator (MLO) needs to do is to create their account through the Nationwide Mortgage Licensing System & Registry (NMLS). To do so, the future mortgage professional must visit the [NMLS’ website](#), click on the “Log in to NMLS” button at the top right corner, click on the, “Request an Account” link, and select the Individual option.

Once the originator candidate has entered all of the requested information, his or her NMLS account will be created and he or she will be assigned his or her NMLS number, aka unique identifier. The unique identifier is the number, solely belonging to that mortgage professional, that connects him or her to everything that he or she does during his or her mortgage industry tenure. All individuals must register through the NMLS regardless if their intention is to originate mortgage loans for an exempt depository institution or a non-depository institution.

Please note, as well, that, if an individual intends to work as a contract (1099) processor or underwriter, he or she must also be licensed as a residential mortgage loan originator through each state in which the properties on which he or she works are located.

Step 2 – Complete Your 20-hour Pre-Licensing (PE) Course

All candidates for mortgage loan originator licensure must complete an NMLS-approved, 20-hour pre-licensing education (PE) course. We strongly recommend that you register for and complete your 20-hour course through [OnlineEd](#), the premier NMLS-approved education provider (use coupon code *success10* when registering to receive 10% off the standard registration fee).

Step 3 – Study for the NMLS National Mortgage Licensing Exam

All residential mortgage loan originator licensing candidates must take and pass a 120-question, multiple choice national mortgage licensing examination in order to qualify for licensure. Although the 20-hour course will help prepare you, no 20-hour course, by itself, can effectively prepare anyone for this exam. To pass this exam, the exam candidate must master [the four strategies for NMLS exam success](#). [AxSellerated Development](#) offers numerous NMLS exam preparation courses, products, and services to help you achieve success.

Step 4 – Take and Pass the NMLS Exam

You may take your NMLS national mortgage licensing exam at one of Prometric’s numerous testing centers located throughout the United States or online from the comfort of your own home. Regardless of which modality you choose, *and I cannot emphasize this strongly enough*, be certain to thoroughly read *everything* you’re sent in response to your exam registration.

Before scheduling your NMLS exam, you must pay for it and accept the NMLS’ Candidate Agreement. To do this:

1. Log into your NMLS account;
2. Click on the “*MLO Testing & Education*” tab;
3. Click on the “*Create New Test Enrollment Window*” link;
4. Click on “*National Test with Uniform State Content*”;
5. Select the “*SAFE Mortgage Loan Originator Test – National Component*”;
6. Click the “*Add to Cart*” link;
7. Click the “*Proceed to Candidate Agreement*” button;
8. Review the Candidate Agreement and click the “*I Accept*” button;
and
9. Click the “*Pay Invoice*” button to pay the \$110 exam registration fee.

Once you've completed these steps, you may schedule your exam by:

1. Logging into your NMLS account;
2. Clicking the “*MLO Testing and Education*” tab;
3. Clicking the “*Manage Test Appointments*” link on the submenu;
4. Clicking either the “*Schedule – Test Center*” or the “*Schedule – Online Test*” button; and
5. Complete your registration by following the prompts through which you'll be directed on Prometric's website.

You will have slightly over three hours to complete your exam and you must score a grade of 75% or higher to achieve a passing grade.

Step 5 – Complete All Required NMLS State-Specific Pre-Licensing Education (if applicable)

Mortgage Loan Originators who are not exempt from licensure must be licensed through each state in which the properties are located on which they desire to originate residential mortgage loans. Some states require MLO licensing candidates to complete NMLS-approved state-specific pre-licensing education, in addition to the 20-hour national pre-licensing course, in order to apply for and ultimately be issued their state's MLO license.

Visit the [NMLS' State Specific Requirements](#) page to determine if the states in which you ultimately desire MLO licensure require additional state-specific pre-licensing education. If they do, we strongly recommend that you register for and complete your state-specific courses through [OnlineEd](#), the premier NMLS-approved education provider (use coupon code *success10* when registering to receive 10% off the standard registration fee).

Since the national licensing exam does not contain state-specific questions and since there are no state-specific exams that you will be required to take and pass,¹ we recommend that you reserve completing all state-specific pre-licensing education until after passing the NMLS national exam. This

¹ Some state-specific courses may include a final exam which the student will have to pass in order to successfully complete the course.

will allow yourself the opportunity to completely focus on the national test material while preparing for the national exam. You may, however, register for the 20-hour course along with any required state-specific courses simultaneously through [OnlineEd](#).

Step 6 – Find a Sponsor

Finding a sponsor simply means securing employment through a licensed mortgage lender or broker. Take your time and explore your options. The key, however, is flexibility. The more flexible you are, the easier it will be to locate an employer willing to take a chance on you.

The number one piece of advice that we can offer you when seeking sponsorship is to find a sponsor that provides a formal and thorough training and mentorship program. Any potential employer that does not offer a thorough training program that includes the opportunity to shadow an experienced MLO is an employer who you should not consider. Could you imagine a police officer graduating from the police academy and being directed to jump into a patrol vehicle and patrol solo on his or her first day? That would prove disastrous! Just as the rookie police officer requires extensive training, so does the rookie loan originator.

Although you will not be allowed to originate loans for your new sponsor until you are issued your license, in order to be issued an active license you will first need to be actively sponsored.

Step 7 – Apply for Your License

Once you've completed all of the aforementioned prerequisites and secured sponsorship, the time has arrived for you to apply for your MLO license. All state license applications are submitted through the NMLS' website.

To complete this process, visit the [NMLS' State Licensing](#) page, select the state in which you seek licensure, scroll down to the bottom of that page and look for the requirements checklist and application form for the individual Mortgage Loan Originator License on the right. Be *absolutely*

meticulous when following all directions and procedures to ensure as smooth a licensing process as possible.

In general, if your MLO license is issued between November 1st and December 31st, it will be valid through December 31st of the following year. If it is issued prior to November 1st, however, your license will most likely expire on December 31st of that year. To continue originating mortgage loans, licensed mortgage loan originators are required to renew their licenses annually by:

1. Completing an annual 8-hour NMLS-approved continuing education course;
2. Completing any NMLS-approved state-specific continuing education required by the state(s) in which the licensee is licensed; and
3. Applying for renewal which includes remitting the annual license renewal fee.

Any state-licensed mortgage loan originator who has neglected to renew his or her MLO license by December 31st, must cease and desist from all mortgage loan origination activities that would otherwise require licensure until an active MLO license has been secured.

All national and state-specific continuing education may be obtained through [OnlineEd](#).

Good luck!