



Career Guide:

Mortgage Lending

Mortgage lending is an exciting career. A home purchase or refinance is one of the biggest financial considerations most people ever make, and as a mortgage loan originator, your job is to educate and guide borrowers through the process from application to closing. It is a fulfilling way to earn a living and help others at the same time.

What Makes Someone Successful in Mortgage Lending?

- ① A love of working with people
- ② Sales ability
- ③ Excellent communication skills
- ④ Strong analytical skills
- ⑤ Ability to problem solve
- ⑥ Excellent attention to detail

Employment Prospects

Employment opportunities for commissioned mortgage loan originators will grow about as fast as employment opportunities in general, according to the Bureau of Labor Statistics. The mortgage market is very sensitive to interest rates, which means job opportunities may decline during periods when mortgage interest rates are rising.

A Day in the Life of a Mortgage Loan Originator

Loan originators work at banks, credit unions, savings institutions, and mortgage companies. They are in contact with other professionals daily, such as real estate brokers, property appraisers, attorneys, and escrow closers to monitor the progress of loans from start to finish. They also stay in close touch with borrowers to keep them informed of the loan's progress. A mortgage loan originator spends much of his/her time in the field, communicating by email and phone with the office and clients. A typical workweek may be more than 40 hours and include evenings and/or weekends, especially when interest rates are low and the housing market is brisk.

Specific job functions may include:

- Interviewing loan applicants and explaining loan terms and conditions
- Analyzing the applicant's financial status, including verifying credit history and income, and the property to determine whether the applicant has the ability to repay the loan
- Ordering appraisals, credit reports, and reference checks
- Preparing loan documentation in accordance with financial institution standards
- Providing status reports to bank management on residential loan production
- Coordinating loan closings with buyers, sellers, real estate agents, and escrow officers
- Resolving customer complaints



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Major Industry Changes in the Last Few Years

As a result of the passage of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act), all residential mortgage loan originators must be either federally registered or state licensed. A mortgage loan originator working for a federally insured depository (such as a bank or credit union) must be federally registered with the Nationwide Mortgage Licensing System (NMLS). All other mortgage loan originators must be state licensed.

An applicant must furnish certain information to the NMLS, including fingerprints for a criminal background check and personal history and experience.



Applicants must:

- Not have been convicted of, or pled guilty or no contest to, a felony within the seven years preceding the date of the license application
- Not have been convicted of, or pled guilty or no contest to, a felony involving fraud, dishonesty, breach of trust, or money laundering, at any time preceding license application
- Not have a record of loan originator license revocation in another state
- Demonstrate financial responsibility
- Complete pre-licensing education approved by the NMLS (at least 20 hours)
- Pass a written test developed and administered by the NMLS

A number of states require additional prerequisites prior to becoming licensed. State-specific requirements for licensure may be found on the state regulator's website, as well as the NMLS website.

Education and Training

Financial institutions normally provide extensive on-the-job training to loan originator employees. Those individuals that are new to the business will need to become familiar with federal underwriting guidelines, as well as those of individual lenders. Learning to work as a team with your loan processor is also an invaluable tool in getting loans meticulously and efficiently through the underwriting process.

Federal law requires new mortgage loan originators to complete at least 20 hours of education approved by the NMLS, including instruction on federal mortgage-related laws, ethics (including fraud, consumer protection, and fair lending), and lending standards for nontraditional mortgage products.

Tips for Entry

- Check for job opportunities at one of the many banking industry websites for available positions
- Attend job fairs sponsored by state mortgage bankers associations to get to know potential employers
- Contact employers in your area directly for informational interviews
- Ask for referrals from friends or associates