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DEPARTMENT OF REGULATORY AGENCIES

DIVISION OF REAL ESTATE

POSITION STATEMENT

MB 1.6 – INDEPENDENT CONTRACTOR LOAN PROCESSORS AND UNDERWRITERS

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Section 1. Scope and Purpose

In July of 2008, the Housing and Economic Recovery Act of 2008 was signed into law. Title V of the Economic Recovery Act of 2008 is the S.A.F.E. Mortgage Licensing Act. The S.A.F.E. Mortgage Licensing Act defines minimum national licensing standards for mortgage loan originators and requires states to adopt such provisions. The S.A.F.E. Mortgage Licensing Act requires all independent contractor processors or underwriters to be licensed as state-licensed loan originators. Accordingly, the Colorado General Assembly passed House Bill 09-1085 in May of 2009. This bill was signed into law by Governor Bill Ritter Jr. on May 21, 2009. House Bill 09-1085 becomes effective August 5, 2009. The Director of the Division of Real Estate has received many inquiries from loan processors and underwriters regarding when they need to be licensed as state-licensed loan originators. House Bill 1085 does define a requirement for licensure, but does not specify a timeline. The purpose of this position statement is to clearly provide a timeline for independent contractor processors and underwriters regarding when they are required to be licensed as state-licensed loan originators.

Section 2. Applicability

This position statement concerns all independent contractor loan processors and underwriters as these terms are defined in section 12-61-902(4.9), C.R.S.

Section 3. Position Statement – MB 1.6 – Independent Contractor Loan Processors and Underwriters

The Director's position on this matter is that all independent contractor loan processors and underwriters shall be licensed as state-licensed loan originators by July 31, 2010. On and after August 1, 2010, independent contractor loan processors or underwriters shall not engage in residential mortgage loan origination activities as a loan processor or underwriter unless they are licensed as a state-licensed loan originator.

Section 4. Issuance Date

The Director of the Division of Real Estate issues this position statement July 22, 2009.