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# Pam-a-gram

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Newsletter for California Mortgage & Real Estate Brokers

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## About Pam Strickland

Pam is a Real Estate Broker from Santa Barbara with over 30 years experience in Real Estate and Mortgage Lending.

Past-President, CAMB (California Association of Mortgage Brokers). Selected Mortgage Broker of the Year in 1992 by the CAMB and in 1993 by the NAMB (National Association of Mortgage Brokers).

Member, National Mortgage Review Committee for the SAFE Mortgage Test.

Member, California Mortgage Review Committee for the SAFE Mortgage Test.

Member, National Legal Review Committee for the SAFE Mortgage Test.

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 Any recommendations contained in this message are based on Pam's many years of personal experience and research in the Real Estate industry and must not be considered legal advice. Please consult with appropriate legal counsel for further

## Important new information regarding Loan Processors and the SAFE Act!



### Loan Processors and the SAFE Act

**Contract loan processors** who perform that service for **more than one broker** must have either a **Broker's** or a **Salesperson's DRE license** and an **MLO endorsement** prior to January 1, 2011.

*The SAFE Act is very clear that these individuals fall under the definition of a Mortgage Loan Originator (MLO).* Based on the provisions in Senate Bill 36, if you want to perform MLO activities in California after 1/1/11, you need a MLO license endorsement, which you can only obtain by holding a real estate license. However, in order to perform these services for more than one broker at a time, a **Broker's license** with a MLO endorsement will be required.

If, on the other hand, the individual wants to perform loan processing activities under the **W-2 employment** and supervision of **one Broker only**, and does not advertise or market his/her services to other Brokers or companies as an independent loan processor, no license will be required.

HUD has proposed Regulations which are now under review that discuss this topic further. Just click on the link below and use the search function in the left margin to search for the term "loan processor." It will take you right to the sections of interest.

<http://hud.gov/offices/hsg/ramh/safe/safeprule.pdf>

### SAFE Act Test Preparation Classes

I have arranged with the Chamberlin Real Estate School to offer their California and Federal SAFE test preparation classes through the "Special Alert" link on my website ([www.pamstrickland.com](http://www.pamstrickland.com)) or by clicking [here](#) to access the class directly.

### Newsletter Archives Online

There is a link on the first page of my website, under "Newsletter (Pam-a-gram)" that leads to all my old e-mailed newsletters. If you have missed any previous copies and want to refer to them, they are all there (except very old *mailed* copies which are not available). There is also a link to be added to my e-mail list in case you are not receiving them directly from me.

### Be Prepared

I'm often called by a Broker or their attorney after a state or federal audit has occurred, asking for help in mitigating an accusation from the audit's findings. How easy it would have been to have taken care of problems BEFORE the auditors arrived and to have come through the audit with NO VIOLATIONS! Now is the time to do a pre-audit, find potential problem areas and correct them, discuss ways of conducting business in this changing environment, and to be prepared before an audit occurs.

clarification.

Contact Pam at:

[pam@pamstrickland.com](mailto:pam@pamstrickland.com)

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## Compliance Consulting

For a thorough evaluation of your company's compliance with the multitude of regulations that pertain to the real estate industry, Pam is available for private, confidential in-office consulting. Further information is available on her website:

[www.pamstrickland.com](http://www.pamstrickland.com)