

## Real Estate Agent as Mortgage Loan Originator Program (REMLO)

It is anticipated that the REMLO is Part-Time Loan Originator for FCM and a full time employee for a real estate agency or brokerage. The position is intended to offer only limited hours (@10 hours per week) and state hourly minimum wage with no benefits. The position will also offer recoverable draw provisions. The part-time REMLO will sign a REMLO Loan Originator Employment Agreement and Exhibit A. The REMLO must be the loan originator listed on the loan application for a minimum of 6 loans per calendar year to continue his/her employment with FCM.

- 10 hours a week
- Minimum hourly wage
- Must do 6 loans a year
- First POC for consumer
- Must not have a full time job as loan officer
- Have to take app, submit to finish, will be monitored by FCM lender
- Fed allow mix of re AGENT in addition to originate loans, **conventional only though?**

There is no federal prohibition of employing dual licensed real estate agent and mortgage loan originators. There is no state prohibition of dual licensing except in Utah and Louisiana.

“various conflict of interest and dual employment subsections of Handbook 4000.1 and clarifying its general conflict of interest policy by prohibiting individuals that have a direct impact on the mortgage approval decision from having multiple roles or sources of compensation from a single FHA-insured transaction.”

- Cannot be appraiser and have dual capacity
- RESPA 8 prohibits anyone in the settlement service arena from receiving unearned fees (like a referral fee). The REMLO agent is required to complete several tasks in the loan manufacturing process to receive a commission fee.

REMLO Loan Originators cannot be paid on RD Loans. Therefore, USDA/RD is an ineligible product for this program.

Certain disclosures must be added to the LE/CD disclosure packages (TBD) including that the borrower can go to any lender and the Dual Capacity/Compensation should be identified. If the disclosures are not provided in a timely fashion, the REMLO may not act in the dual capacity of REMLO in the loan transaction

Duties that will be performed consists of meeting clients, pulling credit, taking applications, or directing consumers to the online FCM application portal, sending disclosures, collect financials, helping the customer throughout the loan process, and attending the closing

Monthly FCM Continuing Education classes and LO training will be required for all REMLOs. All new hire REMLOs will complete the FCM New Hire curricula and 20 Hour Federal Pre-licensure Education Course through MyMortgage Trainer. (FCM will handle registration, so please do not login and register through their website). The applicant is not required to take and pass the examination (if he/she so chooses) but he/she must complete the course. In addition, the new REMLO will be part of the FCM Mentor Program for the first 12 loans processed by a REMLO Loan Originator. FCM will handle the federal SAFE ACT registration of the REMLO through the NMLS but will not grant access to Encompass until the required training is completed. FCM will handle the payment of the training course fees, which will be charged back to the Branch and the REMLO.

Once a file is brought into the FCM LOS and the initial application process is completed, an experienced FCM loan processor and an experienced FCM LO will assist the REMLO (as needed) through closing. The REMLO will maintain all consumer contact and learn the process of loan manufacturing. The REMLO loans will be reviewed by QC.

**The REMLO is not paid for referring a loan, he/she must complete all required steps in the loan process as would the non-REMLO Loan Originator.**

Reminder ❖ NO REFERRAL FEES CAN BE PAID TO REFERRING REAL ESTATE AGENTS EVER!