



pennsylvania

DEPARTMENT OF BANKING

MARKET SQUARE PLAZA | 17 N SECOND STREET, 13TH FL | HARRISBURG, PA 17101

Ph 717.787.3717 Ex 717.787.8773 W www.banking.state.pa.us

Dear Licensees:

As you know, the Pennsylvania Department of Banking (Department) had previously established December 31, 2009, as the date by which all mortgage originators would have to complete both the twenty hours of pre-licensing education now required by the federal SAFE Act and the Mortgage Licensing Act and also to have successfully passed the pre-licensing tests required by those laws. The purpose of the new testing requirement is to ensure an enhanced level of professionalism in the industry. The tests have been designed, therefore, to establish that licensees have acquired appropriate levels of knowledge and competence in their field. Because these tests can be expected to be rigorous, it is recommended that licensees, at minimum, read the federal and state laws that govern these topics (the relevant Pennsylvania laws may be found on the Department's website at www.banking.state.pa.us and the Pennsylvania Housing Finance Agency's website at www.phfa.org) and that all or most of the twenty hours of required pre-licensing education is completed before the tests are taken.

The Department is committed to working cooperatively with the mortgage industry to implement these new and important pre-licensing requirements. To accomplish that goal the Department believes that it would be reasonable to extend the date by which all licensed mortgage originators and mortgage originator applicants must successfully pass both the national and state components of the mortgage originator test until April 30, 2010. The requirement that twenty hours of pre-licensing education be completed by December 31, 2009, will not change. Given the widespread availability of courses, both in-person and on-line, the Department is unaware of any obstacles that would prevent the completion of the pre-licensing education requirement by that date. Furthermore, completion of the pre-licensing education requirement by the end of 2009 would allow the applicant sufficient time to take one or both of the testing components more than once.

Individuals are allowed four opportunities to take each of the pre-licensing test components (the initial test and three additional opportunities provided at 30-day intervals). If a mortgage originator does not pass any of the test components after all four opportunities, the Mortgage Licensing Act and the federal SAFE Act require that the individual must wait for 6 months to take the test components again. In this instance, the mortgage originator's license will be suspended by the Department until such time as the mortgage originator passes both of the test components. The Department will use the time period of May through July 2010 to ensure that all Pennsylvania mortgage originators are in compliance with the pre-licensing education and testing requirements of the federal SAFE Act by the July 30, 2010, deadline set by that law.

In addition, one person at each licensed location for mortgage companies must also complete eight hours of continuing education by December 31, 2009, as required by the Mortgage Licensing Act.

In summary, the Department will extend the deadline to pass the Pennsylvania and national components of the mortgage originator test until April 30, 2010, but will leave in place the December 31, 2009, deadline to complete the twenty hours of pre-licensing education. The Department encourages mortgage originators to make the education and testing requirements of Pennsylvania and federal law a top priority.

If you have any questions about this letter, please do not hesitate to contact the Department's Licensing Division at 717-787-3717.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. H. Bleicken". The signature is fluid and cursive, with the first and last names being more prominent.

David H. Bleicken
Deputy Secretary of Banking for
Non-Depository Institutions and Consumer Services