



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

February 8, 2022

To: ALL NON-BANK MORTGAGE COMPANIES AND MORTGAGE LOAN ORIGINATORS DOING BUSINESS IN PENNSYLVANIA OR WITH PENNSYLVANIA RESIDENTS:

On behalf of the Pennsylvania Department of Banking and Securities, I am pleased to announce the passage of HB 1588, now Act 8 of 2022 into law. Act 8 authorizes remote mortgage loan origination, in addition to other updates to the Pennsylvania Mortgage Licensing Act.

The Department licenses and regulates more than 3,500 non-bank mortgage lending and brokering companies, 22,000 mortgage loan originators, and 330 mortgage servicing companies under the Mortgage Licensing Act.

Prior to enactment of Act 8, the Mortgage Licensing Act required mortgage loan originators to be assigned to and work out of a licensed location, whether it be the principal place of business or a branch. In addition, a mortgage loan originator's residence was required to be located within 100 miles of a licensed location. These requirements were waived during the height of the pandemic and enforcement remains on hold until Spring 2022.

Act 8 enacts the following changes:

- Authorizes non-bank mortgage loan originators to operate from a licensed location or alternatively from a remote location, as defined in the Act;
- Removes the licensing category of "mortgage loan correspondent" which aligns PA with the majority of other states;
- Clarifies language related to annual report filing exemptions for bona fide non-profit organizations;
- Eliminates duplicate licensure, regulation, and examination of installment sellers and of employees of installment sellers that assist consumers in obtaining loans for manufactured or mobile homes when the dealer is licensed under the Consumer Credit Code and provides financing for the purchase on an installment sales contract regulated by the Consumer Credit Code;

RICHARD VAGUE – SECRETARY

Market Square Plaza | 17 N. Second Street, Suite 1300 | Harrisburg, PA 17101-2290 | 717.787.2665 | F
717.214.0808 | dobs.pa.gov

- Allows licensees that comply with Consumer Financial Protection Bureau (CFPB) requirements related to lock-in agreements (12 CFR 1026.37) to satisfy the requirements of the Act;
- Adds clarifying language that state non-bank servicing regulations do not apply to reverse mortgage loans, time shares and companies or persons exempt from licensure for consistency with CFPB regulations.

The changes made by this Act will provide for a more efficient mortgage loan origination process, alignment of state and federal regulations, and removal of unnecessary burdens for bona fide non-profit organizations. It reduces the regulatory burden for certain licensees and organizations, while streamlining Departmental processes.

Provisions authorizing mortgage loan originators to operate remotely went into effect immediately upon signing on February 3, 2022. All other provisions of the Act will take effect in 60 days. We look forward to working with you as these changes are implemented.

Sincerely,
/s/
Richard Vague
Secretary of Banking and Securities