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NEWS RELEASE

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Mortgage Loan Originator Licensing Law Effective

(Boise) – Gavin Gee, Director of the Idaho Department of Finance, reminded industry and the public today that Idaho's loan originator licensing law went into effect on January 1, 2006.

Idaho's industry-driven licensing initiative for mortgage loan originators follows a national trend in the mortgage industry, according to Gee. "Individual licensing in Idaho was sought by the Idaho mortgage industry as a consumer protection measure to help prevent fraud, implement ongoing education requirements, and provide the necessary tools for regulatory oversight."

Gee said that about half of the states now require licensing or registration of individual mortgage loan originators, including the neighboring states of Montana, Nevada, Oregon, and Utah. The state of Washington is currently considering legislation for loan originator licensing.

Loan originators have until March 1, 2006 to apply for their individual licenses. Gee said that Idaho is utilizing a national uniform application form for loan originators in anticipation of a national automated licensing system being adopted for the mortgage industry. The license application forms are available on the Department's website at <http://finance.idaho.gov>.

Until March 1, 2006, the license application fee is \$100. After March 1, 2006 the fee increases to \$200. Gee cautioned loan originators against waiting until the last minute to file their license applications. "Loan originators who file application packages postmarked after March 1, 2006, will be required to cease all origination activities until a license is issued," said Gee. "Moreover," Gee added, "while the Department will do all it can to process applications in a timely manner, last minute applications which are

deficient, will likely face delays in receiving a license if there is a large backlog of pending applications.”

Loan originators must also obtain individual surety bonds of \$10,000 and renew their licenses annually on October 31st, said Gee. “We commend the Idaho mortgage industry for its efforts to protect consumers and increase the education level and professionalism of the industry throughout Idaho.”

The mortgage industry has grown substantially over the past 15 years. In 1990 only 18 states regulated mortgage brokers/lenders. Today the mortgage industry is regulated by all but two states. In 1990 the volume of mortgage originations in the U.S. totaled \$459 billion, compared to \$2.7 trillion in 2005.

Idaho began licensing mortgage brokers/lenders in 1996. By the end of fiscal year 1997 Idaho had 724 licensed mortgage brokers/lenders. That number has grown to 1,719 licensed mortgage brokers/lenders; a 237% increase over 1997, and a 17.5% increase over last year for this same period, according to Gee. “We expect 7,500 to 10,000 loan originator licensees in Idaho over the next few years.”

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Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8080 or Idaho toll-free at 1-888-346-3378.