

VIRGINIA ACTS OF ASSEMBLY -- 2016 SESSION

CHAPTER 330

An Act to amend the Code of Virginia by adding a section numbered 6.2-1712.1, relating to mortgage loan originators; inactive licenses.

[H 125]

Approved March 11, 2016

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 6.2-1712.1 as follows:

§ 6.2-1712.1. Inactive mortgage loan originator licenses.

A. Notwithstanding any other provision of this chapter, if the Commission finds that an individual has applied for a mortgage loan originator license and meets all applicable requirements for licensure except § 6.2-1703, then the Commission shall issue a mortgage loan originator license to the applicant. However, the license issued by the Commission shall be inactive by operation of law until the Commission has updated the licensee's status in the Registry pursuant to subsection D.

B. Notwithstanding any other provision of this chapter, if the Commission finds that an individual has requested renewal of his mortgage loan originator license in accordance with subsection C of § 6.2-1711 and meets all applicable requirements for license renewal except § 6.2-1703, then the Commission shall renew the individual's mortgage loan originator license. However, the license renewed by the Commission shall be inactive by operation of law until the Commission has updated the licensee's status in the Registry pursuant to subsection D.

C. If at any time a licensee ceases to be covered by a surety bond meeting the requirements of § 6.2-1703, then the individual's license shall be inactive by operation of law until the Commission has updated the licensee's status in the Registry pursuant to subsection D.

D. If a licensee's mortgage loan originator license or transitional mortgage loan originator license is inactive by operation of law pursuant to this section, then the licensee shall not engage in the business of a mortgage loan originator until (i) the Commission has determined that the licensee is covered by a surety bond meeting the requirements of § 6.2-1703 and (ii) based upon its determination, the Commission has updated the licensee's status in the Registry to indicate that the licensee may engage in the business of a mortgage loan originator.