

Mortgage Loan Originator FAQs

Answers to frequently asked questions for mortgage loan originators under the Consumer Loan Act, chapter 31.04 RCW, and the Mortgage Broker Practices Act, chapter 19.146 RCW.

1. Does Washington have a “reasonable commute distance” requirement for mortgage loan originators?

No. Neither act has a commutable distance requirement for residential mortgage loan originators (MLOs). Both Acts allow MLOs to work either from a licensed location (branch or main) or from their residence (as long as they comply with RCW 31.04.075 or RCW 19.146.265 and the corresponding rules).

2. Can out-of-state mortgage loan originators originate loans in Washington without having a physical presence in Washington?

Yes. MLOs may conduct Washington activity from either a Washington-licensed location (main or branch) or from their residence (as long as they comply with RCW 31.04.075 or RCW 19.146.265 and the corresponding rules). The licensed location or residence can be located outside of Washington.

3. If a mortgage loan originator is working from their residence, how should that be reflected in NMLS for sponsorship and employment history?

Because NMLS allows a MLO to have more than one registered location, a MLO could have a registered location at their residence for the states that require the residence to be licensed, and have a registered location that is licensed in Washington. If a MLO is working from their residence, the MLO’s registered location in NMLS must be a location licensed in Washington (main or branch). The MLO’s employment history should reflect that registered location as well.

If you have a specific situation where this cannot work for you, please contact the department.

4. What address should appear on the residential mortgage loan application in the “Loan Originator Information” section when a mortgage loan originator is working from their residence without licensing the residence as a main or branch location?

The residential mortgage loan application must be completed using the MLO’s registered location (see #3 above).

5. What are “appropriate risk-based monitoring and oversight processes” for the supervision of loan originators working from their residence without licensing it as a branch location?

The following resources may assist a company in determining what is appropriate for their business:

- [FTC Safeguards Rule: What Your Business Needs to Know](#)
Federal Trade Commission (FTC)
- [Baseline Nonbank Cybersecurity Exam Program](#)
Conference of State Bank Supervisors (CSBS)
- [Basic Components of an Information Security Program](#)
Mortgage Bankers Association (MBA)
- [Small Business Information Security: the Fundamentals](#)
National Institute of Standards and Technology (NIST)
- [Information Security Risk Assessment](#)
Federal Financial Institutions Examination Council (FFIEC)
- [Guide for Conducting Risk Assessments](#)
NIST
- [Enhanced Nonbank Cybersecurity Exam Program](#)
CSBS