

**CHAPTER 44. MORTGAGE BANKERS AND BROKERS AND  
CONSUMER EQUITY PROTECTION****CONTINUING EDUCATION**

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**Authority**

The provisions of this Chapter 44 issued under section 304(e) of the Mortgage Bankers and Brokers and Consumer Equity Protection Act (63 P. S. § 456.304(e)), unless otherwise noted.

**Source**

The provisions of this Chapter 44 adopted March 1, 2002, effective March 2, 2002, 32 Pa.B. 1180, unless otherwise noted.

**Cross References**

This section cited in 10 Pa. Code § 44.3 (relating to reporting, verification and recordkeeping).

**§ 44.1. Definitions.**

The following words and terms, when used in this chapter, have the following meanings unless the context clearly indicates otherwise:

*Act*—The Mortgage Bankers and Brokers and Consumer Equity Protection Act (63 P. S. §§ 456.101—456.3101).

*Annual renewal date*—July 1 of each calendar year.

*Annual renewal period*—The licensing term commencing July 1 of 1-calendar year and ending on June 30 of the following calendar year.

*Continuing education program*—

(i) An educational program as required by section 304(e) of the act (63 P. S. § 456.304(e)) which contributes directly to the enhancement of the professional competence of a mortgage professional to engage in the first mortgage loan business.

(ii) The term does not include programs which instruct in matters such as office or business management, personnel management or similar subjects not directly related to the first mortgage loan business.

*Continuing education provider*—A provider of a continuing education program that has been approved by the Department.

*Credit hour*—Sixty minutes of classroom instruction or the equivalent as determined by the Department.

*First mortgage loan business*—The first mortgage loan business as defined in section 302 of the act (63 P. S. § 456.302).

*Instructor*—An individual responsible for teaching a continuing education program that has been approved by the Department.

*Licensee*—A person licensed under the act.

*Limited mortgage broker*—A limited mortgage broker as defined in section 302 of the act.

*Loan correspondent*—A loan correspondent as defined in section 302 of the act.

*Mortgage banker*—A mortgage banker as defined in section 302 of the act.

*Mortgage broker*—A mortgage broker as defined in section 302 of the act.

*Mortgage professional*—

(i) A manager of each licensed office maintained by a licensee; any owner, director, officer or W-2 employee of a licensee who has the authority to underwrite or approve loans, either individually or in combination with other individuals as members of a committee; or any owner, director, officer or W-2 employee of a licensee who, as part of his official duties, directly contacts borrowers to present, negotiate or advise regarding loan terms.

(ii) A mortgage professional does not include any individual who engages solely in processing loan applications or other administrative or clerical functions, or both.

*Person*—A person as defined in section 302 of the act.

#### § 44.2. Requirements.

(a) Except as provided in subsection (b), to renew a license, a licensee shall demonstrate to the satisfaction of the Department that:

(1) In the case of a mortgage banker, mortgage broker or loan correspondent, the licensee maintains at least one separate mortgage professional at each licensed office who has successfully completed during the annual renewal period at least 6 credit hours of continuing education programs which shall include 1 credit hour of Pennsylvania residential mortgage law, including the act and the Loan Interest and Protection Law (41 P. S. §§ 101—605), 1 credit hour of business ethics and 4 credit hours from among one or more of the following subject areas:

(i) Federal residential mortgage law, including the Real Estate Settlement Procedures Act (12 U.S.C.A. §§ 2601—2617), the Truth in Lending Act (15 U.S.C.A. §§ 1601—1667e) and the Equal Credit Opportunity Act (15 U.S.C.A. §§ 1691—1691f).

(ii) The first mortgage loan business.

(2) In the case of a limited mortgage broker, the licensed individual has successfully completed during the annual renewal period at least 2 credit hours of continuing education programs which shall include 1 credit hour of Pennsylvania residential mortgage law, including the act and the Loan Interest and Protection Law and 1 credit hour from among one or more of the following subject areas:

- (i) Business ethics.
  - (ii) Federal residential mortgage law, including the Real Estate Settlement Procedures Act, the Truth in Lending Act and the Equal Credit Opportunity Act.
  - (iii) The first mortgage loan business.
- (b) The continuing education requirements imposed by this chapter shall apply to all renewals of licenses except when an initial licensee has been licensed by the Department for less than 6 months prior to its first annual renewal date, in which case the licensee shall be in compliance with this chapter within 6 months after its first annual renewal date.
- (c) A mortgage professional who acts as an instructor shall be credited with 2 credit hours of continuing education for every 1 credit hour taught per annual renewal period.
- (d) Continuing education program credit hours earned in excess of the minimum requirement established by this section during any annual renewal period may not be carried over to a successive annual renewal period.

#### Cross References

This section cited in 10 Pa. Code § 44.3 (relating to reporting, verification and recordkeeping).

### § 44.3. Reporting, verification and recordkeeping.

- (a) Except as provided in § 44.2(b) (relating to requirements), a licensee shall include as part of its renewal application a statement that the requirements of this chapter have been completed by at least one separate mortgage professional at each licensed office, or in the case of a limited mortgage broker, by the licensed individual. The statement shall include a list of continuing education programs completed by the designated mortgage professional for each licensed office or the individual limited mortgage broker licensee. The list shall include:
- (1) The name of continuing education providers.
  - (2) The name of continuing education programs.
  - (3) The number of credit hours attended by the mortgage professional.
  - (4) The locations and dates attended.
- (b) The Department may verify satisfactory completion of the requirements of this chapter by methods including examination of the licensee.
- (c) The Department may assess licensees examination costs for examinations made under subsection (b) consistent with section 308(a)(4) of the act (63 P. S. § 456.308(a)(4)).
- (d) A licensee shall retain all original documents relating to the completion of each continuing education program by each mortgage professional for 3 annual renewal periods.

**§ 44.4. Review and approval.**

(a) The Department will have the sole authority to approve or deny continuing education programs. The Department does not approve or endorse continuing education providers.

(b) A prospective continuing education provider may apply for continuing education program approval on an application provided by the Department. The application shall be submitted to the Department at least 90 days prior to the first date that the proposed continuing education program will be offered. The applicant shall attach:

- (1) An outline of the proposed continuing education program, and the method of instruction, either in-person or through interactive technology.
- (2) A resume detailing each proposed instructor's qualifications.
- (3) Other information that the Department may require.

(c) The proposed continuing education program is required to satisfy the following criteria to be considered. The program shall be:

- (1) A formal program of learning which contributes directly to the professional competence of a mortgage professional to engage in the first mortgage loan business.
- (2) At least 1 credit hour.
- (3) Conducted by one or more instructors. The following individuals are not qualified to be an instructor, unless the Department determines otherwise:
  - (i) An individual who has had his license suspended or revoked by the Department.
  - (ii) An individual who has been the owner, director or officer of a license that has had its license suspended or revoked by the Department.
  - (iii) An individual who has been a party to a Department order or agreement prohibiting the individual from engaging in the first mortgage loan business in this Commonwealth or acting in any other capacity related to activities regulated by the Department.

(d) The Department will have 60 days from receipt of a completed application to approve or deny the proposed continuing education program. An application will be deemed completed when the requirements of subsections (b) and (c) have been fulfilled. If the Department fails to approve or deny an application submitted by a prospective continuing education provider within 60 days of its receipt, the continuing education program will be deemed approved by the Department. The Department may deny an application submitted by a prospective continuing education provider if the continuing education program or provider fails to satisfy any of the conditions or requirements contained in this chapter or the act.

(e) Approval of a continuing education program by the Department is valid for 1 annual renewal period and does not constitute permanent approval of the continuing education program.

(f) Continuing education providers shall provide free access to Department personnel to monitor their continuing education programs.

(g) Continuing education providers shall retain original records of attendance for each continuing education program conducted by the continuing education provider for 3 annual renewal periods and shall provide the Department access to the records upon request.

**§ 44.5. Enforcement.**

(a) The Department may levy a fine of up to \$2,000 for each offense under section 314(c) of the act (63 P. S. § 456.314(c)) or suspend, revoke or refuse to renew a license under section 313(a) of the act (63 P. S. § 456.313(a)), if a licensee fails to comply with any requirement of this chapter.

(b) The Department may revoke its approval of a continuing education provider's continuing education program if the continuing education provider fails to comply with any requirement of this chapter or the act.

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