

## Arkansas Adds Transitional Loan Officer License

April 4, 2019 |

On February 26, 2019, Arkansas enacted Senate Bill 188, which amends the Arkansas Fair Mortgage Lending Act, Ark. Code Ann. § 23-39-501 et seq. ("Arkansas FMLA"), to add a transitional loan officer license.

The Arkansas FMLA will define "transitional loan officer" to mean:

- an individual who, in exchange for compensation as an employee of, or who otherwise receives compensation or remuneration from, a mortgage broker or a mortgage banker, is authorized to act as a loan officer subject to a transitional loan officer license.

Ark. Code § 23-39-502(23), as added by SB 188.

A transitional loan officer license is for a limited term and cannot be renewed or extended by the Commissioner of the Department of Securities ("Commissioner"). A transitional loan officer license expires when:

- 120 days have passed since the license was issued;
- the individual is no longer employed by a licensed mortgage broker or mortgage banker; or
- the individual receives a loan officer license.

Ark. Code § 23-39-503(d)(1)(B) and Ark. Code § 23-39-505(j), as amended by SB 188.

SB 188 does not adopt detailed application requirements for the new license, but it provides that the Commissioner may approve by rule a limited license with limitations, qualifications, or conditions. Ark. Code Ann. § 23-39-505(a)(1), as amended by SB 188.

SB 188 made several other minor changes to the Arkansas FMLA, including a change to the definition of "control" and a revision of the exemption for manufactured home retailers.

The amendments to the Arkansas FMLA are effective 90 days after adjournment sine die.

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