

# Have you heard of the SAFE Act?

**If not,**

You will want to read below on how this affects you as a REALTOR®.

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The **SAFE Act** requires all loan originators to be licensed with the Nationwide Mortgage Licensing System through state law.

This will require that some seller financing and any private financing must have a licensed originator within the state of which the property is located.

Sellers are only able to offer seller financing when the residence they are selling is their primary residence, which falls under an exemption.

All borrowers should work with licensed loan originators therefore if private financing is involved in the transaction that private financier must also be licensed within the state the property is located.

If there is a question about whether or not a person is acting as a loan originator, always look from the perspective of the buyer, to understand if that individual from the buyer's view has been negotiating terms of the loan with them.

As a REALTOR® be sure that if you refer a loan originator to a client that they are licensed within the state. In addition, do not act as a go between with the lender and your client on terms of the loan, in that instance you could be seen by the buyer as an originator yourself triggering a need to be licensed under the law.

Penalty for violation of this law is a misdemeanor and any person who violates a cease and desist order is guilty of a class B felony.

