

[State Regulators Settle with Hundreds of Mortgage Loan Originators over SAFE Act Education Requirements](#)

PRESS RELEASES

State Regulators Settle with Hundreds of Mortgage Loan Originators over SAFE Act Education Requirements

January 18, 2022

|

[Download PDF](#)

Share:

Washington, D.C. – Forty-four state financial agencies, led by the California Department of Financial Protection and Innovation (DFPI), have reached settlements with more than 400 mortgage loan originators nationwide who deceptively claimed to have completed annual continuing education as required under state and federal law.

Danny Yen, owner of Carlsbad, Calif.-based course provider Real Estate Educational Services, is facing administrative enforcement actions for both providing false certificates and taking courses on behalf of mortgage loan originators through other education providers in violation of the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act).

“State financial regulators do not take these violations lightly,” said **CSBS Chair and Montana Commissioner of Banking and Financial Institutions Melanie Hall**. “Through states’ collective action, consumers can be assured that their mortgages are being handled by loan originators who follow the law and are up to date in their education requirements.”

Congress enacted the SAFE Act to enhance consumer protection and reduce fraud through minimum standards for the licensing and registration of state-licensed mortgage loan originators. The law calls on the states to implement and enforce these standards, and every state has enacted its own version of the SAFE Act that requires mortgage loan originators to have at least 20 hours of pre-licensing education and an annual eight hours of continuing education.

Through the settlements, the mortgage loan originators have agreed to surrender their licenses for a period of three months, pay a fine of \$1,000 for each state in which he or she holds a license and take continuing education beyond federal and state SAFE Act requirements.

“Mortgage loan originators are responsible for guiding consumers through the single largest financial transaction in their lifetime,” said **DFPI Commissioner Clothilde V. Hewlett**. “California will continue to lead on efforts that protect consumers and ensure fairness and resilience in our markets. I am proud of the Department and the historic 44 state-agency effort that, with these actions, remind the mortgage industry of their obligations to be ethical, honest and forthright.”

The irregular education activity was discovered through a gesture-driven authentication tool called BioSig-ID. CSBS uses the tool to monitor all online courses it approves under its SAFE Act mandate.

More information on the enforcement actions is available [here](#).

Media Contact: Susanna Barnett, 202-407-7156, sbarnett@csbs.org

The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise roughly three-quarters of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.

Related Topics

[States and Consumer Protection](#)

Related Posts