

States Sanction Mortgage Loan Originator for SAFE Act Violation

PRESS RELEASES

States Sanction Mortgage Loan Originator for SAFE Act Violation

December 22, 2025

[Download PDF](#)

Washington, D.C. – A mortgage loan originator has received serious sanctions and fines after settling with 21 state financial regulatory agencies that accused him of directing another person to take required education on his behalf and taking the credit for himself.

Under the settlement, Patrick Terrance Donlon (NMLS ID 785311), who worked for Trusted American Mortgage LLC (NMLS ID 1329867), is barred from practicing in most of the states, is restricted from practicing in others, and is required to pay fines totaling \$31,000.

Mortgage loan originators are licensed through the Nationwide Multistate Licensing System (NMLS), which is owned and operated on behalf of state financial supervisors by the Conference of State Bank Supervisors (CSBS). Donlon was licensed to practice as a mortgage loan originator in 19 states and had pending license applications in two additional states that participated in the settlement.

By allegedly claiming credit for the education classes he did not take, the state financial regulators claim Donlon violated the SAFE Act, which Congress enacted to enhance consumer protection and reduce fraud through minimum standards for the licensing of 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.

State financial agencies in Arkansas, Colorado, Florida, Iowa, Kansas, and Texas led the settlement, following an investigation by the NMLS Mortgage Testing and Education Board.

States that entered into the agreement include: Arizona, Arkansas, California, Colorado, Florida, Idaho, Illinois, Iowa, Kansas, Maryland, Michigan, Minnesota, Montana, New Mexico, Oklahoma, Ohio, Oregon, South Carolina, South Dakota, and Texas.

Per the terms of the settlement agreement, Colorado and Florida will receive \$7,000 each. Maryland and New Mexico will not receive fines because Donlon had pending license applications in those states. The rest of the states will receive \$1,000.

Donlon is permanently barred from licensure as a mortgage loan originator in all the participating states with the exception of Colorado and Florida, where he may reapply for a license in two years if he pays all administrative penalties and completes additional education requirements.

Additionally, Donlon cannot be a Qualified Individual or Control Person of any financial services entity registered with NMLS for two years and has been removed as a Qualified Individual and Control Person of Trusted American Mortgage LLC.

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

X: @CSBSNews

The Conference of State Bank Supervisors (CSBS) is the national organization of financial regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico, and U.S. Virgin Islands. State regulators supervise 79% 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.