

**State of Vermont
Department of Financial Regulation**

**Banking Bulletin No. 42
(November 27, 2013)**

**Mortgage Loan Originators
Reasonable Commuting Distance from Residence to Office of Employment**

The Department of Financial Regulation (the "Department") accepts applications for Mortgage Loan Originator ("MLO") licenses through the Nationwide Mortgage Licensing System and Registry ("NMLS" or "NMLSR").

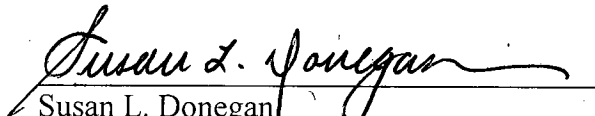
A MLO is defined as an individual who: (a) takes a residential mortgage loan application or (b) offers or negotiates the terms of a residential mortgage loan. 8 VSA §2200(17). A MLO must be "an employee actively *employed at a licensed location* of, and supervised and sponsored by, only one licensed lender or licensed mortgage broker operating in this state." 8 VSA §2201(b)(1)(emphasis added). Alternatively, a MLO may be an individual sole proprietor who is also licensed as a mortgage broker or lender. 8 VSA §2201(b)(2).

Vermont licensed lenders and licensed mortgage brokers are licensed on a location by location basis. 8 VSA §§ 2206, 2208. All MLOs must work from the physical location as it appears on the mortgage broker's or lender's license. Neither statute nor the Department permits a MLO to telecommute. Therefore, the MLO's physical work location must be within a reasonable commuting distance from the MLO's home address as shown on NMLS Form MU4.

In determining a "reasonable commuting distance", the Department considered the following factors: geographic accessibility of the physical work location; the quality of the roads; customarily available sources of transportation; and usual travel time. Having weighed these considerations, the MLO's physical work location must be not more than fifty (50) miles from the MLO's home address.

In cases where the distance is greater than fifty (50) miles, a request for exemption from the "reasonable commuting distance" standard may be submitted by the MLO and the employing firm. An exemption will be granted or denied at the Department's discretion after a careful review of the facts set out in the request for exemption.

Dated this 27th day of November 2013


Susan L. Donegan
Commissioner