

Iowa Division of Banking Closing Agent License effective July 1, 2011

On April 7, 2010, the Governor signed Senate File 2348. This bill amends Iowa Code Chapter 535B to provide for the licensing and regulation of real estate closing, making penalties applicable, and includes an effective date of July 1, 2011.

Under Senate File 2348 any person who is not a party to the real estate transaction who provides real estate closing services is required to be licensed as an Iowa Closing Agent. Real estate closing services means the administrative and clerical services required to carry out the conveyance or transfer of real estate or an interest in real estate located in Iowa to a purchaser or lender. Real estate closing services include but are not limited to preparing settlement statements, determining that all closing documents conform to the parties' contract requirements, ascertaining that the lender's instructions have been satisfied, conducting a closing conference, receiving and disbursing funds, and completing form documents and instruments selected by and in accordance with instructions of the parties to the transaction. Real estate closing services do not include performing solely notary functions.

To apply for an Iowa Closing Agent License an applicant must file a Form MU1 through the Nationwide Mortgage Licensing System ("NMLS") for an Iowa Closing Agent License and submit the jurisdiction-specific requirements as identified on the Iowa Closing Agent application checklist. The requirements include:

- A surety bond in the amount of \$25,000
- Secretary of State Documentation including articles of organization/incorporation, a certificate of good standing, and if the applicant was organized or formed outside of Iowa – proof of authorization to do business in Iowa from the Iowa Secretary of State.
- Submit, for each control person, two fingerprint cards and an authorization for background check. Please note only specific cards will be accepted. These fingerprint cards may be obtained by providing the name, mailing address, and number of cards requested via e-mail to fblicensing@idob.state.ia.us.
- Provide complete details of all events or proceedings for any "Yes" answer to any of the Disclosure questions for the company or any control person
- Provide three letters of professional reference for the company. At least one letter must be from a state or federally chartered depository institution and reference the standing of a depository account

Fees to apply for the Iowa Closing Agent license include: \$500 license fee and an NMLS processing fee of \$100.

For additional information and a link to the Nationwide Mortgage Licensing System please visit the IDOB website at www.idob.state.ia.us.