

# How to Become a Mortgage Broker: 4 Steps to a Career in Home Loans

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Are you a natural-born problem solver? Do you possess that rare combination of talents that makes you good with people and good with numbers? Does real estate get your heart pumping? Do banks and the financial world fascinate you? If you can answer yes to any of these questions, you might have a future as a mortgage broker. Intrigued? Well, you're in luck, because we're here to tell you how you can make this your dream job.

First, let's take a look at what mortgage brokers actually do.

"A mortgage broker is a contractor who analyzes mortgage loan products and counsels customers on loan availability, qualification requirements, interest rates, and terms," explains finance writer Kristine Tucker. "A mortgage broker doesn't actually loan any money, and only serves as an intermediary between the lender and the borrower."

## What is a mortgage broker's salary?

In return for helping home buyers shop different banks and financial institutions for the best mortgage loan options, you can make a decent salary in a mortgage broker job. But like most jobs, the pay depends on where you live and your experience.

The salary comparison website PayScale reports that a mortgage broker's salary ranges between \$29,362 and \$197,489 per year, with \$51,856 being the average pay.

If you're an independent broker, you'll probably work on commission per mortgage loan brokered. But if you work for an established mortgage brokerage, you might also earn a salary and benefits on top of commission for each loan.

Because pay varies significantly from job to job, be sure you understand the real estate and home loan markets for your area and the salary range you're most likely to earn for your desired position.

Advantages of a career in mortgages  
Of course, snagging a comfy salary isn't everything (although pay matters a lot). Is brokering loans rewarding or even fun?

Shayna Rabaiotti, an Arizona mortgage loan officer with Guardian Mortgage, has



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this to say about it: "It's such an amazing feeling when I get to see my clients' reactions after they get their keys to their new home."

Rabaiotti also notes that mortgage loan brokering is a good transition career.

"After being in the customer service and sales industry for over 15 years, I find that I really enjoy helping people, which is why I was so drawn to this," she says.

Here are the basic steps you need to take to become a licensed broker:

## Step 1: Take the pre-licensure class

All mortgage loan brokers must be licensed. Aspiring brokers need to complete a pre-licensure program, a 20-hour class that will cover relevant federal and state laws and financial regulations around mortgages, loan officer ethics, mortgage origination, and more.

These classes, as well as the official test, are administered by the National Mortgage Licensure System. Check its website to find a mortgage licensure program in your area.

## Step 2: Pass the NMLS test

You must pass something called the SAFE Mortgage Loan Originator Test. Everyone takes the same national test, but there's also a state portion unique to your own region's rules and regulations pertaining to mortgages.

You can take this exam whenever you choose—you don't have to wait for a specific

time of the year. Once you pass it, you're in and can start brokering mortgages.

## Step 3: Get to work

Since job success as a mortgage broker depends on connections with clients and lending institutions, most mortgage brokers get their first jobs at established brokerage firms with existing relationships in place.

You might want to check the job prospects in your intended market before you start the licensure process.

## Step 4: Continue your education on mortgage lending

Once you have your mortgage broker license, it's your responsibility to keep up on the latest developments on mortgage lending in your area.

To keep your license current, you'll be required to take a certain number of hours of continuing education courses each year. It's similar to what accountants, doctors, and lawyers go through, and it ensures that you can do your job accurately and will give your clients the most up-to-date mortgage loan information.

Brokering mortgages is a job that demands constant attention to the changing real estate and lending landscape.

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The tax rate varies greatly based on the public amenities offered and revenue required by local government. If you have a public school, police force, full-time fire department, desirable school districts, and plenty of playgrounds and parks, your property tax rates will be higher than a town without them. (Hey, you get what you're taxed for!)

Your area's property tax levy can be found on your local tax assessor or municipality website, and it's typically represented as a percentage—like 4%. To estimate your real estate taxes, you merely multiply your home's assessed value by the levy. So if your home is worth \$200,000 and your property tax rate is 4%, you'll pay about \$8,000 in taxes per year.

## Where to find property taxes

Thankfully, in many cases, you may not have to calculate your own property taxes. You can often find the exact amount (or a ballpark figure) you'll pay on listings at realtor.com®, or else you can enter a home's location and price into an online home affordability calculator, which will not only estimate your yearly taxes but also how much you can anticipate paying for your mortgage, home insurance, and other expenses.

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