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Why more real estate agents are getting their mortgage loan originator license

A December 2022 FHA letter and higher-rate friction pushed renewed focus on dual licensing and end-to-end deal control

September 22, 2026, 2:34pm by [Michael Read](#)

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Article Summary

More agents are pursuing dual licensing to reduce the post-contract handoff to a separate loan officer and to improve continuity from pre-approval through closing. The article cites the December 2022 FHA letter, higher rates, and buyer financing share, while warning that RESPA, TILA, disclosures and sponsorship requirements add significant compliance obligations. *AI Summary*

A buyer signs a purchase agreement with their agent, then gets handed off to a loan officer they've never met. From there, the agent is mostly on the outside looking in, texting for updates, hoping the underwriter doesn't ask for one more document, watching a closing date slip because of a delay happening somewhere they can't see.

A small but growing number of agents have started closing that gap themselves. They're adding a mortgage loan originator (MLO) license to their real estate license, a move known as dual licensing.

What changed in 2022

Dual licensing itself isn't new. Agents have technically been able to hold both licenses for years. What changed was a December 2022 letter from the Federal Housing Administration that brought renewed attention to the issue of multiple roles and compensation in FHA-insured transactions.

That letter didn't open a locked door. It did add clarification to one that was already ajar. What did matter was the timing of the letter and the conversation around dual licensing that followed. By December 2022, the 30-year fixed rate had climbed to 6.31%, according to Federal Reserve Bank of St. Louis data, up from around 3.12% just a year earlier.

Agents who'd spent 2020 and 2021 closing deals with minimal friction in a low-rate market were suddenly grinding for every transaction. An FHA letter about who could occupy different roles in a mortgage transaction probably would have passed without notice in a calmer year. In late 2022, it didn't.

What the numbers say

The case for dual licensing can be made on math alone. According to the 2025 NAR Profile of Home Buyers and Sellers, 88% of all buyers end up purchasing with an agent or broker's help, and 74% of buyers finance the purchase. Line those figures up and the picture is hard to miss, most transactions run through an agent, and roughly three-quarters of those buyers need a loan.

What agents say keeps them in it

There's a clear financial case. A dual licensed agent may be able to earn both a real estate commission and mortgage origination compensation on the same transaction, subject to applicable laws, regulations, disclosure and company policies. And these numbers can add up.

But ask agents who've done this for a while what keeps them at it, and the money usually isn't the first answer.

More often it's continuity and control, staying on a deal from pre-approval through underwriting, appraisal, and closing instead of stepping back once an offer is accepted.

For a client making the biggest financial decision of their life, having one person accountable the whole way through changes how that relationship feels. It shows up in referrals too. Clients tend to remember whoever kept the deal moving, not just whoever handed them the keys.

The part that isn't free

Dual licensing means operating under two regulatory frameworks simultaneously.

On the lending side, RESPA, TILA and mortgage licensing rules impose obligations that don't disappear simply because the same person also holds a real estate license. Those obligations include rules governing compensation, referrals, disclosures and the way mortgage services are presented to consumers.

None of those requirements replace anything on the real estate side. They simply add to it.

Two roles mean two sets of responsibilities and a requirement to keep those roles clearly understood by the client and properly structured from a compliance standpoint, even when the same person is sitting across the table wearing both hats.

Get the disclosure structure or compensation arrangement wrong and the consequences can include regulatory action, fines or problems with a professional license.

This isn't something to add onto an existing practice casually. It's a second professional obligation with its own compliance load, and it needs to be treated that way.

Is it worth pursuing?

Dual licensing tends to pay off for agents who treat it as a genuine expansion of what they offer, not a way to get paid twice on the same file.

Before pursuing it, a few things are worth nailing down. First, whether your state permits dual licensing and what restrictions apply. Where does your real estate broker stand on agents originating loans? Who will sponsor you on the mortgage side and what will that relationship require?

Those questions matter because the rules aren't identical everywhere, and the fact that something can be structured legally doesn't mean every brokerage or mortgage company is willing to take on the model.

Getting your MLO license isn't a weekend project. Prospective MLO's must complete 20 hours of NMLS approved pre-licensing education, covering federal laws, non-traditional mortgage products, general mortgage knowledge, ethics and uniform state content. They then must pass the Safe Mortgage Loan Originator Test with a minimum score of 75%,

After that comes a background check, credit review, and fingerprinting. There is also continuing education that needs to be completed annually, including eight hours of federal continuing education plus any additional state requirements.

Then there's sponsorship. An MLO generally needs to be sponsored by a licensed mortgage company, which means finding a lender willing to take on an agent whose originating loans alongside selling homes. Some mortgage companies may view holding both licenses as a potential conflict of interest and may not be willing to take on the additional compliance and operational risk.

It's not fit for every agent. But for the ones willing to take on the extra licensing, education, and compliance burden, it offers something genuinely hard to find in a crowded market, ownership of the entire client experience, from the first conversation to the closing table. Dual licensing isn't about eliminating the handoff. It's about eliminating the blind spot.

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Michael Read is the Principal of Bridgeway Mortgage (NMLS740040) and Bridgeway Real Estate Services located in Morristown, NJ. He combines both businesses to give clients a seamless path from financing to closing. Michael is also passionate about education, as he is both a pre-license real estate and mortgage instructor.

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