



NMLS and S.A.F.E. Act



STATE REGULATORY REGISTRY
consumer protection, state collaboration, cooperative solutions

SAFE Mandate



- All mortgage loan originators must be
 - Licensed OR Registered
- All licensed or registered loan originators must participate in the Nationwide Mortgage Licensing System & Registry
- All MLOs must be compliant with new laws by:
 - July 31, 2010 – newly licensed MLOs (after 7/31/09)
 - December 31, 2010 – existing licensed MLOs (before 7/31/09)
 - End of 2011 – registered MLOs

Licensed or Registered?



- Registered — Loan originators employed by:
 - A federally insured depository institution (bank, S&L or credit union)
 - A subsidiary owned and controlled by a federally supervised depository
- Licensed — All other mortgage loan originators must be state licensed (brokers or lenders)

Licensed Mortgage Loan Originators



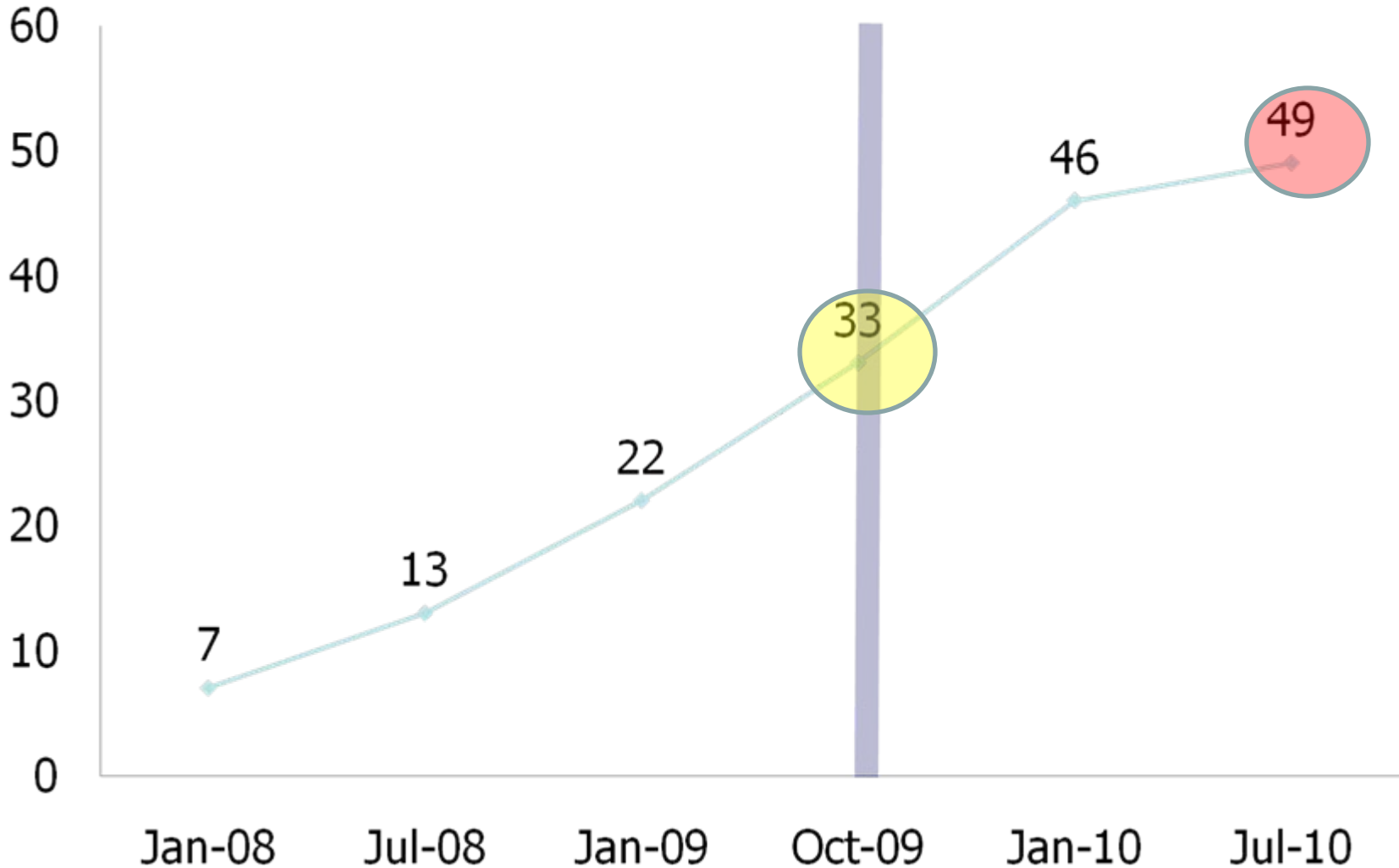
- Never had license revoked
- Fingerprint criminal background check
 - No felonies in last 7 years
 - No felonies ever for Fraud, Dishonesty, Breach of trust, Money laundering
- Credit report
- Pass a SAFE Mortgage Loan Originator Test
- 20 hours of pre-licensure education
- 8 hours of continuing education

Licensed Mortgage Loan Originators (cont.)



- Covered by bond, net worth, or recovery fund
- Company must report originations into a NMLS developed “mortgage call report”
- Must be renewed annually
- Most states require:
 - MLO be employee of state licensed company
 - MLO be employed by only one company at a time

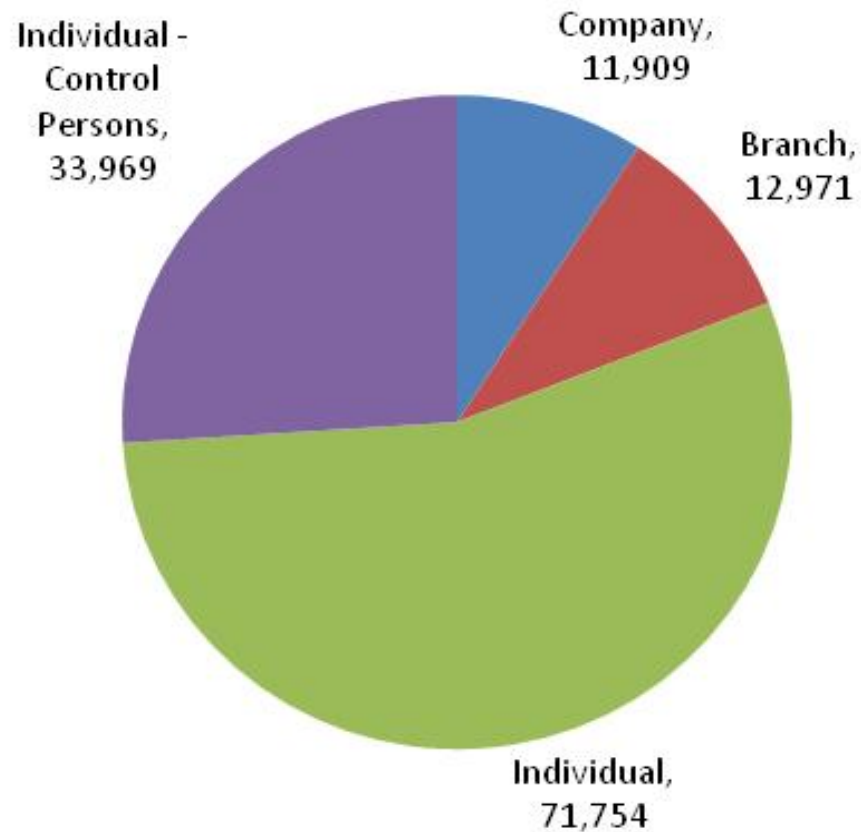
States / Territories Participating on NMLS



NMLS Today



Companies, Branches and Individuals Tracked in NMLS



What else to pay attention to...



- Federally-registered Mortgage Loan Originators
 - Rules were proposed June 2009 – pending final
- HUD rules for S.A.F.E. Act – also pending
 - Contains important interpretations
- GSE Unique ID requirements – January 2010
- NMLS Consumer Access - January 2010

Testing – SAFE Act



- *One* Test but *Two* Components

All forward – no reverse

- National Test Component
- Unique State Test Components

Testing Process

- Get your NMLS ID Number
- Take the National Component ASAP
- Take the State Component(s) when available





Go to the NMLS website at:

www.stateregulatoryregistry.org/NMLS

NMLS User Conference

A vertical graphic with a blue background and a red top and bottom section. The top section contains the text 'SAVE THE DATE' in white. The middle section contains the text '2nd Annual NMLS User Conference' in white. Below this is a photograph of a long, curved bridge over water. The bottom section contains the NMLS logo, the dates 'February 9-11, 2010', and the location 'Rancho Bernardo Inn San Diego, CA'. A small line of text at the very bottom reads 'More details and registration info will be posted on the NMLS Resource Center soon.'

SAVE THE DATE

2nd Annual
NMLS User Conference

February 9-11, 2010
Rancho Bernardo Inn
San Diego, CA

More details and registration info will be posted on the NMLS Resource Center soon.

February 9 – 11, 2010
San Diego

Details and registration information is posted on the NMLS Resource Center.

www.stateregulatoryregistry.org/NMLS



REVERSE MORTGAGE EXAMINATION GUIDELINES



RMEGs provide:

- A set of examination guidelines that regulators can use to determine whether entities in the reverse mortgage loan industry are operating in an appropriate manner.
- Uniform standards applicable for multi-state examinations and enforcement actions, or for review by one state of another state's Report of Examination.
- Consistent and uniform guidelines for use by institution and broker in-house compliance and audit departments.



Modules

Introduction

Module 1 – RMEGs EXAMINER INSTRUCTIONS

Module 2 – EXAMINER CHECKLIST TO BE USED FOR ALL INSTITUTIONS

Module 3 – EXAMINER CHECKLIST TO BE USED FOR FHA APPROVED ENTITIES

Module 4 – REFERENCE AND GLOSSARY OF TERMS

Module 5 – INFORMATION AND DATA REQUEST

Module 6 – INSTITUTION AND MANAGEMENT QUESTIONNAIRE

Module 7 – REVERSE MORTGAGE ACTIVITY SUMMARY

Module 8 – REVERSE MORTGAGE PRODUCT WORKSHEET

Module 9 – REVERSE MORTGAGE SERVICING WORKSHEET



MODULE 2 – EXAMINER CHECKLIST TO BE USED FOR ALL INSTITUTIONS

- Both proprietary and government insured
- Consists of questions intended to prompt the examiner for specific review
- Much of the checklist can be completed during an offsite review prior to the exam
- Other sections will require file-level review and possibly interviews of institution staff, homeowners and third parties including appraisers and counselors



MODULE 3 – EXAMINER CHECKLIST TO BE USED FOR FHA APPROVED ENTITIES

- Designed only for FHA insured product
- To be used in addition to Module 2
- If no FHA insured activity – skip
- Use Module 3 just like Module 2



STATE EXAMINATION ACTIVITY (44 States Reporting)

- 2008 – 10 States
- 2009 – 18 States
- 2010 - 24 States
- 27 States use RMEGs



USE IT

- Be proactive
- Self monitor
- Hold yourself accountable
- Build integrity



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