

Prepare Your Credit Union to Meet the SAFE Act Requirements

Wednesday, January 12, 2011
Webinar



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NMLS Federal Registration

- Part of the Nationwide Mortgage Licensing System & Registry (NMLS)
- Modified at the direction of the Federal banking agencies and the Farm Credit Administration to implement the SAFE Act's Federal Registration requirements:
 - Federally-regulated/insured institutions (and subsidiaries) will have an account on NMLS
 - Each MLO to be federally-registered will have an account on NMLS





NMLS Federal Registry Forms

- Form MU1R –
Completed by institutions that must register MLOs under final rule
- Form MU4R –
Completed and attested to by MLOs





NMLS Federal Registration Process

Institutions:

- Entitlement
 - provide basic information about institution
 - Identify contact person
 - Account Administrators
- Registration
 - Log into NMLS and register institution with NMLS by filing Form MU1R





NMLS Federal Registration - MLOs

Mortgage Loan Originators

1. Entitlement

- Company or MLO can create individual record
- Batch upload of some data

2. Complete and Submit MU4R Form

- Company manages process but MLO must personally attest

3. Submit fingerprints for a national criminal background check

- Returned to institution for review

4. Institution confirms employment





Form MU4R

Contains:

- Identifying information
- Current Residential address
- 10-year financial services-related employment history
- Current employer
- Disclosure questions
 - 15 questions covering criminal, judicial, regulatory, arbitration issues





NMLS Criminal Background Check

- NMLS is the channeler of criminal background check and has developed a national network of electronic fingerprint sites
- The NMLS Criminal Background Check manages the entire process from MLO authorization to fingerprint capture to return of the Criminal History Records Information to bank through NMLS
- * NMLS manages the entire fingerprint and criminal background check process - there is nothing a bank must do outside of NMLS.





2011 Federal Registry Fees

- MLOs
 - \$60 initial registration fee
 - \$0 annual renewal fee
 - \$39 criminal background check fee (covers cost of scheduling, fingerprint submission to NMLS, and background check)
 - \$30 MLO Change of Employment fee
- Institutions
 - \$100 initial filing
 - \$100 annual renewal filing
 - \$ 70 two-factor authentication annual subscription fee for each Institution User
- The 2012 fees will be the same except that the MLO initial registration fee will be \$30 prior to July 1st and \$60 after July 1st and the annual renewal fee will be \$30.





Federal Registration Process

Step 1: Determine if your Institution is Required to be Registered with NMLS

- Is federally chartered or insured by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Farm Credit Administration, and National Credit Union Administration (“the agencies”) AND employs individuals required to be federally registered as mortgage loan originators, your institution must register with NMLS.
- Definition of covered institutions and mortgage loan originators are contained in the Final Rules published by the Agencies on July 28, 2010.
- **Review and collect the information on Form MU1R that your institution will have to submit to be registered: Form MU1R**





Federal Registration Process

Step 2: Get Prepared

- Each institution will be required to register with NMLS by submitting Form MU1R.
- When creating an account in NMLS, you must **identify two individuals as NMLS Account Administrators**. These Account Administrators will have primary responsibility for your institution's account on NMLS and can set up additional sub-users for your institution's account.
 - Each institution must have at least two Account Administrators
 - Each Account Administrator can perform all functions on NMLS on behalf of the institution, including setting up additional institution users
 - Account Administrators are the only ones who can contact the NMLS Call Center on behalf of the institution
- **Begin to review fields required on Form MU1R that your institution will have to submit and identify the individuals who will be your institutions Account Administrators.**





NMLS Federal Registration Process

Step 3: Determine who needs to be registered

- Determine which employees within your institution meet the definition of mortgage loan originator according to the final rule and review the registration information required from each individual on Form MU4R
- **Review Form MU4R Fields**





NMLS Federal Registration Process

Step 4: Choose a Workflow

- The registration process can be accomplished several different ways. Three sample workflows have been developed to help institutions develop a process that suits their needs:
 - MLO Completes MU4R & Institution Pays Fees
 - Institution Completes MU4R and Pay Fees
 - MLO Completes MU4R and Pays Fees
- **Review the following sample workflows and choose the one that is best for your institution.**



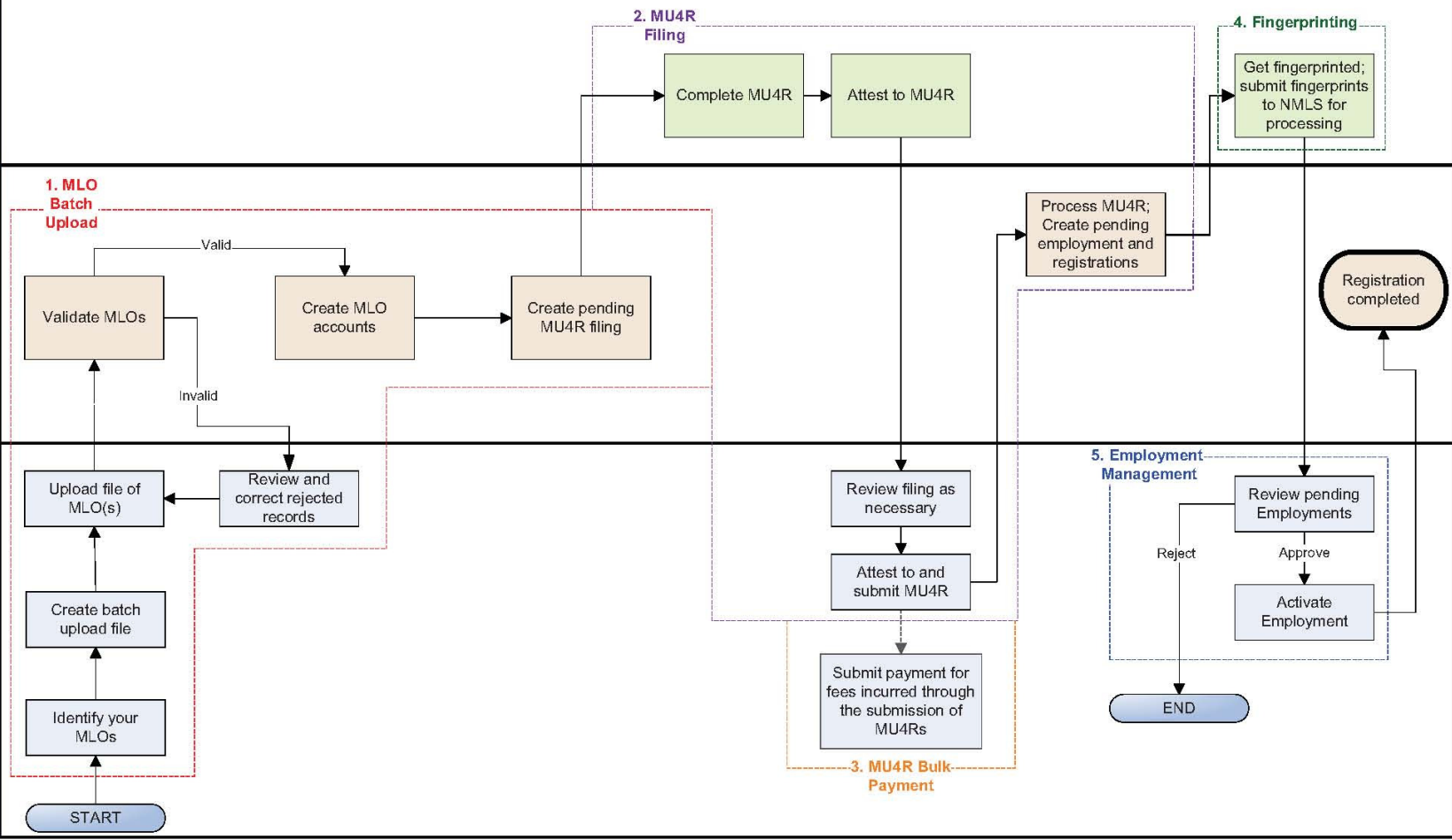
Federal MLO Registration Process

MLO Completes MU4R, Institution Pays for MU4R

MLO

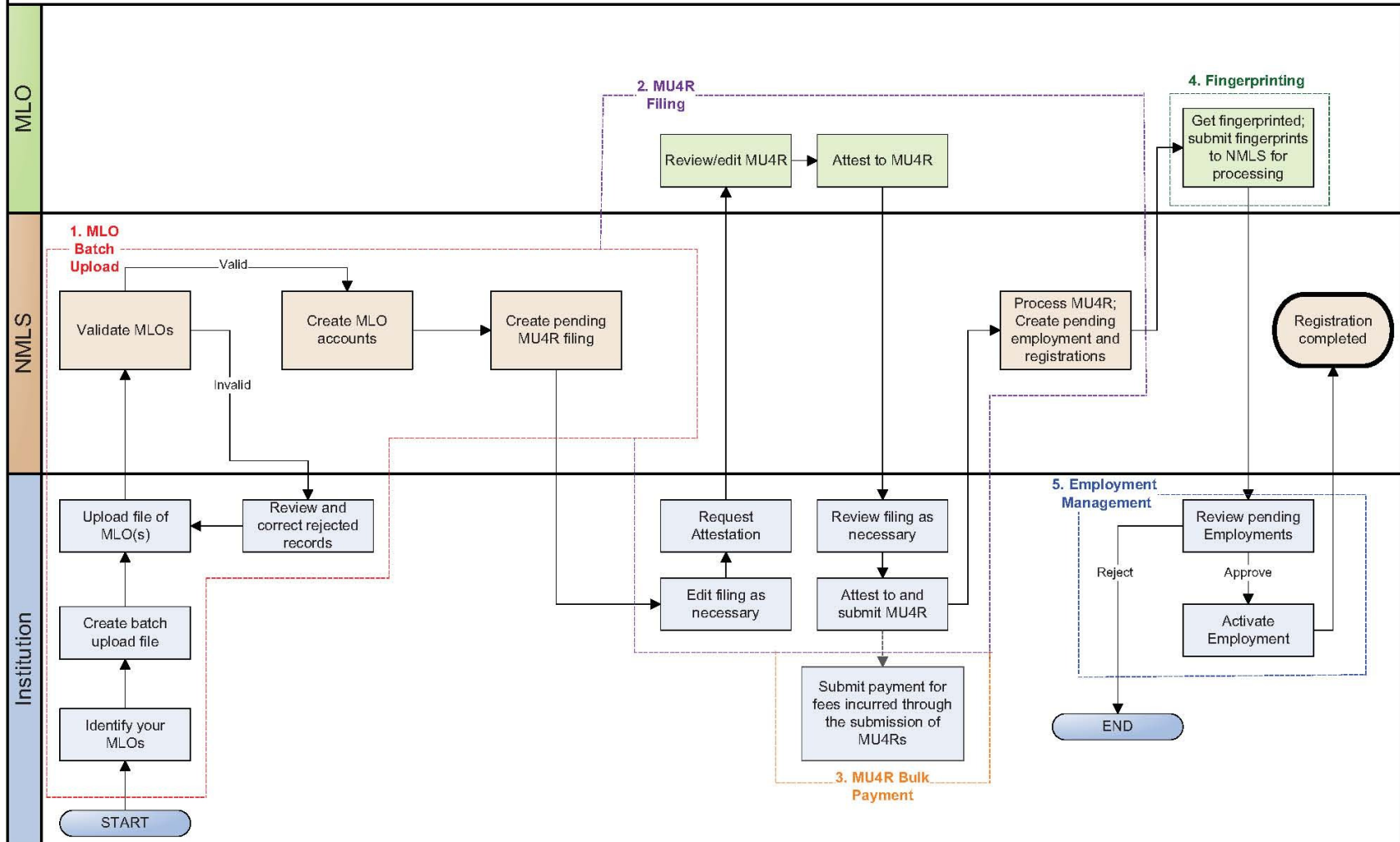
NMLS

Institution



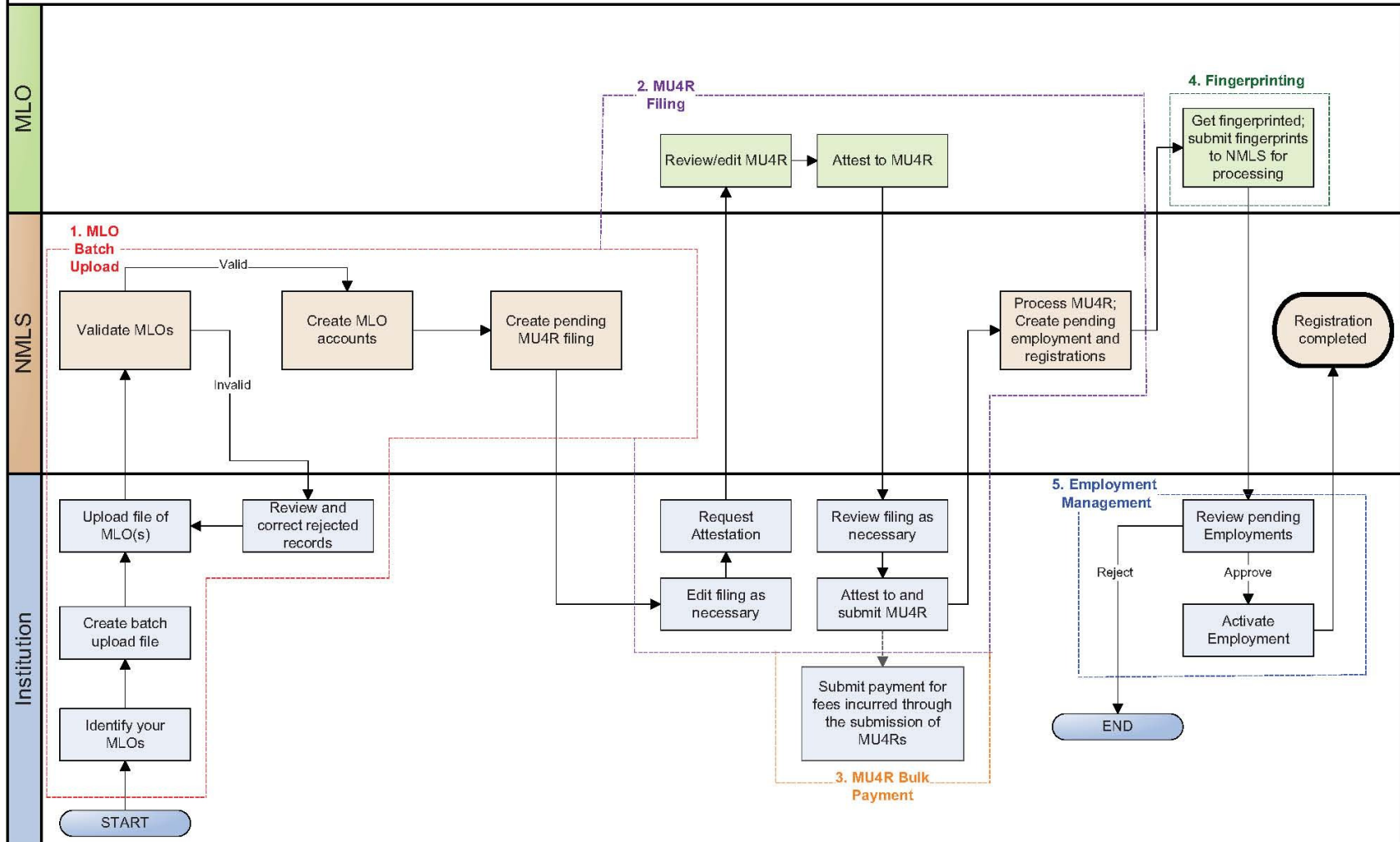
Federal MLO Registration Process

Institution Completes and Pays for MU4R



Federal MLO Registration Process

Institution Completes and Pays for MU4R





NMLS Federal Registration Process

Step 5: Obtain two-factor authentication for all institution users

- All Account Administrators and other users associated with your institution's NMLS Account must utilize a second authentication factor beyond the User Name and password provided by NMLS before they are able to log in to their NMLS account.
- **Obtain security credential from Verisign (www.idprotect.verisign.com)**





NMLS Federal Registration

Step 6: Gather the necessary data from your MLOs to create their accounts

- Your institution will create the accounts for employees that you plan to register as MLOs. NMLS' automated process will allow your institution to batch upload your MLO information in bulk to create their accounts on the system. This batch upload process requires basic identifying and contact information on each MLO.
- **Collect the necessary information on your MLOs and fill out the batch upload file.**





NMLS Federal Registration

Data required from your MLOs for Batch upload:

- First Name
- Middle Name
- Last Name
- Suffix
- SSN
- Date of Birth
- Email Address
- Phone Number
- Employment Start Date*





NMLS Federal Registration Process

To be completed starting January 31, 2011:

- **Step 7:** Request an institution account on NMLS
- **Step 8:** Complete and Submit your Institution's Form MU1R
- **Step 9:** Repeat Steps 1 through 5 for each subsidiary which is required to register MLOs
- **Step 10:** Begin registering your MLOs





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NMLS Resource Center

Log into NMLS

Home News & Events Licensees State Licensing Professional Requirements Federal Registration Course Providers

Welcome to the NMLS Resource Center

The NMLS Resource Center is the official gateway into the Nationwide Mortgage Licensing System & Registry (NMLS) and provides users with tools, tips, news and updates.

Getting Started
Company or Institution

Getting Started
Mortgage Loan Originator

Annual License Renewal

NMLS NATIONWIDE MORTGAGE LICENSING SYSTEM & REGISTRY
consumer access

Popular Links

- [Credit Report](#)
- [Testing](#)
- [Getting Started: Mortgage Loan Originator](#)
- [Education](#)
- [SAFE Requirements and Deadlines by State \(PDF\)](#)
- [Certification of Testing and Education](#)
- [Criminal Background Check](#)

NMLS News & Events

Mortgage Call Report Starting in 2011

In compliance with the [Mortgage Call Report Act](#), state laws require mortgage licensees to submit mortgage call reports to NMLS. The NMLS Mortgage Call Report is targeted to be available in April 2011. For more information, see the [Mortgage Call Report Page](#) and the [Response to Public Comments](#).

Resource Center Changes

In preparation for Federal Registration, the NMLS Resource Center is making a few minor changes (such as the new Getting Started section of the home page). Additional information about the Federal Registration process will be posted in the coming days.

Renewal Period Ends

The Annual Renewal Period for 2011 has ended. Several states allow licensees who missed the deadline to reinstate their license. See [Annual Renewal](#) for more information.

CSBS Finalizes Fees for the Federal Registry

After reviewing public comments submitted last month on proposed fees for the NMLS Federal Registry, CSBS has posted a [response summary](#) to those comments. For finalized fees see [NMLS](#)

Agency News

VA Adds Company and Branch Licenses

Virginia is now receiving applications for Lender, Broker and Branch Licenses in NMLS. For details see [Virginia License Descriptions and Checklists](#).

Florida Extends SAFE Deadline

All current Florida licensees must file a new license application in NMLS by December 31, 2010. Individuals and businesses holding an active license can continue to work beyond December 31 as long as the application has been filed and all license requirements are completed by March 31, 2011. For details see the [Florida Office of Financial Regulation press release](#).

HUD Approves South Carolina BFI Processing Extension

In response to a [request](#) from the South Carolina Board of Financial Institutions, HUD has approved the agency's request to permit companies, branches, and their originators that filed applications with SC-BFI prior to November 1, 2010 to continue mortgage lending and servicing activity in South Carolina until March 1, 2011. The additional time is necessary for final processing of these pending applications. This extension does not apply to MLOs or

Orlando 2011
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2011 NMLS User Conference

A banner for the 2011 NMLS User Conference & Training. The banner is divided into three vertical sections. The left section shows a row of light-colored, multi-story houses with white roofs. The middle section is white and contains the text 'Orlando 2011' in large green letters, the NMLS logo, 'User Conference & Training', and 'February 7-10'. The right section shows a close-up of an orange tree with many ripe oranges.

Orlando 2011



**User Conference
& Training**

February 7-10

www.nmlsconference.org

