

## **FAQ for Issuance and Retention of ROCS**

Updated May 31, 2017

Section 1.15 of the Functional Specifications for All NMLS Approved Courses requires course providers to present and have students agree to the NMLS Rules of Conduct for Students (ROC).

### **General Information about NMLS and Requirements of the ROC**

#### **Q. What are the Rules of Conduct for Students?**

*A. The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), requires that state-licensed MLOs complete pre-licensing (PE) and continuing education (CE) courses as a condition to be licensed. The SAFE Act also requires that all education completed as a condition for state licensure be NMLS approved. Since 2009 NMLS has established course design, approval, and delivery standards which NMLS approved course providers are required to meet. To further ensure students meet the education requirements of the SAFE Act, NMLS is establishing Rules of Conduct for Students. The ROC, which have been approved by the NMLS Mortgage Testing & Education Board, and the NMLS Policy Committee, both of which are comprised of state regulators, are intended to stress that NMLS approved education be delivered and completed with a certain level of integrity.*

#### **Q. Why is NMLS requiring an ROC?**

*A. The ROC serve to reinforce course attendance policies many course providers already have in place. Additionally, the ROC serves to define appropriate conduct for student and the possible consequences if the ROCs are found to be violated.*

#### **Q. Is the ROC published anywhere and how do I get the text or document?**

*A. A standard form in PDF format which can be downloaded and copied for classroom use is available on the Course Provider section of the NMLS Resource Center. Also available to course providers is uniform text which is to be published in the Learning Management System (LMS) as part of the click-through agreement (see details below). Course providers are not authorized to make changes to any of the text contained in the ROC.*

#### **Q. When is the ROC required to be implemented?**

*A. The ROC is required to be administered at the start of every classroom and webinar course effective March 1, 2015. The ROC is required to be implemented at the start of every PE and CE online course effective July 1, 2015*

#### **Q. Aren't the ROCs also supposed to appear on course materials?**

*A. Yes, the ROC are also to be included as part of the cover page on primary course materials or a stand-alone second page on all primary course materials. Primary course materials are defined as the text book, course guide, or presentation. The ROC does not have to be included on such items a secondary hand-outs or other supplementary course material.*

## **Administering the ROC**

**Q. What does it mean where the Functional Spec says that at the start of every course, the instructor or the course facilitator is required to explain the rules of conduct?**

*A. Along with covering administrative items that are typically reviewed at the start of any course, the instructor or facilitator should also take a minute to review the ROC. This review should not take more than a minute, and it will serve as a good opportunity to reinforce already existing course policies.*

**Q. Can this process of reviewing the ROC be included in the approved course time?**

*A. No. The explanation or click through of the ROCS at the beginning of a course should only take a minute and can be incorporated into the usual "housekeeping" procedures.*

**Q. For online courses, what does "acknowledge" mean?**

*A. As part of the course login process, the student is required to be presented with the ROC in a text box in a font and format that is easy to read. Additionally, the student is required to be presented with an "I agree" or "I do not agree" option in the form of check boxes. As a condition to being able to begin the course, the student must agree; failure to agree will result in the student not being able to start or complete the course. Clicking the check box and clicking "I agree" will serve as a "digital signature." The course provider is required to retain a log of this agreement for a period of five (5) years. The click-through is only required to be presented at the initial start of the course; it does not have to be presented on any subsequent login to the course. If a student is completing multiple courses with a course provider, the click-through is required to be acknowledged at the start of every course the student takes with the course provider.*

**Q. When does the ROCS needs to be signed by the student?**

*A. For classroom courses the ROC must be signed by the student during the check-in process or at the start of the course.*

*For webinar courses, the ROC is required to be distributed with course materials and the course provider is required to collect a signed copy of the ROC prior at the start of the course via whatever means is available (fax, scanned e-mail, collected by a facilitator, etc.).*

*For Online Instructor-led and Online Self-Study course, the ROC must be acknowledged at the beginning of the course. The acknowledgment will essentially serve as a "digital signature" (see above).*

**Q. What happens if a student refuses to sign or acknowledge the ROC?**

*A. If the students does not sign or does not acknowledge the ROC, then he/she may not take the course for NMLS credit.*

**Q. Can the ROC be part of a course registration?**

*A. No. Because many students are registered by their company, compliance officer, or over the phone, the student/MLO would not see and/or agree to the ROC if it were included in the registration process.*

**Q. Can the students sign a form which is separate from the actual ROC to acknowledge their agreement with the ROC? For example, can the ROC be handed to each student and then can the students sign a single form e.g. a roster sheet?**

*A. Yes, this procedure would be acceptable as long as the form and a copy of the ROC are saved for each course.*

**Q. Does the course provider need to give a copy of the ROC to the student for his or her records?**

*A. A copy of the ROC must be included on primary course materials (see above).*

**Q. Will NMLS verify that I am requiring the ROC?**

*A. Yes. During the course provider renewal process, course exam process, or desk review process, NMLS will ask how the ROC is being administered and will verify that the signed/acknowledged ROCs are being retained.*

## **Retaining Signed/Acknowledge ROCs**

**Q. In what format can the signed ROCs be retained in and for how long?**

*A. The signed or acknowledge ROC may be retained in a hardcopy, electronic, or other format such that the signed or agreed to document may be readily accessed and made available in a reasonable amount of time upon request by NMLS or a state regulator (typically three to five business days). Consistent with the NMLS Policy on Document and Data Protection, the signed or acknowledged ROC is to be retained for period of five (5) years from the course start date.*

**Q. Am I required to retain the ROC for longer than five (5) years?**

*A. After five (5) years from the course start date, the course provider may destroy or delete any hard copy or electronic files of the ROC.*

**Q. What if I lose or fail to retain signed ROCs for the required amount of time?**

*A. Course providers are advised to treat signed ROCs in the same manner in which they treat all other records that are of importance to their business. Depending on the circumstances, NMLS may take some sort of administrative action if it is discovered a course provider has lost or not retained signed/acknowledged ROCs due to negligence or lax business practices.*

## Reporting Violations of the ROC

### Q. What role is the course provider expected to play in enforcing the ROC?

A. Course providers are required to report to NMLS known or suspected violations of the ROC along with any evidence to support the claim. Note that the Rules of Conduct are intended to enhance and preserve the overall integrity of the MLO education program as intended by the SAFE Act. They are also intended to reinforce, but not replace, existing classroom policies or rules that a course provider may already have in place. Course providers are encouraged to enforce their own policies and to report to NMLS only those violations contained in the ROC which may reasonably be determined to potentially undermine the integrity of the SAFE Act's education requirements.

### Q. How do I go about reporting a violation of the ROC?

A. Suspected violations of the ROC are to be reported to [nmls.ed@stateregulatoryregistry.org](mailto:nmls.ed@stateregulatoryregistry.org). Reports of an alleged violation should contain as many details as possible to include name(s), NMLS ID number if known, dates, which ROC was violated, and any other known details. Supporting information or files may be submitted as an e-mail attachment.

### Q. Who should the course provider contact if there is reason to believe a student has violated the ROCS?

A. Suspected violations of the ROC are to be reported to [nmls.ed@stateregulatoryregistry.org](mailto:nmls.ed@stateregulatoryregistry.org)

### Q. Who should a student contact if they believe a violation of the ROC has occurred?

A. Students should be directed to report suspected violations of the ROC to [nmls.ed@stateregulatoryregistry.org](mailto:nmls.ed@stateregulatoryregistry.org)

### Q. What if I am not sure there was a violation of the ROC?

A. Course providers are encouraged to contact Michelle VanderNaalt, Sr. Manager, Education Compliance, ([mvandernaalt@csbs.org](mailto:mvandernaalt@csbs.org) / 202.595.4081) or Rich Madison, Sr. Director, Mortgage Education ([rmadison@csbs.org](mailto:rmadison@csbs.org) / 202.728.5737)

### Q. If I report a violation of a ROC, should I still report the course completion?

A. Yes. Even if you have reported a suspected violation of the ROC, you are still required to report a course completion within seven (7) calendar days of the course completion date. However, if the student has not completed a course, for whatever reason, then a course completion is not to be reported.

## Addressing Questions About the ROC

### **Q. How is a course provider expected to handle questions from students regarding the ROC?**

*A. The ROC and the rules themselves are basic and largely self-explanatory. However, if a student has questions or concerns they should be directed to contact NMLS at [nmls.ed@stateregulatoryregistry.org](mailto:nmls.ed@stateregulatoryregistry.org)*

### **Q. Who should a course provider contact if they have questions about the ROC?**

*A. Questions regarding the ROC should be directed to Michelle VanderNaalt, Sr. Manager, Education Compliance, ([mvandernaalt@csbs.org](mailto:mvandernaalt@csbs.org) / 202.595.4081) or Rich Madison, Sr. Director, Mortgage Education ([rmadison@csbs.org](mailto:rmadison@csbs.org) / 202.728.5737)*

### **Q. How are the Rules of Conduct different than the Standards of Conduct for Course Providers?**

*A. The ROC is intended for those individuals taking PE or CE courses intended to satisfy SAFE Act requirements for state MLO licensing. The Standards of Conduct (SOC) for Course Providers specifically addressed conduct and business standards that course providers are required to maintain as a condition for NMLS approval. Information about how to report a violation of the SOC is available [here](#).*

## Model Language for Signed Forms and Click-Through Acknowledgement

### Rules of Conduct for NMLS Approved Pre-Licensure (PE) and Continuing Education (CE) Courses

*The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), requires that state-licensed MLOs complete pre-licensing (PE) and continuing education (CE) courses as a condition to be licensed. The SAFE Act also requires that all education completed as a condition for state licensure be NMLS approved. Since 2009 NMLS has established course design, approval, and delivery standards which NMLS approved course providers are required to meet. To further ensure students meet the education requirements of the SAFE Act, NMLS has established a Rules of Conduct (ROC). The ROC, which has been approved by the NMLS Mortgage Testing & Education Board, and the NMLS Policy Committee, both of which are comprised of state regulators, are intended to stress that NMLS approved education be delivered and completed with integrity.*

### Rules of Conduct

As an individual completing either pre-licensure education (PE) or continuing education (CE), I agree to abide by the following rules of conduct:

1. I attest that I am the person who I say I am and that all my course registration information is accurate.
2. I acknowledge that I will be required to show a current government issued form of identification prior to, and during the course, and/or be required to answer questions that are intended to verify/validate my identity prior to, and during the course.
3. I understand that the SAFE Act and state laws require me to spend a specific amount of time in specific subject areas. Accordingly, I will not attempt to circumvent the requirements of any NMLS approved course.
4. I will not divulge my login ID or password or other login credential(s) to another individual for any online course.
5. I will not seek or attempt to seek outside assistance to complete the course.
6. I will not give or attempt to give assistance to any person who is registered to take an NMLS approved pre-licensure or continuing education course.
7. I will not engage in any conduct that creates a disturbance or interferes with the administration of the course or other students' learning.
8. I will not engage in any conduct that would be contrary to good character or reputation, or engage in any behavior that would cause the public to believe that I would not

operate in the mortgage loan business lawfully, honestly or fairly.

9. I will not engage in any conduct that is dishonest, fraudulent, or would adversely impact the integrity of the course(s) I am completing and the conditions for which I am seeking licensure or renewal of licensure.

I understand that NMLS approved course providers are not authorized by NMLS to grant exceptions to these rules and that I alone am responsible for my conduct under these rules. I also understand that these rules are in addition to whatever applicable rules my course provider may have.

I understand that the course provider or others may report any alleged violations to NMLS and that NMLS may conduct an investigation into alleged violations and that it may report alleged violations to the state(s) in which I am seeking licensure or maintain licenses, or to other states.

I further understand that the results of any investigation into my alleged violation(s) may subject me to disciplinary actions by the state(s) or the State Regulatory Registry (SRR), including removal of any course from my NMLS record, and/or denial or revocation of my license(s).