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## ***Request for Public Comments*** **SRR Public Comment Policy**

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August 30, 2016

On behalf of the state regulatory agencies participating in the Nationwide Multistate Licensing System (NMLS)<sup>1</sup>, the State Regulatory Registry LLC<sup>2</sup> (SRR) invites public comments on the adoption of a policy governing the procedures and processes for requesting public comments on issues related to NMLS.

### **Background**

Since 2008, when NMLS was launched, SRR has published 23 requests for public comments on various system-related policy, functionality and enhancements in order to elicit comments from regulator and industry users of NMLS. This proposed policy is intended to enhance the current procedures and processes for determining when a request for comments is appropriate and how the request should be administered from inception through development of final policy.

## **Proposed Policy on SRR Requests for Public Comment**

### **Purpose of the SRR Public Comment Policy**

The purpose of this Public Comment Policy (“Policy”) is to adopt a formal policy to ensure effective notice and procedures for a period of public comment on certain functionality, reporting or policy changes (individually and collectively, “updates”) being considered for adoption by the State Regulatory Registry (“SRR”) that may significantly impact users of the Nationwide Multistate Licensing System (“NMLS”).

SRR believes that public involvement in the updates process is the best way to develop and manage NMLS and encourage licensee understanding and participation in NMLS activities. Accordingly, SRR requires notice and a public comment period for updates that may significantly impact parties that use NMLS. This Policy outlines the roles, responsibilities and procedures for this process to assure the public has effective notice and the ability to submit timely and meaningful comment on proposed NMLS updates.

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<sup>1</sup> Information about NMLS can be found at <http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>

<sup>2</sup> Information about the State Regulatory Registry LLC can be found at <http://www.csbs.org/srr/Pages/default.aspx>

## Applicability

Under this Policy, any updates that impact outside parties (i.e. is not strictly limited to the internal operations of SRR) and are determined by the NMLS Policy Committee as requiring public comment, may be posted for notice and public comment. Updates that warrant a public comment period include, but are not limited to, the following:

- Major NMLS functionality updates
- Call Report updates
- Impacts to usability of NMLS
- Uniform Form changes
- Fee changes

This Policy does not apply to any SRR updates that do not have an impact on external users of NMLS or that the NMLS Policy Committee has determined as not requiring public comment under this Policy.

## Roles and Responsibilities

**A. NMLS Working Group.** The NMLS Working Group generally consists of state regulators but may include industry representatives and is responsible for the subject matter of the update. The Working Group analyzes the comments, involves other interested parties as necessary, and makes a final recommendation to the NMLS Policy Committee based on the original proposal with any modifications deemed appropriate from the content of the comments. The Working Group is staffed by the NMLS Policy Coordinator.

**B. NMLS Policy Coordinator.** The NMLS Policy Coordinator is the SRR staff person who is generally responsible for the subject area addressed in proposed updates. The NMLS Policy Coordinator shall be responsible for preparing notices and assuring that proposed updates for public comment are posted in a timely manner. In addition, the NMLS Policy Coordinator shall be responsible for coordinating the process of analyzing and recommending a disposition on all comments received during the comment period. This process will be conducted by the appropriate NMLS Working Group(s) that is responsible for the particular issue or functionality that is the subject matter of the update. The NMLS Policy Coordinator will be responsible for ensuring all comments are posted on the NMLS Resource Center no later than 5 business days from the end of the comment period and for coordinating the final response to comments developed by the appropriate Working Group which will also be posted on the NMLS Resource Center.

**C. Senior Vice President of Policy (“SRR SVP-Policy”).** The SRR SVP-Policy shall assign a NMLS Policy Coordinator when such action is required and shall review recommendations before they are sent to the NMLS Policy Committee.

**D. General Counsel.** The Office of the General Counsel shall provide counsel upon request to the NMLS Policy Coordinator, the SRR SVP-Policy, NMLS Policy Committee or any SRR staff member regarding the proposed updates, posting of the document for effective notice and comment, review and disposition of any comment received, or any interpretation of this Policy.

**E. NMLS Policy Committee<sup>3</sup>** (“Committee”). The NMLS Policy Committee, as appointed by the SRR Board of Managers, shall approve a final determination on the updates presented for public comment and, if appropriate, present that determination to the SRR Board of Managers for their approval prior to adopting the updates. The Committee may approve a public comment period of less than 30 days, under limited circumstances and when good cause is demonstrated as provided in this Policy.

## **Effective and Sufficient Notice**

**A. Comment Period.** At a minimum, SRR will, in most instances, provide a period of public comment of no less than 60 days on all updates. The NMLS Policy Coordinator at his/her discretion may extend the period for public comment. The comment period on any update may not exceed 180 days unless so extended by the SRR SVP-Policy when good cause is demonstrated for extending the comment period. Considerations for extension shall include, but are not limited to, the content of the proposed update, the complexity of the proposed update, and intervening circumstances during the comment period.

SRR recognizes that there may be good cause for the comment period to be less than 60 days so that SRR can respond to a time sensitive matter in an appropriate manner. The NMLS Policy Coordinator must request such an exception in writing to the Committee, justifying the reason for requesting that the comment period be less than 60 days. The Committee may grant such an exception when good cause is demonstrated for reducing the public comment period and must do so in writing. Under no circumstance shall the period of public comment be less than 21 days.

**B. Notice to the Public.** In order to ensure that members of the public are apprised of SRR’s publication of proposed updates and solicitation for comments on proposed updates, SRR will use the following methods of publication and notice to the public: (1) publishing the proposed update on the NMLS Resource Center (including publishing a News Item) and soliciting comments by a certain date; and (2) sending notice to SRR stakeholders, including but not limited to, regulators participating in NMLS, relevant system account administrators, and relevant working groups and committees (e.g., SRR Lawyers Committee, Industry Development Working Group).

The NMLS Policy Coordinator shall prepare notice of the proposed update and the solicitation for comments and cause it to be published in the means identified above. Included in this responsibility is the duty to analyze and assign a reasonable period for accepting comments within the parameters established by this Policy.

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To assist it in making decisions and handling operational matters, the SRR Board of Managers created the NMLS Policy Committee (NMLSPC) which is comprised of 11 state regulators. The NMLS Policy Committee provides SRR a mechanism to make policy decisions for NMLS with regards to its impact on meeting state licensing regulations. Decisions are made after considering input from NMLS Participating State Agencies, licensees and industry. The [roster](#) of the NMLSPC can be found on the NMLS Resource Center.

## **Collecting and Receiving Public Comments**

For all proposed updates, SRR shall accept comments by email or in hard copy. However, SRR shall encourage members of the public to provide comments by email to [comments@csbs.org](mailto:comments@csbs.org) or through an SRR-established centralized comment submission program. Comments must contain the name, email address and mailing address of the submitter. After the public comment period is complete, SRR will compile all comments, regardless of the means of transmission, and make them available to the public on the NMLS Resource Center.

## **Consideration of Comments**

The applicable Working Group, staffed by the NMLS Policy Coordinator, must timely read and consider each and every comment submitted during the comment period and recommend a disposition for all comments. In the final consideration of the update, the Working Group shall provide a written summary of all comments received, indicating which of those comments should be accepted, rejected, or tabled for future consideration.

The written response summary of all comments received, as described above, must be completed within a reasonable time period after the end of the stated open comment period and may be reviewed by other regulator working groups or groups of regulators when additional input is desired before a final recommendation is prepared for the NMLS Policy Committee. The length of time to complete the summary report and recommendation will vary depending upon the complexity of the subject matter as additional input is reviewed and analyzed and the NMLS Policy Coordinator is responsible for keeping the NMLS Policy Committee informed of specific timelines.

If after releasing the written response summary and recommendations to the public, SRR deems it necessary to provide an additional public comment period, the NMLS Policy Coordinator will seek approval from the relevant Working Group and the NMLS Policy Committee for such additional comment period. Any additional comment period must follow the same procedures set out in this Policy.

## **Adoption of a Rule or Policy of General Applicability**

Any updates determined by the Committee as requiring public comment shall be adopted only if:

- (1) the proposed updates have been posted for public comment in accordance with this Policy;
- (2) all comments submitted in response to the proposed updates have been reviewed, assessed and considered by the relevant working group(s) who make a final recommendation that is presented to, and approved by, the NMLS Policy Committee and, where appropriate, the SRR Board of Managers.

All finalized policies must be, at a minimum, posted on the NMLS Resource Center and communicated to targeted groups as deemed appropriate.

## **Submission of Comments**

Comments are requested to be limited to the content of this document as it relates to the SRR process for requesting public comments. Persons submitting comments must include their contact information. Comments received, as well as the submitter's name and company or organization (if applicable), will be posted on the NMLS Resource Center for public view. Comments submitted without contact information will not be considered.

All comments will be reviewed and discussed with all state regulators and the NMLS Policy Committee will evaluate and approve the final policy. Responses to all comments and the final approved policy will be posted on the NMLS Resource Center.

Persons submitting comments are encouraged to provide these comments electronically via email to: [comments@csbs.org](mailto:comments@csbs.org).

Comments may also be submitted in physical form to:

State Regulatory Registry  
Conference of State Bank Supervisors  
Attn: Tim Doyle, Senior Vice President  
1129 20<sup>th</sup> St NW, 9<sup>th</sup> Floor  
Washington, DC 20036

**Comment submission deadline: October 31, 2016**