

Colorado Division of Real Estate (CO-DRE) Continuing Education (CE) Notice for 2018

Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 1-hour state specific Continuing Education (CE) requirement for 2018 which must be met as a condition for maintaining a mortgage loan originator (MLO) license with the Colorado Division of Real Estate (the Division).

This course should be completed by licensees in 2018 for the 2019 renewal requirement.

CE requirements are as follows:

- 3 hours of Federal law;
- 2 hours of Ethics;
- 2 hours of lending standards for non-traditional mortgage products;
- 1 hour of Colorado state-specific defined electives

Total CE: 8 Hours

The Division has established the following required topics for the 1 hour of state-specific CE:

I. New Colorado Regulations

- A. Immediate notification of a conviction, plea, or violation required.
(Ref: §12-61-905, C.R.S., §12-61-905.5, C.R.S.; and Rule 5.23)
1. Reporting requirements and timing.
 2. Types of convictions, pleas or violations.
 3. Reporting Process.
 - a. Submit a complaint against oneself via the elicense system.
 - b. Complaint link:
<https://apps.colorado.gov/dre/licensing/Activities/Complaint.aspx>
- B. Exemption from licensure: “Family Member” transactions.
(Ref: §12-61-904, C.R.S.; and Rule 1.39)
1. Definition of “Family Member”.
 2. No compensation or gain.
 3. No more than three (3) residential mortgage loans in any twelve (12) month period.

II. Colorado Specific Forms

- A. Dual Status Disclosure. (§12-61-912, C.R.S.; and Rule 5.22)

1. Full and fair disclosure to the borrower(s).
 2. Business records separate and apart.
 3. Dual status is a material fact.
 4. Colorado Dual Status Disclosure Form:
<https://drive.google.com/file/d/0B1VD36mBqe1EWGUtN3dxRldqX1k/view>
- B. Lock-in Disclosure Form. (§12-61-914(1)(b), C.R.S.; and Rules 1.38 & 5.14)
1. Must be used for all transactions not under the authority of the TILA-RESPA Integrated Disclosure Rule.
 2. When used and disclosed.
 3. Lock-In Disclosure Form:
<https://drive.google.com/file/d/0B1VD36mBqe1EM0VsYldWRGpZd00/view>
- C. Tangible Net Benefit Disclosure (TNB). (§12-61-904.5, C.R.S.; and Rules 5.7 & 5.8)
1. Is required on all transactions.
 2. Transaction must have a tangible net benefit to the borrower.
 3. Considerations in determining TNB.
 4. Must consult the borrower(s) before determining TNB.
 5. Colorado Tangible Net Benefit Disclosure Form:
<https://drive.google.com/file/d/0B1VD36mBqe1EYVdZWWp0ODIIXM/view>
- D. Loan Modification Services Contract. (Rules 5.3, 5.4 & 5.5 and Position Statement MLO 1.5)
1. Compliance with the MLO Licensing Act and the Foreclosure Protection Act.
 2. Requirements.
 3. Non-applicability.
 4. Position Statement MLO 1.5 – Loan Modifications:
<https://www.colorado.gov/pacific/dora/node/96966>
 5. Agreement for Loan Modification:
<https://drive.google.com/file/d/0B1VD36mBqe1EUIBEZU15dFdFMjg/view>

III. Advertising and Colorado Specific Requirements

- A. Advertising. (Rules 1.4, 5.1 & 5.2)
1. Advertisement defined.
 2. State-specific disclosure requirements.
 - a. Responsible Party (Individual or Mortgage Company).
 - b. Mortgage Company Name.
 - c. Phone number.
 3. Advertisement shall not appear to be offered by a government agency.
 4. Advertisements must comply with all state and federal disclosure requirements.
 5. Inter-agency guidance on Non-traditional Mortgage Product Risks.
 6. Advertisement vs marketing & promotional items.

References:

- The Colorado Real Estate Manual may be accessed at the following:
<https://drive.google.com/file/d/0B1QWwFfpPTbkdDhKMmJ2cHdKelk/view?usp=sharing&pli=1>
(Asterisks in the RE Manual are placed in the left-hand margin next to certain sections to note when there is a change from the last publication.)
- Rule 5.23 is not in the current 2017 RE Manual, as it was effective 3/17/2017, but will be added to the 2018 RE Manual. The rule can be found on the Colorado Secretary of State's website
at: <http://www.sos.state.co.us/CCR/DisplayRule.do?action=ruleinfo&ruleId=2915&deptID=18&agencyID=98&deptName=700%20Department%20of%20Regulatory%20Agencies&agencyName=725%20Division%20of%20Real%20Estate&seriesNum=4%20CCR%20725-3>
and specifically on page 26 of those Rules
at: <http://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=7071&fileName=4 CCR 725-3>
- Rule 1.39 was adopted on 9/20/17 and will be effective on/around 11/14/17, and is not in the current 2017 RE Manual or on the Secretary of State's website yet. It will be added to the 2018 RE Manual, and on the Secretary of State's website after its effective date.
Rule 1.139 reads:
"CHAPTER 1: DEFINITIONS
(DEFINITIONS THAT STATES THE DEFINED TERMS IN THIS SECTION
ARE NOT NECESSARILY IN ALPHABETICAL ORDER.)

1.39 FAMILY MEMBER: A PERSON WHO IS RELATED BY BLOOD,
MARRIAGE, CIVIL UNION, OR ADOPTION."

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.