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Colorado Division of Real Estate (CO-DRE) Continuing Education (CE) Notice for 2019

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 2019 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 2019 for the 2020 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

DORA has established the following course content for the 2019 one (1) hour of state-specific information:

- I. New Colorado Regulations - (10 minutes)
- II. New Colorado laws - (15- minutes)
- III. Errors and Omissions Insurance – (10 minutes)
- IV. Reasonable Inquiry – (10 minutes)
- V. Competency – (15 minutes)

References:

The Colorado Real Estate Manual may be accessed at the following:

<https://drive.google.com/file/d/0B1QWwFfpPTbkdDhKMmJ2cHdKelk/view?usp=sharing&pli=1>

I. New Colorado Regulations

A. Pre-Licensure Education Expiration Policy.

1. Requirements for Licensure.

(Ref: §12-61-903, C.R.S.; and Rule 2.1 (D)(5))

- a. The twenty (20) hours of pre-licensing education must be satisfactorily completed within the three (3) year period immediately preceding the date of application for licensure.

- b. Reason for Rule: NMLS National Uniformity and to ensure material is up to date and relevant at the time of application.
2. Renewal, Reinstatement, Inactivation, Suspension, Surrender or Revocation of a License or Registration.
(Ref: §12-61-903, and §12-61-903.7, C.R.S.; and Rule 4.3 (A))
 - a. Re-Application of License: Individuals who fail to maintain an active valid license for at least three (3) years must satisfactorily complete the twenty (20) hours of pre-licensing education within the three (3) year period immediately preceding the date of application for licensure.
 - b. Reason for Rule: NMLS National Uniformity and to ensure material is up to date and relevant at the time of application.
3. Rules were adopted on September 19, 2018; effective November 14, 2018.
4. Rules Regarding Mortgage Loan Originators (Colorado Secretary of State):
<https://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=7818>
(link updated 1/8/19)

II. New Colorado Laws

A. HB18-1128 (Protections For Consumer Data Privacy)

(Ref: §6-1-713, §6-1-713.5, §6-1-716, and §24-73-101, *et al.*, C.R.S.)

1. The bill requires covered and governmental entities in Colorado that maintain paper or electronic documents that contain personal information to develop and maintain a written policy for the destruction and proper disposal of those documents. Entities that maintain, own, or license personal information, including those that use a nonaffiliated third party as a service provider, shall implement and maintain reasonable security procedures for the personal information. The notification laws governing disclosure of unauthorized acquisitions of computerized data are expanded to specify who must be notified following such unauthorized acquisition and what must be included in such notification.
2. Applicability as to Colorado Mortgage Loan Originators.
3. Effective date of bill is September 1, 2018.
4. HB18-1128 (Colorado General Assembly):
<http://leg.colorado.gov/bills/hb18-1128>

III. Errors and Omissions Insurance

(Ref: §12-61-903.5, C.R.S.; and Rules 2.23, 2.24, 2.25 & 2.26)

- A. E&O Insurance is a claims made policy.
- B. Must have coverage at the time of the event and at the time of the claim.
- C. Individual policy coverage: \$100,000/\$300,000.
- D. Employees or exclusive agent for a company may utilize company coverage.

- E. Must provide proof of continuous coverage
- F. Tail policy – covers a licensee for items under the old policy

IV. Reasonable Inquiry

(§12-61-904.5 C.R.S.; and Rule 5.6)

- A. Duty of good faith and fair dealing.
- B. Duty to recommend products based on information provided from the borrower.
- C. Duty to make reasonable inquiry concerning borrower's current/prospective income and debts.

V. Competency

(§12-61-905.5(1)(q), C.R.S.)

- A. Lack of knowledge of products or processes.
- B. Offering products that may not be the most suitable.
- C. Misleading information that results in missing deadlines.
- D. Not using the correct Colorado forms.

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.