

Last Revision: 10/22/2019

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## **Colorado Division of Real Estate (CO-DRE) Continuing Education (CE) Notice for 2020**

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### **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 2020 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 2020 for the 2021 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 2020 one (1) hour of state-specific information:**

- I. Temporary Authority & State Specific Requirements (15 minutes)
- II. Advertising and Colorado Specific Requirements - (15 minutes)
- III. Mortgage Loan Originator and Mortgage Company Requirement to Maintain Documents - (15 minutes)
- IV. 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. Temporary Authority & State Specific Requirements.**

(Ref: “S.A.F.E Mortgage Licensing Act of 2008” (12 U.S.C. 5101, et. seq.) - Section 1518, “Eliminating Barriers to Jobs for Loan Originators” to allow for the Employment Transition of Loan Originators; §12-10-701, et seq., §§ 12-10-707, 12-10-711(11), and 12-10-717, C.R.S., and Rules 2.4, 2.5, 2.6, 2.7, 2.9, and 2.10).

#### **A. Temporary Authority and Colorado Temporary License.**

1. Temporary authority is granted by the Nationwide Multistate Licensing System and Registry (NMLS), and an applicant must follow the requisite NMLS policies and procedures.

2. Temporary licensure in Colorado must meet certain conditions, including:
    - a. Applicant being employed and sponsored by a Colorado NMLS registered mortgage company;
    - b. Applicant cannot have had a MLO license denied or suspended, not been subject to a cease and desist order, and not convicted of, or pled guilty or nolo contendere to certain statutory misdemeanors or felonies;
    - c. Applicant has also either: Registered in the NMLS as a loan originator for a depository during 1 year prior to applying, or was issued a MLO license in another jurisdiction during 30 days prior to applying; and
    - d. Applicant has 7 business days from notice of issuance of temporary authority from NMLS to complete Colorado specific requirements, including:
      - i. submitting fingerprints to Colorado Bureau of Investigations (CBI) for criminal history check;
      - ii. acquiring a surety bond;
      - iii. acquiring errors and omissions insurance;
      - iv. identify a “Responsible Mortgage Loan Originator” (see definition below in “B”); and
      - v. complete the “Mortgage Loan Originator License Application”
  3. Expiration of a MLO temporary license occurs upon (whichever is sooner):
    - a. Applicant withdraws their application;
    - b. Board denies their application;
    - c. Board approves and issues a Colorado MLO license;
    - d. Supervision of the temporary licensed MLO by the Responsible Mortgage Loan Originator terminates; or
    - e. 120 days after the applicant was issued a temporary license.
- B. A “Responsible Mortgage Loan Originator” is defined as a Colorado licensed mortgage loan originator who is responsible for the supervision of the applicant during the time they hold an active mortgage loan originator temporary license. The Responsible Mortgage Loan Originator:
- a. Will be held responsible under law for the actions of the MLO holding a temporary license, and is personally subject to all applicable penalties under the law;
  - b. Must notify the Division of Real Estate of the beginning and ending dates of the supervision for the temporary licensed MLO; and
  - c. Will be held responsible for the activities of the temporary licensed MLO through and including the date of the temporary license expiration or termination of supervision, whichever occurs first.

## **II. Advertising and Colorado Specific Requirements.**

(Ref: 12 C.F.R. §1026.2(a) (2); and Rules 1.4, 5.1, and 5.2)

- 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. Shall not make or omit any statement that would be misleading or deceptive.
- 5. Must comply with all state and federal disclosure requirements.
- 6. Inter-agency guidance on Non-traditional Mortgage Product Risks.
- 7. Retain copies of advertisements for 4 years.
- 8. Advertisement vs marketing & promotional items.

**III. Mortgage Loan Originator and Mortgage Company Requirement to Maintain Documents.**

(Ref: Federal “Truth in Lending Act”, 15 U.S.C. Secs. 1601 et seq.; Regulation Z, 12 CFR 226 and 12 CFR 1026; §12-10-725(1) and (2), C.R.S., and Rules 5.9, 5.10, and 5.21)

**A. Mortgage Loan Originator.**

- 1. Shall maintain any and all documents used for the purpose of soliciting or marketing borrowers that were directed, made or caused to be made by the mortgage loan originator.
- 2. Requirement to keep records of the required statutory (TILA-RESPA Integrated Disclosure Rule (TRID)), §12-10-725(1) and (2), C.R.S., and Colorado specific disclosures.
- 3. A 5 year maintenance policy (as opposed to 4 year policy for mortgage company).
- 4. Kept in a safe and secure manner.
- 5. Electronic storage acceptable if information is also accessible.

**B. Mortgage Company.**

- 1. Shall maintain any and all documents collected, gathered and provided for the purpose of negotiating and originating residential mortgage loans.
- 2. Any and all documents used for purpose of soliciting or marketing borrowers.
- 3. List of inclusive documents.
- 4. A 4 year maintenance policy (as opposed to 5 year policy for mortgage loan originator).
- 5. Kept in a safe and secure manner.
- 6. Electronic storage acceptable if information is also accessible.

**IV. Competency.**

(§12-10-713(1) (q), C.R.S.)

- A. Lack of knowledge of products or processes.
- B. Offering products that may not be the most suitable.
- C. Not responding to consumers that results in missing deadlines.
- D. Misleading information that results in missing deadlines.
- E. Not using the correct Colorado forms.
- F. Missing signatures or signing for others.

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.