

Last Revision: 09/09/2020

Last Review: 09/09/2020

Effective 01/01/2021

Colorado Department of Regulatory Agencies (DORA) Pre-Licensure Education (PE) Notice

Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 2 hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with the Colorado Department of Regulatory Agencies.

PE Requirements are as follows:

- 3 hours of Federal law;
- 3 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 10 hours of general electives;
- 2 hours of Colorado state-specific defined electives.

Total PE: 20 Hours

PE Course Content, Test Requirement and Reference List

DORA has established the following course content and testing requirements for the 2 hours of state-specific information:

I.	Colorado Department of Regulatory Agencies	6 minutes
II.	Colorado Law and Regulation Definitions	12 minutes
III.	Colorado License Law and Regulation	42 minutes
IV.	Compliance	48 minutes
V.	Disciplinary Action	12 minutes

All approved education providers offering the Colorado state-specific pre-licensing education are required to administer a final examination of no less than 40 questions for a 20-hour comprehensive course of which 25 questions will cover topics from the core sections and 15 will cover each of the primary Colorado subject areas listed above. A 2 hour PE Elective course will include no less than 15 questions on each of the primary Colorado subject areas listed above. No certificate of completion may be issued to an applicant until they establish competency with Colorado specific law and regulations. This is accomplished through achieving a passing score of 75% or greater on a final examination covering all major topics of federal law and regulations and the Colorado state specific two hour pre-licensing content outline.

The Colorado Real Estate Manual may be accessed at the following link: [Real Estate Manual](#)

I. Colorado Department of Regulatory Agencies

- A. Division of Real Estate
- B. Department/Agency Structure (§24-34-101(1)(a), C.R.S.)
 - a. Board of Mortgage Loan Originators (§12-10-703 & §12-10-722, C.R.S.)
- C. Powers and Duties of the Board - Type 1 Board (§12-10-711, C.R.S.)

II. Colorado Law and Regulatory Definitions

- A. The Mortgage Loan Originator Licensing Act (Title 12, Article 10, Part 7)
- B. Other Colorado Law and Regulation Definitions (§12-10-702, C.R.S. & Uniform Consumer Credit Code)

III. Colorado License Law and Regulation

- A. Persons required to be licensed (§12-10-704, C.R.S.)
 - a. Exemptions (§12-10-709, C.R.S.)
- B. Licensee qualifications and application process
 - a. Financial responsibility - surety bond and error & omissions (§12-10-707, & §12-10-717, C.R.S.; Rules 2.6. & 2.7.; Board position statement 1.7)
 - b. Background check and fingerprints (criminal check) (Rule 2.3.)
 - c. Pre-licensing education (Rule 2.1.)
 - d. Testing and retesting (Rules 2.2.)
- C. Grounds for denying a license (§12-10-711, C.R.S.)
 - a. Criminal convictions
 - b. Previous revocation
 - i. Licenses other than MLO (§12-10-711(1)(c), C.R.S.)
 - c. Denial of application for license (§12-10-711(2), C.R.S.)
- D. License Maintenance
 - a. Continuing education (Rules 3.1. & 3.2.)
 - b. Maintain personal information updates online (§12-10-706(1)(c), C.R.S. & Rule 5.10.)
 - c. Renewal (§12-10-708, C.R.S. & Rules 4.1., 4.2., & 4.3.)
 - d. Prohibition to practice without a license (Rule 4.4.)
 - e. Record keeping (Rule 5.21.)
 - f. Re-application (Rule 4.3.)

IV. Compliance

- A. Disciplinary actions and Prohibited conduct (§12-10-713, & §12-10-721, C.R.S.; §38-40-101 & §38-40-105, C.R.S.)
- B. Required conduct
 - a. Originator's relationship to borrower (Good faith & fair dealing) (§12-10-710, C.R.S.)
 - b. Dual status (§12-10-724, C.R.S. & Rule 5.22.)

- c. Reasonable Inquiry (§12-10-710(1)(b), C.R.S., and Rule 5.6.)
- d. Tangible net benefit & required form (§12-10-710(1)(a), C.R.S., and Rules 5.7. & 5.8.)
- e. Fee, commission, or compensation (§12-10-726, C.R.S.)
- f. Unique identifier clearly displayed (§12-10-729, C.R.S.)
- g. Loan modifications (Rules 5.3., 5.4. & 5.5.)
- C. Fees and costs (§12-10-725, C.R.S. & Rule 5.14. (Lock-in disclosure))
- D. Written contract (Mortgage Loan Originator Contract) (Rule 5.12.)
- E. Advertising and Exemptions (Rules 5.1. & 5.2.)

V. Disciplinary Action

- A. Notifications, hearings and appeals (§12-10-714, C.R.S. & Rules 6.1., 6.2., 6.3., 6.4. 6.5., 6.6., & 6.7.)
 - a. Unlicensed activities- Cease and desist orders (§12-10-711(8)(a) & §12-10-720, C.R.S.)
- B. Suspension, revocation, and rescission of licenses (§12-10-711(2), §12-10-711(4)(a) & §12-10-713, C.R.S.)
- C. Penalties/fines/restitution (§12-10-713 & §12-10-711(8)(b), C.R.S.)
- D. Civil and criminal liability (§12-10-719 & §12-10-720, C.R.S.)

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.