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District of Columbia Department of Insurance, Securities and Banking (DISB) 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 3 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 District of Columbia Department of Insurance, Securities and Banking.

District of Columbia's PE requirements are as follows:

- 3 hours of Federal Law;
- 3 hours of Ethics;
- 2 hours lending standards for Non-Traditional mortgage products;
- 9 hours of General Electives;
- 3 hours of DC state-specific defined electives

Total PE: 20 hours

DISB has established the following require topics for the 3 hours of state-specific PE:

- I. District of Columbia Department of Insurance, Securities and Banking (DISB) (5%)**
 - A. Regulatory authority
 - B. Department and agency structure
 - C. Responsibilities and limitations

- II. District Law and Regulation Definitions (10%)**
 - A. Mortgage Lender and Broker Act of 1996 as amended by Mortgage Lender and Broker Amendment Act of 2009 (DC Law 18-38; 56 DC Reg 4290)
 - B. Mortgage Lender and Broker Regulations (26C-DCMR-1100)
 - C. Other State Definitions

- III. License Law and Regulation (20%)**
 - A. Persons required to be licensed
 - a. Exemptions
 - B. Licensee qualifications and application process
 - a. Financial responsibility (surety bond)
 - b. Background check and fingerprints (criminal check; credit report)
 - c. Pre-licensing education and experience
 - d. Testing and retesting
 - e. Sponsorship
 - C. Grounds for denying a license
 - a. Criminal convictions
 - b. Previous revocation

- c. Prohibition
- D. License maintenance
 - a. Continuing education
 - b. Personal information updates and required notifications
 - c. Renewal
 - d. Record keeping and reporting
 - e. Suspension and reinstatement
- E. Examination Authority

IV. Compliance (50%)

- A. Prohibited conduct and practices
- B. Required conduct
- C. Fees and charges
- D. Disclosures and agreements
 - a. District of Columbia Financing Agreement
 - b. Non-conventional Mortgage Disclosure
- E. Advertising

V. Disciplinary Action (10%)

- A. Notifications, hearings, and appeals
- B. Suspension, revocation, and rescission of licenses
- C. Penalties and fines
- D. Civil liability

VI. Other District Areas (5%)

- A. Escrow Account
- B. Home Loan Protection Act

References:

- District of Columbia Official Code Title 26, Section 551
- District of Columbia Official Code Title 26, Sections 1101 - 1104
- District of Columbia Official Code Title 26, Sections 1107 - 1109
- District of Columbia Official Code Title 26, Sections 1112 - 1116
- District of Columbia Official Code Title 26, Sections 1117 - 1121
- District of Columbia Official Code Title 26, Section 1152
- District of Columbia Official Code Title 28, Section 3904
- Title 26A of the District of Columbia Municipal Regulations, Chapter 11, Section 1125
- Title 26C of the District of Columbia Municipal Regulations, Chapter 11, Sections 1100 - 1109
- Title 26C of the District of Columbia Municipal Regulations, Chapter 11, Section 1106
- Title 26C of the District of Columbia Municipal Regulations, Chapter 11, Section 1111 - 1113
- Title 26C of the District of Columbia Municipal Regulations, Chapter 11, Section 1116 - 1120
- Title 26C of the District of Columbia Municipal Regulations, Chapter 11, Section 1122

- Title 26C of the District of Columbia Municipal Regulations, Chapter 11, Section 1125 - 1126.

D.C. Official Code:

<http://www.lexisnexis.com/hottopics/dccode/>

D.C. Municipal Regulations:

<http://dcregs.dc.gov/Search/DCMRSearchByChapter.aspx?SearchType=DCMRChaptNum&KeyValue=26-C>

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.