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Idaho Department of Finance (ID-DOF) 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 Idaho Department of Finance.

ID-DOF 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 Idaho state-specific defined electives

Total PE: 20 Hours

Expected Learning Outcomes:

- Describe the provisions that make fraud against a financial institution, which includes mortgage brokers/lenders, by an employee of the financial institution a specific category of financial fraud, and identify the consequences of this type of fraud.
- Understand the general difference between statutory compliance and Underwriting/Quality Control.
- Articulate the disclosure requirements when using social media or other mediums for advertising under the IRMPA and other applicable law.
- Know that the NMLS Unique Identifier requirements apply to all licensees, not just originators.
- Discuss how the licensee's receipt of the borrower's request for credit constitutes an application under the IRMPA and other applicable law. Understand how any Idaho specific disclosure requirements that are tied to application timelines may not necessarily align with federal disclosure requirements.
- Identify the prohibitions in the IRMPA that apply to both company and individual licensees that have no counterparts in federal law or regulation (e.g. prohibitions against violations of, or misrepresentations regarding, SAFE Act education and testing requirements).
- Explain the requirements for branch versus individual licensure.

ID-DOF has established the following required topics list for the 2 hours of state-specific PE:

- Licensing and Operation of Mortgage Brokers/Lenders

- Licensing and Regulation of Mortgage Loan Originators
- General Provisions of the Director’s Supervision
- Examinations
- Records, Financial Statements and Reports
- Recovery Fund
- Disclosures and Advertising
- Residential Mortgage Loans
- Enforcement
- Investigation of Violations and Unsafe Practices; Remedial Action
- Disciplinary and Other Actions
- Prohibited Acts; Penalties

References:

- Title 26 Chapter 31 Idaho Residential Mortgage Practices Act
<https://legislature.idaho.gov/statutesrules/idstat/Title26/T26CH31/>
- Title 67 Chapter 27 Idaho Financial Fraud Prevention Act
<https://legislature.idaho.gov/statutesrules/idstat/Title67/T67CH27/SECT67-2750/>
- IDAPA 12.01.10 Rules Pursuant to the Idaho Residential Mortgage Practices Act
<https://adminrules.idaho.gov/rules/current/12/120110.pdf>

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.