

#### Request for Public Comments

#### **Proposed Changes to Uniform NMLS Licensing Forms and Mortgage Call Report**

October 11, 2013

On behalf of the state regulatory agencies participating in NMLS,<sup>1</sup> the State Regulatory Registry LLC<sup>2</sup> (SRR) invites public comments on:

- The proposed changes to the uniform NMLS Company, Branch, and Individual Licensing Forms ("Forms") developed by state regulators and used by all states through NMLS; and
- 2. The proposed changes to the NMLS Mortgage Call Report (MCR).

#### **Background**

On April 12, 2013, SRR solicited public comments on the <u>Uniform NMLS Licensing Forms</u> and <u>Mortgage Call Report</u>. The comment period ended on June 11, 2013 and all public comments were posted on the <u>NMLS Resource Center</u>.

The Forms Working Group and Mortgage Call Report Working Group, comprised of state regulators, reviewed the comments and made recommendations to the NMLS Policy Committee for adoption.

During the initial comment period, SRR indicated that proposed changes would be put out for a 30-day comment period prior to finalization by the NMLS Policy Committee. Changes to the NMLS Licensing Forms and Phase I of changes to the NMLS Mortgage Call Report are expected to be implemented in NMLS in March 2014.

Given changes being made to HMDA reporting requirements and the need for more analysis and longer lead time in implementing significant changes to the MCR, SRR plans on proposing more substantive changes to the MCR in 2014 with an expected implementation timeframe in 2015.

#### **Request for Public Comments**

SRR is seeking comments from the public on the specific, proposed changes to the Forms and the Mortgage Call Report contained in this document.

Comments are requested to be limited to the content of the proposed Forms and Mortgage Call Report changes. Many of the comments submitted during the comment period were

<sup>&</sup>lt;sup>1</sup> Information about NMLS can be found at http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx

<sup>&</sup>lt;sup>2</sup> Information about the State Regulatory Registry LLC can be found at <a href="http://www.csbs.org/srr/Pages/default.aspx">http://www.csbs.org/srr/Pages/default.aspx</a>

determined to be broader policy issues that would not directly affect the Forms or the MCR at this time. A full response to all comments will be issued at the end of this 30 day comment period.

Persons submitting comments must include their contact information. Comments received, as well as the submitter's name and company or organization (if applicable), will be posted on the NMLS Resource Center for public view. Comments submitted without contact information will not be considered.

All Form comments will be reviewed by the Forms Working Group comprised of state regulators and discussed with all state regulators. All Mortgage Call Report comments will be reviewed by the Mortgage Call Report Working Group comprised of state regulators and will be reviewed with all state regulators. The recommendations for proposed changes from the regulator groups will be sent to the NMLS Policy Committee for evaluation and approval or rejection. All approved changes are expected to be implemented in NMLS in the 1<sup>st</sup> quarter of 2014 and will be posted on the NMLS Resource Center in November 2013.

Persons submitting comments are encouraged to provide these comments electronically via email to: <a href="mailto:comments@stateregulatoryregistry.org">comments@stateregulatoryregistry.org</a>

Comments may also be submitted in physical form to:

State Regulatory Registry
Conference of State Bank Supervisors
Attn: Tim Doyle, Senior Vice President
1129 20<sup>th</sup> St NW, 9<sup>th</sup> Floor
Washington, DC 20036

Comment submission deadline: November 11, 2013

# Proposed Changes to NMLS Licensing Forms and Mortgage Call Report

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# NMLS LICENSING FORMS – PROPOSED CHANGES



### Overview of Form Changes

- Revise Business Activity on Company and Branch Forms
- Collect Other Trade Names on Company and Branch Forms by Agency and not by State
- Amend one disclosure question on Company Form
- Allow more than one branch manager per industry on Branch Form
- Add ability to collect high school or equivalent information on Individual Form



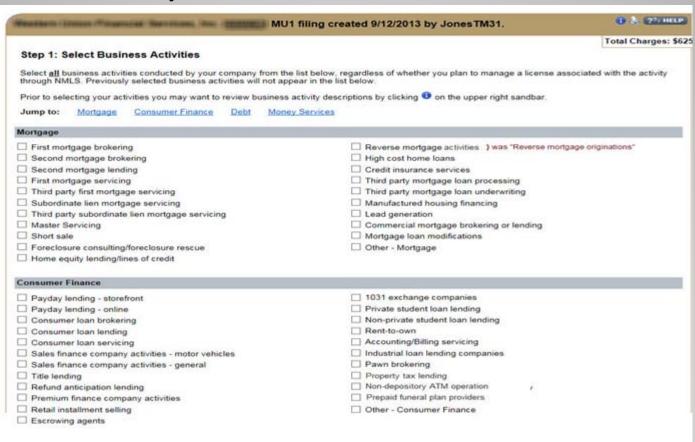
### Revise Business Activity on Company and Branch Forms

 Revise "Reverse Mortgage Originations" to "Reverse Mortgage Activities" on the Business Activity section of the Company and Branch Forms to better capture the activities of certain companies. The accompanying definition has been expanded to include reverse mortgage servicing.



#### Form Changes: Business Activities

#### Revised activity





### Collect Other Trade Names on Company and Branch Forms by Agency and not by State

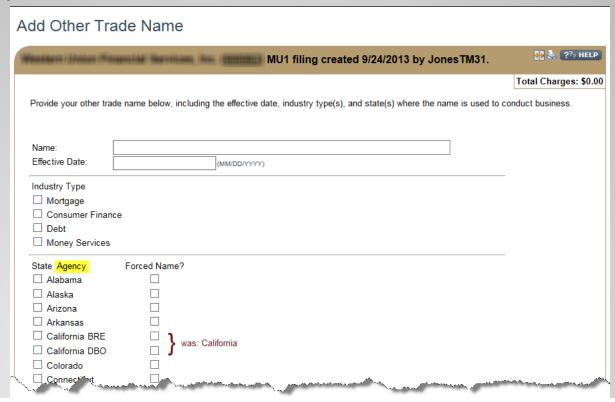
 Collect Other Trade Names on Company and Branch Forms by Agency and not by State. This will allow states to better approve, track and identify trade names within their jurisdiction and permit companies to better comply with specific requirements of a particular licensing authority.



#### Form Changes: Other Trade Names

#### Associated to Jurisdictions, not States.

#### Selection:

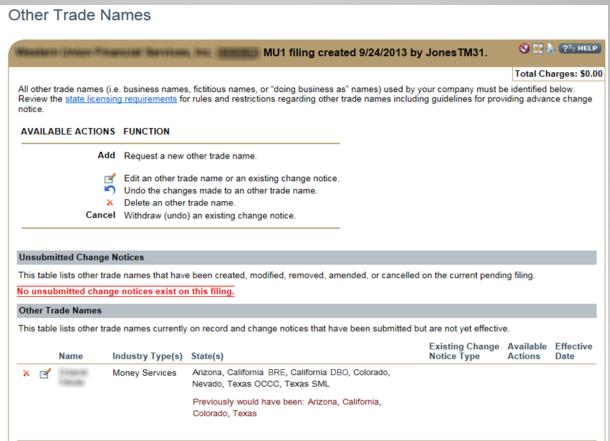




#### Form Changes: Other Trade Names

#### Associated to Jurisdictions, not States.

#### Display:





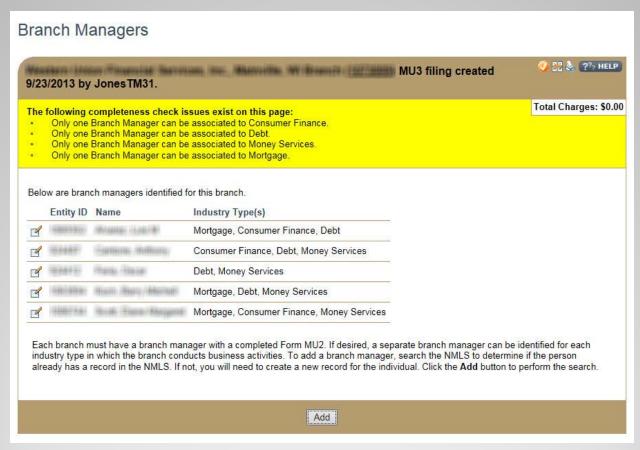
# Allow more than one branch manager per industry on Branch Form

 Allow more than one branch manager per industry on the Branch Form. This will enable a branch to designate multiple branch managers within a certain industry type and indicate where each branch manager operates. Only one branch manager may be designated per industry per state.



#### Form Changes: Branch Managers

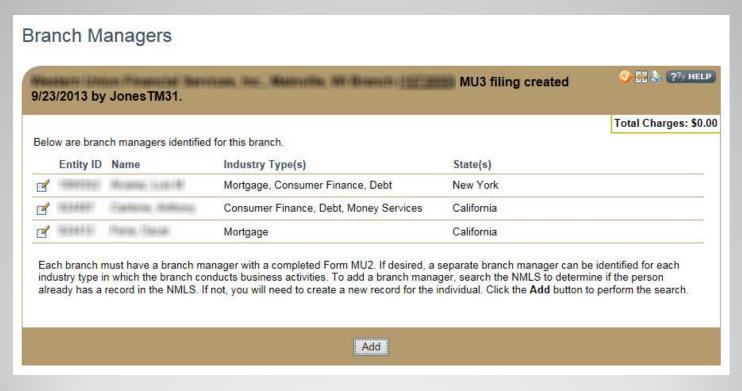
#### Currently, only one allowed per Industry Type:





### Form Changes: Branch Managers

## Change will allow branch managers to be designated by state and by industry:





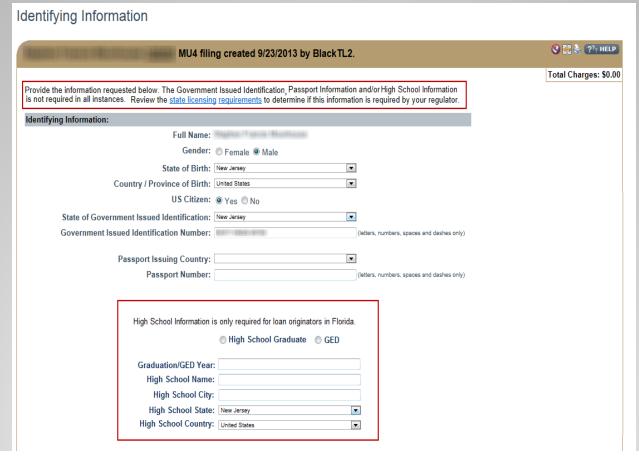
### Add ability to collect high school or equivalent information on Individual Form

 Add the ability to collect high school or equivalent information on the Identifying Information Section of the Individual Form.
This will alleviate the need for mortgage loan originators operating in states where this information is required to supply this information outside NMLS.



### Form Changes: Individuals

#### High School Graduation Information added:





# Amend one disclosure question on Company Form

 Add the word "proceeding" to disclosure question E on the Company Form to provide greater clarity to the question and to make the terminology the same as that contained in the Individual disclosure form.



### Form Changes: Companies

## Disclosure Question text update to match Individual form:

Regulatory Action Disclosure	
(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization	(SRO) ever:
(1) found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?	O Yes   ● No
(2) found the entity or a control affiliate to have been involved in a violation of a financial services-related regulation(s) or statute(s)?	●Yes ○No
(3) found the entity or a control affiliate to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?	○Yes ®No
entered an order against the entity or a control affiliate in connection with a financial services-related activity?	
(5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?	○Yes ® N
(D) Has the entity's or a control affiliate's authorization to act as an attorney, accountant, or State or federal contractor ever been revoked or suspended?	○Yes ®N
(E) Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation described in (C) through (D)?	● Yes ○ No



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# NMLS MORTGAGE CALL REPORT – PROPOSED CHANGES



### Updates to form formatting

- The assets and liabilities sections on the FC should be split into short-term and long-term.
- Before row D200 on the FC (standard and expanded), add the header: Other Non-Interest Expenses. This header corresponds to the calculations in D300.
- Update the way that the MCR information is displayed for regulators (e.g. sub-totals and totals bolded, etc.) (see outstanding questions).



#### Updates to specific fields on the FC

- Lines A050 and A190 should be displayed next to each other on the form.
- Lines B230 and B240 should to be placed with in the equity section, not between total liabilities and owners' equity. (see outstanding questions)
- A provision is actually an expense, it is not income. Line C700 needs to go into the non-interest expense side, and it should remain as its own line.
  - The same is true for C710.
- The title for C710 should be updated: Other Than Temporary
   Permanent Impairment (not MSR-Related) & Other Credit Related Losses
- Line D320 should be moved after D440.



## New and updated fields and calculations on the FC

- A030 Make field a calculation: Equal to A030T (Column 1)
- A032 Make field a calculation: Equal to A030T (Column 2)
- A034 Make field a calculation: Equal to A030T (Column 3)
- A036 Make field a calculation: Equal to A030T (Column 4)
- A060 Make field a calculation: Equal to A060T (Column 1)
- A062 Make field a calculation: Equal to A060T (Column 2)
- A064 Make field a calculation: Equal to A060T (Column 3)
- A066 Make field a calculation: Equal to A060T (Column 4)
- A090 Make field a calculation: Equal to A090T
- A160 Make field a calculation: Equal to A160T
- A220 Make field a calculation: Equal to A220T (Column 1)
- A230 Make field a calculation: Equal to A230T



# New and updated fields and calculations on the FC (cont.)

- A060AF Allow users to provide a value in column 2
- A090T Make field a calculation: Equal to the sum of A090A and A090B
- B180 Make field a calculation: Equal to A220T (Column 2)
- B350 Make field a calculation: Equal to B350T
- B360 The calculation for this field may need to be updated based on the placement of B230 and B240 and the answers to the outstanding questions.
- D320 Make field a calculation: C800-C160-D310
- D510 Make field a calculation: C800-C160-D500
- D600 Update calculation: D550+D560
- New note fields related to the following: A060AH, A060AI, A220G, A22H, B250N



## New and updated fields and calculations on the RMLA

- Add new data entry field after AC064:
   Changes in Application Amount
  - This field can allow for a positive or negative number
- Add new calculated field after the new field notes above. Equal to AC010 through the new field.
- Add new calculated field after AC080. Equal to the sum of AC070 through AC080.



### **RMLA Application Data Section**

Q3	APPLICATION DATA			
	DIRECTLY RECEIVED FROM BORROWER			
	Tuna of Astion Tales	Amount	Count (#)	Average Size (\$)
A C 0 1 0	Type of Action Taken	(\$)	_	
AC010	Applications In Process at the Beginning of the Period Applications Received	\$ 500,000	5	\$ 100,000
AC020	• •			
AC040				
	Applications Withdrawn			
AC060				
AC062				
AC064				
AC???		\$ (50,000)		
AC???	Total (Field Label TBD)	\$ 450,000	5	\$ 90,000
AC070	Loans Closed and Funded	\$ 250,000	3	\$ 83,333
AC080	Applications in Process at the End of the Period	\$ 200,000	2	\$100,000
AC???	Total (Field Label TBD)	\$ 450,000	5	\$ 90,000



# Updates to completeness checks and data validation warnings

- Update the dollar values and numeric items (not NMLS IDs) displayed in completeness checks and data validation warnings to include commas. The rules for the comma formatting should follow those used for the entry fields.
- Update Completeness Checks and/or data validation warnings so that out of balance or incomplete conditions prevent a filing submission.