



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,¹ the State Regulatory Registry LLC² (SRR) invites public comments on:

1. 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 [Uniform NMLS Licensing Forms and Mortgage Call Report](#). The comment period ended on June 11, 2013 and all public comments were posted on the [NMLS Resource Center](#).

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

¹ Information about NMLS can be found at <http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>

² Information about the State Regulatory Registry LLC can be found at <http://www.csbs.org/srr/Pages/default.aspx>

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 1st 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: comments@stateregulatoryregistry.org

Comments may also be submitted in physical form to:

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

Comment submission deadline: November 11, 2013

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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

Western Union Financial Services, Inc. **MU1 filing created 9/12/2013 by JonesTM31.** [HELP](#)

Total Charges: \$625

Step 1: Select Business Activities

Select **all** business activities conducted by your company from the list below, regardless of whether you plan to manage a license associated with the activity through NMLS. Previously selected business activities will not appear in the list below.

Prior to selecting your activities you may want to review business activity descriptions by clicking [?](#) on the upper right sandbar.

Jump to: [Mortgage](#) [Consumer Finance](#) [Debt](#) [Money Services](#)

Mortgage

| | |
|--|--|
| <input type="checkbox"/> First mortgage brokering | <input type="checkbox"/> Reverse mortgage activities } was "Reverse mortgage originations" |
| <input type="checkbox"/> Second mortgage brokering | <input type="checkbox"/> High cost home loans |
| <input type="checkbox"/> Second mortgage lending | <input type="checkbox"/> Credit insurance services |
| <input type="checkbox"/> First mortgage servicing | <input type="checkbox"/> Third party mortgage loan processing |
| <input type="checkbox"/> Third party first mortgage servicing | <input type="checkbox"/> Third party mortgage loan underwriting |
| <input type="checkbox"/> Subordinate lien mortgage servicing | <input type="checkbox"/> Manufactured housing financing |
| <input type="checkbox"/> Third party subordinate lien mortgage servicing | <input type="checkbox"/> Lead generation |
| <input type="checkbox"/> Master Servicing | <input type="checkbox"/> Commercial mortgage brokering or lending |
| <input type="checkbox"/> Short sale | <input type="checkbox"/> Mortgage loan modifications |
| <input type="checkbox"/> Foreclosure consulting/foreclosure rescue | <input type="checkbox"/> Other - Mortgage |
| <input type="checkbox"/> Home equity lending/lines of credit | |

Consumer Finance

| | |
|--|--|
| <input type="checkbox"/> Payday lending - storefront | <input type="checkbox"/> 1031 exchange companies |
| <input type="checkbox"/> Payday lending - online | <input type="checkbox"/> Private student loan lending |
| <input type="checkbox"/> Consumer loan brokering | <input type="checkbox"/> Non-private student loan lending |
| <input type="checkbox"/> Consumer loan lending | <input type="checkbox"/> Rent-to-own |
| <input type="checkbox"/> Consumer loan servicing | <input type="checkbox"/> Accounting/Billing servicing |
| <input type="checkbox"/> Sales finance company activities - motor vehicles | <input type="checkbox"/> Industrial loan lending companies |
| <input type="checkbox"/> Sales finance company activities - general | <input type="checkbox"/> Pawn brokering |
| <input type="checkbox"/> Title lending | <input type="checkbox"/> Property tax lending |
| <input type="checkbox"/> Refund anticipation lending | <input type="checkbox"/> Non-depository ATM operation |
| <input type="checkbox"/> Premium finance company activities | <input type="checkbox"/> Prepaid funeral plan providers |
| <input type="checkbox"/> Retail installment selling | <input type="checkbox"/> Other - Consumer Finance |
| <input type="checkbox"/> Escrowing agents | |



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:

Add Other Trade Name

Western Union Financial Services, Inc. (00000000) MU1 filing created 9/24/2013 by JonesTM31. HELP

Total Charges: \$0.00

Provide your other trade name below, including the effective date, industry type(s), and state(s) where the name is used to conduct business.

Name:

Effective Date: (MM/DD/YYYY)

Industry Type

- Mortgage
- Consumer Finance
- Debt
- Money Services

State Agency Forced Name?

| | | |
|---|--------------------------|-------------------|
| <input type="checkbox"/> Alabama | <input type="checkbox"/> | |
| <input type="checkbox"/> Alaska | <input type="checkbox"/> | |
| <input type="checkbox"/> Arizona | <input type="checkbox"/> | |
| <input type="checkbox"/> Arkansas | <input type="checkbox"/> | |
| <input type="checkbox"/> California BRE | <input type="checkbox"/> | } was: California |
| <input type="checkbox"/> California DBO | <input type="checkbox"/> | |
| <input type="checkbox"/> Colorado | <input type="checkbox"/> | |
| <input type="checkbox"/> Connecticut | <input type="checkbox"/> | |



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:

Branch Managers

Washburn Union Financial Services, Inc. - Martinsville, WV Branch (122-2000) MU3 filing created 9/23/2013 by Jones TM31. HELP

The following completeness check issues exist on this page: Total Charges: \$0.00

- Only one Branch Manager can be associated to Consumer Finance.
- Only one Branch Manager can be associated to Debt.
- Only one Branch Manager can be associated to Money Services.
- Only one Branch Manager can be associated to Mortgage.

Below are branch managers identified for this branch.

| Entity ID | Name | Industry Type(s) |
|-----------|---------------------|--|
| 1000001 | James Smith | Mortgage, Consumer Finance, Debt |
| 1000002 | Robert Johnson | Consumer Finance, Debt, Money Services |
| 1000003 | John Doe | Debt, Money Services |
| 1000004 | John Doe (Mortgage) | Mortgage, Debt, Money Services |
| 1000005 | John Doe (Mortgage) | Mortgage, Consumer Finance, Money Services |

Each branch must have a branch manager with a completed Form MU2. If desired, a separate branch manager can be identified for each industry type in which the branch conducts business activities. To add a branch manager, search the NMLS to determine if the person already has a record in the NMLS. If not, you will need to create a new record for the individual. Click the **Add** button to perform the search.



Form Changes: Branch Managers

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

Branch Managers

Western Union Financial Services, Inc. - Milwaukee, WI Branch (10272000) MU3 filing created 9/23/2013 by Jones TM31. HELP

Total Charges: \$0.00

Below are branch managers identified for this branch.

| Entity ID | Name | Industry Type(s) | State(s) |
|--|--------------|--|------------|
| <input checked="" type="checkbox"/> 100000 | James Smith | Mortgage, Consumer Finance, Debt | New York |
| <input checked="" type="checkbox"/> 100001 | James Wilson | Consumer Finance, Debt, Money Services | California |
| <input checked="" type="checkbox"/> 100002 | John Doe | Mortgage | California |

Each branch must have a branch manager with a completed Form MU2. If desired, a separate branch manager can be identified for each industry type in which the branch conducts business activities. To add a branch manager, search the NMLS to determine if the person already has a record in the NMLS. If not, you will need to create a new record for the individual. Click the **Add** button to perform the search.



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:

Identifying Information

MU4 filing created 9/23/2013 by BlackTL2. HELP

Total Charges: \$0.00

Provide the information requested below. The Government Issued Identification, Passport Information and/or High School Information is not required in all instances. Review the [state licensing requirements](#) to determine if this information is required by your regulator.

Identifying Information:

Full Name:

Gender: Female Male

State of Birth:

Country / Province of Birth:

US Citizen: Yes No

State of Government Issued Identification:

Government Issued Identification Number: (letters, numbers, spaces and dashes only)

Passport Issuing Country:

Passport Number: (letters, numbers, spaces and dashes only)

High School Information is only required for loan originators in Florida.

High School Graduate GED

Graduation/GED Year:

High School Name:

High School City:

High School State:

High School Country:



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? 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

(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity? Yes No

(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 No

(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 No

(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 be placed within 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

| <i>Type of Action Taken</i> | | Amount (\$) | Count (#) | Average Size (\$) |
|-----------------------------|--|--------------------|------------------|--------------------------|
| AC010 | Applications In Process at the Beginning of the Period | \$ 500,000 | 5 | \$ 100,000 |
| AC020 | Applications Received | | | |
| AC030 | Applications Approved but not Accepted | | | |
| AC040 | Applications Denied | | | |
| AC050 | Applications Withdrawn | | | |
| AC060 | File Closed for Incompleteness | | | |
| AC062 | Pre-Approval Requests Denied | | | |
| AC064 | Pre-Approval Requests Approved but not Accepted | | | |
| AC??? | Changes in Application Amount | \$ (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.