



## NMLS Release 2019.11 Release Notes

Release Date: November 24, 2019

The purpose of these release notes is to provide a summary of Temporary Authority to Operate system enhancements included in the NMLS Release 2019.11.

### Overview

This enhancement allows qualified mortgage loan originators (MLOs) who are changing employment from a depository institution to a state-licensed mortgage company, or qualified state-licensed MLOs seeking licensure in another state to continue originating loans under Temporary Authority (TA) while completing any state-specific requirements for licensure. The enhancement was released in support of the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155 or the amendments) effective November 24, 2019.

### TA License Statuses

<b>Term</b>	<b>Definition</b>
Pending – Deficient (Temporary Authority Eligible)	For a TA permissible licensee, a criminal background check (CBC) result and/or sponsorship is being awaited.
Pending – Deficient (Temporary Authority)	TA has been indicated by the system. The licensee has NOT met testing and education (T&E) requirements and the license application is pending review by the regulator.
Pending – Review (Temporary Authority)	TA has been indicated by the system. The licensee has met T&E requirements and the license application is pending review by the regulator.
Pre-approved (Temporary Authority)	TA has been indicated by the system. The licensee has not met T&E requirements, but the regulator has determined that all other licensing requirements have been met. Once T&E requirements are met, the system will automatically approve the license.

### Eligibility

As of Nov 24, 2019, an MLO applying for a state license type that is classified as TA permissible may originate loans even if they do not meet (T&E) pre-licensure requirements, provided the individual meets all the eligibility requirements below:

- I. The individual has held an active federal registration for a continuous 365 days (one full year) or an approved MLO license in any state other than the application state in the past 30 days.

- II. The individual has an active employment relationship with a company that is currently authorized to operate in the same jurisdiction.
- III. The individual has not had an MLO license application denied, revoked, suspended, denied on appeal, revoked on appeal, or suspended on appeal in any jurisdiction.
- IV. The individual has not been subject to a "Cease and Desist" regulatory action with a Privacy Level other than "Incomplete."

#### Auto-indication of TA

The system will automatically indicate TA for applications that meet all applicable eligibility requirements. For applications in the "Pending Deficient (Temporary Authority Eligible)" status, if two full business days have lapsed since the later of the criminal history record information (CHRI) received date or the sponsorship requested date for the earliest active sponsorship by an eligible company for that license, the system will update the license status to the appropriate TA status if no active regulator-created CBC license items exist. After nine full business days have lapsed, the system will update the license status to the appropriate TA status unless the regulator has made a final disposition on the license application or issued an Intent to Deny.

#### TA Regulator Review

The regulator may start the licensing review for TA licenses once any open CBC is completed. The regulator may set the license status to 'Pre-approved (Temporary Authority)' if all license requirements except for T&E are met, or 'Denied' if the individual does not qualify for the license. Once the licensee meets T&E compliance, the system updates the status from 'Pre-approved (Temporary Authority)' to 'Approved.' Regulators with the appropriate role will have access to the CHRI results report for individuals in a TA eligible status.

#### Withdrawal

The MLO may request to withdraw their license application at any point prior to the final disposition. When the MLO submits the withdrawal request, the license status will be set to – 'Withdrawal Requested.' TA ends after an MLO submits a request to withdraw the application. The regulator may accept the withdrawal request by setting status to 'Withdrawn' or deny the license.

#### Intent to Deny

A new license item type for individual licenses entitled 'Intent to Deny' has been introduced. Regulator users can create this license item for individual license applications. When a regulator creates this license item for a license in any TA status, TA ends and the system updates the license status to 'Pending-Deficient.'

#### TA Expiration

If a TA-indicated individual does not meet T&E pre-licensure requirements within 120 calendar days from the first TA status date, the system sets the license status to 'Pending - Deficient' and TA ends.

#### Notifications

A notification will be triggered to the individual and sponsoring company when TA is indicated and when TA ends.

#### License Status Display in Consumer Access

MLOs with licenses in the following statuses will be displayed as 'authorized to conduct business' in Consumer Access:

- Pending – Deficient (Temporary Authority)
- Pending – Review (Temporary Authority)
- Pre-approved (Temporary Authority)

A new column, 'Temporary Authority Begin Date', has been introduced in the License Status History for individual licenses. This column will be populated with the license status date only when the license is first changed to one of the statuses above.

<b>Temporary Authority Enhancements</b>	
<b>SCR Number</b>	<b>Description</b>
44321	(TA) Warn regulators when setting a license to 'Pre-approved (Temporary Authority)' when uncleared License Item exists
43482	(TA) Consumer Access – Rules for TA Granted Licenses in Consumer Access
43994	(TA) Enforce a '2' business day period for TA regulatory review if no license items exist
44172	(TA) License Status: backdate status date when regulator sets status from TA Eligible to TA Granted
44173	(TA) License Status: backdate status date when system sets status from TA Eligible to TA Granted
44219	(TA) Enforce a '9' business day period for TA regulatory review even if license items exist
44303	(TA) Promote from Pending - Deficient (Temporary Authority Eligible) to Pending - Review (TA) when last regulator-set license item cleared if T&E is met
44320	(TA) System should set 'Pre-approved (Temporary Authority)' licenses to 'Approved' provided T&E is met, regardless of regulator-set License Items
44465	(TA) Regulators including admins or system should not grant TA while a CBC is processing
43457	(TA) Manage License Status (Bulk)
44169	(TA) Interpretation of 1 year / 30 days continuously + reasonable gap in service of 14 days at the end of the 1 year / 30 days
43772	(TA) Update individual 'company relationship established' / 'ended' notifications to include worker classification type / date edits
44338	(TA) Add worker classification and worker classification begin date columns to the individual roster (company)
44577	(TA) Update audit messages
44691	(TA) License Type Setting - Ensure Is Originator and Is TA Permissible are both 'Y' or both 'N'
44063	(TA) When TA setting is off, TA functionality not available
44764	(TA) Change 'edit relationship' confirmation message and confirmation page behavior
44877	(TA) Change License Status Transition rules according to newer rules
43776	(TA) CHRI Work List - List Page
44745	(TA) CHRI Work List - Detail Page
44746	(TA) CHRI Work List - New CHRI for an Individual
44747	(TA) CHRI Work List - Obfuscation upon data refresh

44749	(TA) CHRI Work List - System auto-indicates TA if RAP is ok and all auto-indication eligibility requirements met
44972	(TA) Default external note to private for Intent to Deny license item
44642	(TA) Consumer Access - Add Status Date column to License Status History
44171	(TA) Add New 'Current or Prior Active TA' column to the Individual Roster Report (Regulator) Report
45131	(TA) New CHRI should not reset clock dates for previously applied for license