



## NMLS Release 2012.4 Release Portfolio

Scheduled for Release: October 22, 2012

The purpose of this portfolio is to communicate system enhancements targeted for Release 2012.4. Targeted system enhancements and updates listed in this portfolio are committed to Release 2012.4. However, as development proceeds, it is possible some of the items summarized in this portfolio may be removed from the release.

Roadmap enhancements targeted for Release 2012.4 are as follows:

- **Credit Report Enhancements:** Updates include reporting of two new summary flags and the addition of a delta change indicator that automatically compares any new summary flags to those included in the last requested report. New regulator review items were created to alert regulators of delta changes in the summary flags and credit score.
- **Federal Registry Disciplinary Actions:** Pursuant to the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“SAFE Act”), updates are being made to disclosure explanation functionality in the Federal Registry to require federally registered MLOs to provide disciplinary action information related to disclosure questions they have been answered in the affirmative. This information will serve as the basis for displaying the information in NMLS Consumer Access in 2013.
- **Renewal Enhancements:** The individual renewal process is being updated to improve the individual workflow and to allow individuals to authorize a criminal history background check and/or credit report in conjunction with a renewal request if required by the license type. Minor updates will be made to the company and regulator workflows.

# Credit Report Enhancements

**SUMMARY:** Updates include reporting of two new summary flags and the addition of a delta change indicator that automatically compares any new summary flags to those included in the last requested report. New regulator review items were created to alert regulators of delta changes in the summary flags and credit score.

## New Summary Flags:

- OFAC – Presence in the OFAC (Office of Foreign Assets Control) database
- CHRG – Charge-offs within the last 84 months

## New Regulator Review Items:

- *Credit Flag Degraded* – This review item will be generated when the Current Credit Report has at least one relevant summary flag that has degraded, meaning the record count of a relevant summary flag has increased by 1 or more. This review item specifically informs the regulator of a degradation in credit history.
- *Credit Flag Improved* – This review item will be generated when the Current Credit Report has: 1) At least one relevant summary flag that has improved, meaning the record count of a relevant summary flag has decreased by 1 or more; AND 2) No relevant summary flag that has degraded, meaning the record count of any relevant summary flags has NOT increased by 1 or more. This review item specifically informs the regulator of an improvement in credit history.
- *Credit Flag Counts Changed* – This review item will be generated when at least one relevant summary flag has changed, meaning the record count of a relevant summary flag has increased or decreased by 1 or more. This work item does NOT distinguish between a degradation or improvement in credit history.
- *Credit Score Degraded* – This review item will be generated when the Credit Score for the Current Credit Report has degraded, meaning the Credit Score has decreased by at least as many points as the Credit Score Threshold, a configurable value defined by policy.

The current credit report summary flag changed review item had been disabled due to the new review items.

| SCR Number | Title   | SCR Number | Title  |
|------------|---|------------|--|
| 270872     | Evaluate Delta for a new Credit Report  | 271063     | Persist record counts underlying all summary flags |
| 271015     | Addition of new summary flags and Delta Change flag to Credit Report Summary Report | 270876     | Addition of OFAC and Charge-offs flags             |
| 270874     | Composite display of Delta information  | 271051     | Credit Score Threshold value (Production value)    |
| 270871     | Evaluate existing Credit Report for changes (Process Filing)                        | 271338     | Obtain record counts for historical Credit Reports |
| 270873     | Generate Review Items   |            |  |

## Federal Registry Disciplinary Actions

**SUMMARY:** Pursuant to the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“SAFE Act”), updates are being made to disclosure explanation functionality in the Federal Registry to require federally registered MLOs to provide disciplinary action information related to disclosure questions they have been answered in the affirmative. This information will serve as the basis for displaying the information in NMLS Consumer Access in 2013.

The Existing Disclosure Explanations section of the Individual Filing (MU4R) in the Federal Registry will be updated to accommodate the reporting of Disciplinary Actions. Federally registered mortgage loan originators (MLOs) will now be required via completeness check to provide disciplinary action information related to any “yes” responses to disclosure questions. MLOs that have “yes” responses to disclosure questions as of the release date will be required to provide disciplinary action information prior to submitting their next filing. Information still will not be permitted for “no” responses.

**Linked Disciplinary Action Information** – Public State Regulatory Actions posted to an MLO’s record will be available to link to disciplinary action information and will allow the user to provide Brief Description of Disciplinary Action (required), Disciplinary Action Detail (optional) and Applicable Questions (required) in addition to the information in the state regulatory action. Users can access State Regulatory Action information linked to disciplinary actions in their record through the action ID where it is displayed. MLOs with a State Regulatory Action posted to their record will not be permitted to submit a filing without any ‘Yes’ disclosure question responses and their corresponding disciplinary action information.

## Federal Registry Disciplinary Actions (cont'd)

**The Disciplinary Action Detail screen** will vary slightly from the Disclosure Explanation Detail screen it is replacing and will include the following fields:

- Brief Description of Disciplinary Action – Required text field. Ideally used to provide a short description of the Event that created the need for the Explanation.
- Action Type – Required, pre-determined set of actions. The user will select the Action Type that corresponds to the disciplinary action being disclosed.
- Action Type Description – Further detail regarding the Action Type permitted only if Action Type of “Order (Regulatory)” or “Other (Regulatory)” is selected.
- Authority Type – Pre-determined set of regulators or regulatory authorities responsible for taking the disciplinary action being disclosed. Available selections are limited to authorities relevant to the Action Type selected.
- Name of Authority – Further detail regarding the Authority Type permitted only if Authority Type of “State Regulator,” “Other Federal Regulator,” “Foreign Financial Regulator,” “Civil Court” or “Criminal Court.”
- Date of Action – Required date field to disclose the date the disciplinary action was made final.
- Disciplinary Action Detail – Optional text field to provide a detailed comment regarding the disciplinary action.
- Applicable Questions – Requires users to select one or more disclosure questions with “Yes” responses to associate with the disciplinary action.
- Supporting File – Required. Files may only be in PDF format. Only one file per disciplinary action event is allowed.

**Maintaining Disciplinary Action Information** – The Disclosure Questions available to be associated to a disciplinary action record will continue to include only those where the Disclosure Question is answered ‘Yes’. If a disclosure response is changed to ‘No’ then the user will need to update the explanation(s) accordingly, including deleting Disciplinary Action Information that no longer applies. Previously submitted Disciplinary Actions and Supporting Files that have been deleted will still be available through Historical Filings.

**Notifications**—Notifications updated/developed to support disciplinary actions are addressed in the Notifications section below.

**Composite View (Individual Snapshot/Historical Filings)** – The heading for the existing MU4R Disclosure Explanations section in the Individual Snapshot will be updated to read MU4R Disciplinary Actions and Disciplinary Action information will be available through Historical Filings.

# Federal Registry Disciplinary Actions (cont'd)

**Reports** — The existing MU4R Detail Report column pertaining to Disclosure Explanations Exist will be updated to Disciplinary Actions Exist. The existing Individual Roster Report available to Federal Regulators will be enhanced to include the Has Disciplinary Actions indicator.

**Data Security**—The following information pertaining to a Disciplinary Action will be encrypted:

- Brief Description of Disciplinary Action (Disclosure Event)
- Disciplinary Action Detail

Supporting File – PDF document

| SCR Number | Title  |  | SCR Number | Title  |
|------------|--|--|------------|--|
| 270927     | Manage Disciplinary Actions                    |  | 270930     | New Notification SRA-Privacy Level Change                                    |
| 270924     | Notification Text Updates                      |  | 270934     | New Notification SRA-Respondent Removed                                      |
| 270922     | Individual Composite Updates (Federal context) |  | 270938     | Unlinked Disciplinary Actions Action Type and Authority                      |
| 270923     | Individual Snapshot Updates (Federal context)  |  | 271291     | Action Types and Authorities (production values)                             |
| 270940     | Instructional Text Updates                     |  | 271145     | Update Existing Notification SRA with Individual, Company Respondent Updated |
| 270920     | Manage Linked Disciplinary Actions in MU4R     |  | 270935     | DataFix Form Version for MU2/MU4 Filings                                     |
| 270919     | Manage Unlinked Disciplinary Actions in MU4R   |  | 271416     | Existing SRA Notifications Text Updates                                      |
| 270921     | MU4R Completeness Checks                       |  | 270941     | Federal Reports  |
| 270932     | New Notification – SRA Deleted                 |  |            |  |

# Renewal Enhancements

**SUMMARY:** The individual renewal process was updated to be more streamlined and to allow individuals to authorize a criminal history background check (CBC) and/or credit report (CR) if required by the license type. Minor updates will be made to the company and regulator workflows.

The individual renewal workflow was retooled to make the process more intuitive to individuals as well as allow the individual to authorize a CBC and a CR in conjunction with renewal. The 'do not renew' workflow was also updated to allow users to mark a license as "Do Not Renew" when they have not satisfied the education requirement.

The company workflow was updated so that company users will see the CBC and CR requests in the renewal cart. In addition, the system will prevent submission of company renewal requests for failure to comply with Mortgage Call Report filing requirements.

The renewal workflow for regulators was updated to include the CBC and CR information on the Manage Renewal Status Screen.

The renewed through year will be added to Composite View and Consumer Access.

| SCR Number | Title  |  | SCR Number | Title  |
|------------|--|--|------------|--|
| 269446     | CBC and CR requirements  |  | 271036     | Individual Workflow refactoring  |
| 271268     | Add Link to Resource Center from "Other Renewal Requirements" Indicator                        |  | 271260     | Instructional Text Updates – INDIVIDUAL                                |
| 271201     | New Individual Notifications   |  | 271196     | Other GUI Updates to Individual Workflow                               |
| 271193     | Redesign Individual "Attest" Workflow  |  | 271195     | Redesign Individual "Do Not Renew" Workflow                            |
| 271354     | Renewals Cart Processing for Credit Report   |  | 271198     | Rules for adding/removing Credit Report request from the renewals cart |
| 271190     | Redesign Individual "Attest and Submit" Workflow   |  | 271200     | Renewals Cart Processing   |
| 271197     | Rules for adding/removing a CBC request from the renewals cart                                 |  | 271408     | Emails to be sent if Renewals Cart processing fails                    |
| 271269     | Implement CBC/CR Logic for Company Renewal Workflow  |  | 271261     | Instructional Text Updates – REGULATOR                                 |
| 271210     | New License settings for Credit Report-CBC and Other Requirements settings (production values) |  | 269457     | Regulator Dashboard Represents Non-Renewable Licenses                  |
| 267260     | Regulator Renewals to be filtered by Industry Type   |  | 266953     | Renewed Through Year derivation or display logic changes               |
| 271259     | Update Attestation History Page in Composite View  |  | 271270     | Update Company and Individual Attestation Language                     |

| SCR Number | Title  | SCR Number | Title  |
|------------|--|------------|--|
| 271258     | Update License Settings Management to Account for New License Settings | 271324     | Update Regulator “Renewable Licenses – Individual” Extract to include CBC and CR information |
| 271323     | Update Regulator Workflow to Account for CBC and CR information        | 271155     | Prevent Company renewal based on MCR requirement   |

## General Enhancements

**SUMMARY:** General Enhancement Software Change Requests (SCRs) prioritized for release 2012.4 were selected from a pool of enhancement requests. The enhancement requests were prioritized by the NMLS Enhancement Review Committee (NERC). NERC takes into consideration various channels of feedback including, but not limited to, Industry and Regulator surveys, when prioritizing SCRs.

### NOTIFICATIONS

#### **New and Updated Notifications (State Context)**

##### *Renewals*

- Company and Individual users will receive a new email notification when they have submitted a renewals cart which fails to process. The renewals cart could fail to process due to the inclusion or exclusion of the CBC or CR authorization for an individual’s renewal request.
- All existing notifications were reviewed and text updates were made where necessary.

##### *State Regulatory Actions*

- Existing notifications received by the respondent (and relevant company, if applicable) when a state regulatory action has been updated will now be triggered when an artifact has been added or removed from the action.
- Notifications sent when an individual has been added as a respondent to a state regulatory action or a state regulatory action have been modified to ask the individual to submit a filing with updated disclosure question responses and associated disclosure explanations as applicable.
- New notifications will be sent to the individual respondent (and relevant company, if applicable) when a state regulatory action has been removed from the individual’s NMLS record. ***These notifications will be sent to Account Administrators for companies until notification subscriptions for other company users are updated to include the following subscription: Regulatory Action Removed***

# General Enhancements (cont'd)

## NOTIFICATIONS (cont'd)

### **New and Updated Notifications (Federal Registry)**

#### *Disclosure Explanations/Disciplinary Actions*

The existing notification sent to institutions when a mortgage loan originator they employ submits a filing with new or updated disclosure explanations will be updated to reference disciplinary actions.

#### *Renewals*

- A new Renewal Approved notification has been created for Federal MLOs.
- A new Renewal Approved notification has been created for Federal Institution.

#### *State Regulatory Actions*

- Existing notifications received by the respondent (and relevant institution, if applicable) when a state regulatory action has been updated will now be triggered when an artifact has been added or removed from the action.
- Notifications sent when an individual has been added as a respondent to a state regulatory action or a state regulatory action have been modified to ask the individual to submit a filing with updated disclosure question responses and associated disciplinary action information as applicable.
- New notifications will be sent to the individual respondent (and relevant institution, if applicable) when a state regulatory action has been removed from the individual's NMLS record. ***These notifications will be sent to Account Administrators for institutions until notification subscriptions for other users are updated to include the following subscription: Regulatory Action Removed***



## General Enhancements (cont'd)

| SCR Number | Title   | Description   | Context |
|------------|---|---|---------|
| 266195     | SRA: Regulator Report (Respondent-based)  | This report will allow the regulators to obtain information regarding all active licensees / MU2s of active licensees and unlicensed/unregistered/unidentifiable entities who have a state regulatory action posted by their own agency or shared by another agency.  | State   |
| 267035     | Do not remove assigned users from completed tasks when task roles are removed or user is deleted user | NMLS will not automatically unassign tasks when the work item role is removed from an agency user and/or the agency user is deleted. Currently when a user who is assigned work items loses the work item role or is deleted, their name is removed from the work item. Regulators would like to see who completed work items or if work items were in process with these users so that they can be reassigned accordingly. | State   |
| 270649     | Individual Form (MU2) work item generation rule change  | When an MU2 filing is processed, a work item will be generated for each relevant jurisdiction where the individual is actively licensed as an MU4, regardless of the parent company (MU1) or branch (MU3) being actively licensed in the jurisdiction.  | State   |
| 270774     | NMLS Downloads – Impacts from 2012.4 Release  | NMLS regulator downloads will be updated to accommodate any changes deemed necessary due to enhancements included in the 2012.4 release.  | State   |
| 271049     | NMLS Analytics – Handle standard to expanded MCR conversions  | When a company converts their Mortgage Call Report from a Standard filing to an Expanded filing, NMLS will apply logic so only the latest version (Expanded) is provided to the Analytics database.   | State   |
| 271059     | NMLS Analytics – Add Branch related composite tables  | The composite tables related to branches (the branch counterparts to the Company tables) will be provided to the Analytics database.  | State   |
| 271156     | Allow MU3 to be submitted without a Branch Manager when surrendering last license                     | This enhancement will allow a company to withdraw/surrender the last branch license for a branch without a designated branch manager. Currently, if an MU2 branch manager leaves the company, the company must associate a new branch manager prior to submitting the request to withdraw/surrender the last license.   | State   |

## General Enhancements (cont'd)

| SCR Number | Title   | Description   | Context           |
|------------|---|---|-------------------|
| 272404     | NMLS-Regulatory Actions – Activate "All Regulators" Privacy Level       | State regulators will be allowed to set a privacy level of "All Regulators" for state regulatory action (SRA) postings and/or SRA artifacts. When an SRA is marked with the privacy level of "All Regulators," all state regulators can: (i) view the SRA in Composite View for associated respondents the state regulator has access to; or (ii) search for and view the SRA under the Regulatory Actions sub-menu of the Tasks tab. SRA artifacts marked as "All Regulators" are also viewable by all state regulators provided the SRA itself has a privacy level setting of "All Regulators" or "Public." SRAs marked "All Regulators" will also display in Regulator SRA Reports as appropriate. | State             |
| 253833     | Expiration of Fingerprint Records                                       | A fingerprint record may only be submitted to the FBI for processing for up to three (3) years following the date that the fingerprints are taken. NMLS is being updated to require resubmission of fingerprints when a criminal background check is requested three years or more after date of the fingerprint record on file. The fingerprint expiration date will be displayed at the bottom of the Criminal Background Check Request section in Composite View and with the Use Existing Prints option on the Criminal Background Check Request within the filing.   | State and Federal |
| 270323     | Update Help Links   | The current Help link in NMLS will be updated to include additional information beyond navigation guides. The help button icon will be replaced on all pages in the system, but only the Company Form (MU1) will contain new help pages, in a pilot approach. The remaining pages will be updated in a subsequent release.  | State and Federal |
| 270651     | Remove ACH clear payment condition for all federal-related transactions | The requirement for cleared payment will be removed from all areas within the Federal context.  | Federal           |

# System Maintenance Updates

| SCR Number | Title                     | Description  | Context           |
|------------|---------------------------|--|-------------------|
| 271131     | Administrative            | The roles associated with a dually-registered entity (Company/Institution) are not removed in the context that becomes dormant. The roles in the dormant context will no longer be available.  | State and Federal |
| 262390     | Criminal Background Check | The Criminal Background Check (CBC) Processing Fee is being charged on the print submitted after the Illegible result and it shouldn't. The system has been enhanced to allow for submission of a second CBC request and corresponding fingerprints at no charge if the prior CBC request is Illegible.  | State             |
| 266092     | Employment                | An Institution was attempting to confirm an employment and an error message was displayed. The error occurred because the confirm functionality requires an association between a Criminal Background Check Authorization and an Employment. In this one case it was missing. The system will be updated to make sure this association always exists.      | Federal           |
| 263684     | Historical filing         | In isolated instances, a system error is displayed when a user attempts to view a historical filing in a version of a form type that does not exist. The system will be modified to display a user friendly message when an attempt is made to view a form type that does not exist.   | State             |
| 270908     | Merger and Acquisitions   | When an institution attempts to terminate an employment with an individual whose status is 'Failed to Renew' and who went through a merger or acquisition an error occurs. The merger process will be updated to bring over all pertinent information from the acquired institution to the purchasing institution so the employment termination can occur. | Federal           |
| 270862     | Mortgage Call Report      | The Mortgage Call Report Filing History page in Composite is not always displaying the most recent filing for the year and period type. The composite functionality will display the most recent filing per Year/Period Type based on Period End Date.   | State             |
| 253807     | Renewals                  | An incorrect message is displayed when a Regulator attempts to Update Renewal Status with a blank. The message will state "You have attempted to update one or more renewal requests without selecting a status. Select a status to proceed."  | State             |
| 256034     | Renewals                  | A Company and an Individual were able to pay for the same renewal within seconds of each other. The system will be updated to ensure that multiple users cannot pay for the same renewal.  | State             |

# System Maintenance Updates

| SCR Number | Title    | Description  | Context |
|------------|----------|--|---------|
| 260628     | Renewals | The Not Available For Renewal page is incorrectly sorting the Individual licenses by Status. The Individual licenses should be sorted by the license name.   | State   |
| 260636     | Renewals | The Renewal Selection List page is incorrectly sorting the Individual licenses. The Individual licenses should be sorted by the Regulator Name and License.  | State   |
| 261914     | Renewals | A license is not being marked eligible for renewal during the renewal period when the license status is updated to a renewable status and the regulator backdates the status date with a date prior to the renewal period. The system will mark the license eligible for renewal if the license status is updated to a renewable status and the regulator backdates the status date with a date prior to the renewal period.                   | State   |
| 269457     | Renewals | The Regulator Renewals Dashboard currently shows counts for renewal requests that were submitted for licenses which are no longer renewable. However, the Renewals Requests List does not display such licenses. Therefore, a user may see a count in the dashboard but, upon selecting it, no results are displayed in the list. The Dashboard will be changed to exclude records where the current license status is not a renewable status. | State   |
| 271417     | Renewals | The Regulator Manage Renewal Status page is showing licenses which are no longer in a renewable status. The list of related company licenses and related branch renewal requests are displaying licenses which have been terminated or otherwise are no longer in a renewable status. These lists will be updated to only display licenses that are currently in a renewable status.   | State   |