

NMLS Process for Submitting Courses for Approval

Summary – The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requires that the NMLS review and approve all pre-licensure and continuing education courses that are to be offered to state-licensed mortgage loan originators and are intended to satisfy the 20 hours of pre-licensure education and/or 8 hours of annual continuing education.

Course Application Flow Process – NMLS has been enhanced to include processes that will enable course providers to submit courses for approval by the National Mortgage Licensing System & Registry (NMLS). Once courses have been approved, they will be viewable by the general public through an NMLS enabled web link. The process flow is outlined as follows:

1. **General Course Information** - the course provider will identify what type of course is being submitted into the system for approval:

Course Categories

When submitting a course for NMLS approval, course providers are required to identify which course category of the SAFE Act requirement the course is intended to satisfy. This is an important decision as this information will carry over to the MLO Course Completion Record and will determine whether or not the MLO has completed the necessary education hours required for licensure. As such, and to provide course providers with as much flexibility as possible to construct courses to suite individual business models while at the same time work within specific technical parameters associated with the management of the NMLS system, the following course categories and associated course hours are as follows:

Pre-Licensure Education

(a) Individual Core Courses:

1. Federal Law: Course must be a minimum of 3 hours;
2. Ethics: Course must be a minimum of 3 hours; and
3. Lending Standards for the Nontraditional Mortgage Product Marketplace: Course must be a minimum 2 hours.

- (b) **Core Course:** Intended to fulfill the three core requirements. The course must contain 3 hours of federal law, 3 hours of ethics and 2 hours of nontraditional mortgage for a minimum total of 8 hours.

- (c) **PE Elective:** Course designed to fulfill any number of hours of the 12 hours of undefined instruction. The course must be a minimum 1-hour. This category is also used to classify state-specific content, i.e. 4 Hours AZ State Law Review.
- (d) **Comprehensive PE:** Course intended to fulfill all of the pre-licensure requirements of the SAFE Act and does not contain any State-specific content. The course must contain 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage and 12 hours of elective content for a total of 20 hours.
- (e) **State Comprehensive PE:** Course intended to fulfill all of the pre-licensure requirements of the SAFE Act as well as meet the State requirement for a specific number of hours taken from the 12 hours of electives. The course must contain 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage, a specific number of hours for State required education (taken from the 12 hours of electives), and the remaining number of elective hours for a total of 20 hours.

Continuing Education

- (a) **Individual Core Courses:**
 - 1. *Federal Law:* Course must be a minimum 3 hours;
 - 2. *Ethics:* Course must be a minimum of 2 hours; and
 - 3. *Lending Standards for the Nontraditional Mortgage Product Marketplace:* Course must be a minimum of 2 hours
- (b) **Core Course:** Intended to fulfill the three core requirements. The course must contain 3 hours of federal law, 2 hours of ethics and 2 hours of nontraditional mortgage for a minimum total of 7 hours.
- (c) **CE Electives:** Course designed to fulfill the 1-hour of undefined education. The course must be a minimum 1-hour. This category is also used to classify state-specific content, i.e. 3 Hours of NY State Law Review.
- (d) **Comprehensive CE:** Course intended to fulfill all of the continuing education requirements of the SAFE Act and does not contain any State-specific content. The course must contain 3 hours of federal law, 2 hours of ethics, 2 hours of nontraditional mortgage and 1 hour of elective content for a total of 8 hours.

- (e) **State Comprehensive CE:** Course intended to fulfill all of the continuing education requirements of the SAFE Act as well as meet State requirements for a specific number of hours taken from the 1 hour elective. The course must contain 3 hours of federal law, 2 hours of ethics, 2 hours of nontraditional mortgage, and a specific number of hours for State required education (using the 1 elective hour) for a total of 8 or more hours.

Minimum Course Length

Courses will only be accepted and approved if the course meets the minimum number of hours associated with the SAFE Act requirement it is intending to satisfy. Accordingly, a course can only be registered under one category and may not count for less than the number of required credit hours as required by the SAFE Act. For example, there cannot be a 2 hour individual core federal law course since the minimum number of hours required to satisfy the SAFE Act requirement for federal law for both pre-licensure and continuing education is 3 hours.

Course Naming

To ensure course names properly reflect the intended need to meet SAFE Act education requirements and to ensure MLOs are properly informed, the following course naming convention has been developed. As a general rule, each course name begins with the number of hours, followed by the course category, and then the course title containing specific key words and/or a state identifier. The naming convention is as follows:

Pre-Licensure Courses

- (a) **Individual Core Course Federal Law:** Courses intending to satisfy the federal law portion of the SAFE Act requirements. The number of hours is 3 and the title must contain the words *Federal Law*. Example: 3 Hours Federal Mortgage Law.
- (b) **Individual Core Course Ethics:** Courses intending to satisfy the ethics portion of the SAFE Act requirements. The number of hours is 3 and the title must contain the words *Ethics* as well as *Fraud*, or *Consumer Protection*, or *Fair Lending*. Example: 3 Hours Ethics and Consumer Protection: What the Loan Originator Needs to Know.
- (c) **Individual Core Course Nontraditional Mortgage:** Courses intending to satisfy the nontraditional mortgage portion of the

SAFE Act requirements. The number of hours is 2 and the title must contain the words Nontraditional Mortgage or Lending Standards. Example: 2 Hours Nontraditional Mortgage: Emergent Standards

- (d) **PE Elective Course:** Course intending to satisfy only a state-specific education requirement. These courses need to cover the domain topics for the state test outlines and must include citations and references to state laws (contained as references in the state test outlines) as well as case studies. The number of hours can exceed but is never less than the number of hours required by the state and the title must contain the words State Law. Example: 4 Hours NC State Law: Review and Test Prep.
- (e) **Core Course:** Courses intending to satisfy each of the three SAFE Act course requirements (federal law, ethics, and nontraditional mortgage). The number of hours is 8 and the title must contain the words SAFE Core. Example: 8 Hours Loan Originators Basics SAFE Core.
- (f) **Comprehensive Course:** Courses intending to satisfy all of the pre-licensure requirements of the SAFE Act. The number of hours is 20 and the title must contain the words SAFE Comprehensive. Example: 20 Hours Mortgage Loan Originator SAFE Comprehensive.
- (g) **State Comprehensive Course:** Courses intending to satisfy all of the pre-licensure requirements of the SAFE Act and contains state-specific content. The number of hours is 20 and the title must contain the State's two letter abbreviation code and the words SAFE Comprehensive. Example: 20 Hours MLO Fundamentals: CA SAFE Comprehensive.

Continuing Education Courses:

- (a) **Individual Core Course Federal Law:** Courses intending to satisfy the federal law portion of the SAFE Act requirements. The number of hours is 3 and the title must contain the words *Federal Law*. Example: 3 Hours Federal Mortgage Law.
- (b) **Individual Core Course Ethics:** Courses intending to satisfy the ethics portion of the SAFE Act requirements. The number of hours is 2 and the title must contain the words *Ethics* as well as *Fraud*, or *Consumer Protection*, or *Fair Lending*. Example: 2 Hours Ethics and Consumer Protection: What the Loan

Originator Needs to Know.

- (c) **Individual Core Course Nontraditional Mortgage:** Courses intending to satisfy the nontraditional mortgage portion of the SAFE Act requirements. The number of hours is 2 and the title must contain the words Nontraditional Mortgage or Lending Standards. Example: 2 Hours Nontraditional Mortgage: Emergent Standards
 - (d) **CE Elective Course:** Course intending to satisfy only a state-specific education requirement. These courses need to cover the domain topics for the state test outlines and must include citations and references to state laws (contained as references in the state test outlines) as well as case studies. The number of hours can exceed but is never less than the number of hours required by the state and the title must contain the words State Law. Example: 4 Hours NC State Law: Review and Test Prep.
 - (e) **Core Course:** Courses intending to satisfy each of the three SAFE Act course requirements (federal law, ethics, and nontraditional mortgage). The number of hours is 7 and the title must contain the words SAFE Core. Example: 7 Hours Loan Originators Basics SAFE Core.
 - (f) **Comprehensive Course:** Courses intending to satisfy all of the continuing education requirements of the SAFE Act. The number of hours is 8 and the title must contain the words SAFE Comprehensive. Example: 8 Hours Mortgage Loan Originator SAFE Comprehensive.
 - (g) **State Comprehensive Course:** Courses intending to satisfy all of the continuing education requirements of the SAFE Act and contains state-specific content. The number of hours is 8 and the title must contain the State's two letter abbreviation code and the words SAFE Comprehensive. Example: 8 Hours Annual MLO Fundamentals: CA SAFE Comprehensive.
2. **Screening Question** – to assist in ensuring course providers meet minimal legal and ethical requirements associated with being an approved course provider, a screening form has been put into place. Applicants are requested to answer Yes or No. Any comments that a provider may provide will be considered as part of the approval process.
- a. Screening questions:

- i. *As the course provider, do you own the intellectual property rights associated with the course and its accompanying materials or have you obtained appropriate permission to use the intellectual property associated with the course and materials? If no, please identify who does own the intellectual property rights or the reason why permission has not been obtained.*
 - ii. *Is any of the course content licensed and/or does the course content contain copyrighted material? If yes, please identify who you have licensed the content from and/or who you have received permission from in order to use to the copyrighted material.*
3. **Attestation Page** – following completion of the screening page, the applicant will be provided with attestation text. Applicants will have to signify their agreement by clicking a check box (failure to click a check box will prevent the applicant from moving forward). Proposed text:

I certify that the information herein submitted, and all other supporting documentation associated with this application process, to be accurate and truthfully represents the course and its content, its hours, instructor qualifications, and marketing language. I agree to provide the course(s) in accordance with all applicable policies and program requirements as required by local, state, and federal laws and regulations and in accordance with NLMS education and training policies.

4. **Document Upload Page** – As part of the process, applicants will be asked to upload multiple documents which will become part of their record. The system will verify that these documents have been submitted. Required documents are:
 - a. Course description, objectives and typical price range
 - b. Course syllabus/outline and amount of time on each module
 - c. Instructor qualifications
 - d. Marketing language
5. **Payment Processing** – after uploading the application and associated forms, the applicant will be presented with a credit card payment page. The course provider will be shown the applicable fee(s); they will enter their billing and payment information and their credit card will be charged. The course provider will then be e-mailed a submission confirmation and next steps instructions.