

# Process for Granting Approval to Become an NMLS Approved Course Provider

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## Purpose

The purpose of this document is to outline the process that NMLS will employ when evaluating an applicant's application to become an NMLS approved course provider.

## Background and Reason for the Process

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requires that the Nationwide Mortgage Licensing System & Registry (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. In order to meet its mandate as required by the SAFE Act, NMLS requires that those individuals/organizations who desire to have their pre-licensure or continuing education courses approved by NMLS must first register and be granted approval to become an "NMLS Approved" course provider. As a means to maintain integrity within the industry, NMLS has developed five criteria that a course provider must satisfy as a precondition to being listed as a "NMLS Approved" course provider within NMLS. Using the criteria as written in the *Policy on Criteria for Granting Approval to Become an NMLS Approved Course Provider*, and in combination with the application forms that are required to be submitted with the applicant's application package, NMLS will employ the following process to evaluate and make a determination regarding an applicant's request to become an NMLS approved course provider.

## Process for Evaluating Course Provider Applications

In considering an applicant's application to become an NMLS approved course provider, the following process will be employed:

1. **Receipt of an Application:** Applicants are required to submit their application online. Specific information detailing the application process is available on the NMLS Resource Web site and detailed instructions are contained in the *User Guide: NMLS Course Provider Application Process*.

NMLS has contracted with Pearson VUE to manage the technology associated with the application and approval process. Once an applicant has submitted an application through the online system, a confirmation e-mail will be sent stating that NMLS has received the application. Applicants are informed they should wait 14 days from the date of the initial receipt for the applications to be processed.

Applications that are in queue and pending processing are held in a “Pending” status.

2. **Application Review:** Once the application review process has begun, the application’s status is changed from “Pending” to “In Review.” During the review process, NMLS will thoroughly review all of the information that the applicant has submitted. The review will also include completing an evaluation form, which is included as Appendix A of this document. In addition to reviewing the applicant’s submitted information and completing the evaluation form, the review process may include a follow-up conversation with the applicant, a review of the applicant’s web site, a check with the local and/or national Better Business Bureau, and/or a search of other sources of information/data bases as a means to validate information and/or to ensure the applicant meets NMLS criterion standards.
3. **Notification of Deficiency:** If during the review process any deficiencies are identified, the applicant will be notified by e-mail as soon as possible. Applicants are given 30 days from the date of the deficiency notice to address the deficiency. If the deficiency is not addressed within 30 days from the date of the deficiency notice, then the application will be denied with all fees forfeited.
4. **Approval Recommendation:** An application that has met all of the approval criteria will have its status changed from “In Review” to “Approval Recommended.” Approval recommended means that the application has been reviewed by NMLS and that it is being recommended to the NMLS Education Governance Board for final approval. The Governance Board is comprised of a number of State Regulators and is the body ultimately responsible for either approving or denying an applicant’s request to become an NMLS approved course provider.
5. **Approved:** Applicants that have received approval by the NMLS Education Governance Board to become NMLS approved course providers will have their application statuses set to “Approved.” Once the application has been marked approved, the applicant will receive an e-mail notification of the approval. The applicant will also be provided with a Course Provider ID Number and a PIN number to establish an account and begin submitting courses for approval.
6. **Denial Recommendation:** If, after the review process, a determination has been made that the applicant be denied NMLS approval, the application status will be changed to “Denial Recommended.” Denial recommended means that the application has been reviewed by NMLS and that a recommendation is being made to the NMLS Education Governance Board that it deny the applicant’s request to become an approved course provider.

7. **Denied:** If the Education Governance Board agrees with the NMLS recommendation to deny an applicant's request to become an approved course provider, then the application status will be set to "Denied" and the applicant will be informed via formal letter of the decision and its reason(s). Applicants have 30 days from the date of the denial letter to file an appeal of the decision. If after 30 days from the date of the denial letter, NMLS does not receive notification in writing from the applicant that the decision will be appealed, then the denied status will remain.
8. **Under Appeal:** If an applicant's application to become an NMLS approved course provider is denied, the applicant has 30 days from the date of the denial letter to file an appeal. Upon written receipt of the intention to file an appeal, the applicant's application will be changed from "Denied" to "Under Appeal" status. Once NMLS receives the information required to begin a second review of the application, then the application's status will be changed to "In Review," and the application process will begin again. An applicant may only file an appeal once during any 12 month period.

### **Successful Demonstration that Criterion Has Been Met**

As part of the approval process, applicants are required to demonstrate that they have met all five of the criteria listed in the *Policy on Criteria for Granting Approval to Become an NMLS Approved Course Provider*. Upon approval of the application, the applicant will be listed on the NMLS web site as an approved course provider.

### **Application Deficiencies**

If during the evaluation process a course provider's application is found to be deficient in any area, the applicant will be notified and will be asked to address the deficiency. The applicant will have 30 days from the time of notification to address the deficiency.

### **Failure to Demonstrate that Criterion Has Been Met**

Failure to demonstrate compliance with one or more of the criteria listed in the *Policy on Criteria for Granting Approval to Become an NMLS Approved Course Provider* will result in denial of the applicant's application, and the applicant will not be recognized by NMLS as being an approved course provider. A denied application will also render the provider as being ineligible to submit courses to NMLS for approval and will render any course the provider may offer to a state-licensed mortgage loan originator as non-SAFE compliant.

### **Revocation of NMLS Approved Status**

A course provider's NMLS Approved status may be revoked or suspended if it is later discovered that the course provider's application contains incorrect or misleading

information or if it is discovered that the course provider is not operating in a manner as stated in the course provider's application.

### **Right to Appeal**

Course providers whose applications have been denied may appeal the decision within 30-days of the date of the denial letter, and their applications will be reconsidered provided the course providers can show evidence that they now meet all five of the criteria contained in the *Policy on Criteria for Granting Approval to Become an NMLS Approved Course Provider*.

**Appendix A**

**NMLS Evaluation Form  
Course Provider Application**

The following form is to be used in the evaluation process for determining whether or not to approve a request to become an NMLS approved course provider. After completing this form, a copy of it should be kept as part of the applicant's permanent file.

**Organization Name** \_\_\_\_\_  
**Date of Review** \_\_\_\_\_  
**Reviewer** \_\_\_\_\_

<b>Licensure Disclosure</b> <i>(expected response is no; any yes response requires clarification)</i>	<b>Y</b>	<b>N</b>
Has the organization failed to meet any of the legal requirements associated with being licensed in any specific state or jurisdiction?		
Has the organization been denied approval to offer mortgage, real estate, or appraisal-related courses in any state?		
Has the organization had its license or accreditation status suspended or revoked in the past 10 years?		

<b>Criminal/Civil Disclosure</b> <i>(expected response is no; any yes response requires clarification)</i>	<b>Y</b>	<b>N</b>
Has any officer of the organization had any disciplinary action taken against them by any regulatory agency in any state or territory?		
Has any officer of the organization been convicted or pled no contest, plea-in-advance, or entered into any diversion agreement, or civil compromise associated with a felony, or does any officer of the organization have any pending felony charges?		
Has a court found any member of the organization to be in violation of any financial services-related statute(s) or regulation(s), or has the organization been named in any pending financial services-civil actions?		

<b>Instructional Experience</b> <i>(expected response is yes; any no response requires clarification)</i>	<b>Y</b>	<b>N</b>
Has the organization offered training for mortgage loan originators / mortgage brokers in the past?		
Has the organization instructed students from the mortgage industry during the past two years?		
Has the organization been approved by a State or other agency to offer courses in the past?		

<b>Instructional Delivery Processes</b> <i>(expected response is yes; any no response requires clarification)</i>	<b>Y</b>	<b>N</b>
Does the organization have an enrollment and registration process to include a refund and cancellation policy?		
Does the organization have a method of education delivery to include a venue and/or delivery vehicle?		
Does the organization have a course assessment and evaluation process?		
Does the organization have a way to measure/verify attendance and does the organization have a way to measure course completions?		

Does the organization have a process for hiring instructors to include determining qualification requirements and verifying qualifications?		
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<b>Approval Criteria</b> (expected response is yes; any no response requires clarification)	<b>Y</b>	<b>N</b>
<b>Criteria 1 – Course Quality and Rigor:</b> has the applicant demonstrated that it is or will offer courses that are of quality and rigor and are consistent with the SAFE Act's intended requirement for pre-licensure and annual continuing education?		
<b>Criteria 2 – Student Satisfaction:</b> has the applicant demonstrated that end-of-course evaluations/surveys are/will be completed and that substantive feedback is/will be incorporated into the course material?		
<b>Criteria 3 – Ensure Instructor Qualifications:</b> has the applicant provided sufficient evidence that they have a process for ensuring instructors are qualified and that instructors meet legal requirements to instruct NMLS approved courses?		
<b>Criteria 4 – Provide Evidence for Satisfactory Course Completion:</b> has the applicant demonstrated that they have a means to measure/verify that a student has attended the course and have a means to measure that a student has completed the course?		
<b>Criteria 5 – Legal/Business Integrity:</b> has the applicant demonstrated that they have met all requirements associated with doing business in their respective state(s) and/or jurisdiction?		

<b>Clarifications</b> (list any clarifying comments here):

<b>Final Recommendation</b> (list any comments below)	<b>Y</b>	<b>N</b>

