



Nationwide Mortgage Licensing System and Registry  
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## NMLS Course Provider Newsletter Issue 8, January 7, 2010

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**Happy New Year; State Deadlines Loom** – It's 2010 and this is going to be an exciting year as we work together to meet the testing and education compliance deadlines for each state and territory. Here is a high level rundown of some immediate deadlines:

- **West Virginia** – new licensees approved after 7/1/09 must complete testing and education requirements by 1/31/10.
- **Montana** – new licensees approved after 7/1/09 must complete testing and education requirements by 3/1/10.
- **Georgia** – all licensees must complete testing and education requirements by 3/31/10.
- **Connecticut** – licensees who were licensed on or after 7/9/09 must complete the National Component of the test and complete education requirements by 4/1/10.
- **Texas SML** – all licensees approved after 8/1/09 must complete testing and education requirements by 4/2/10.
- **New Jersey** – MLO's with specific license types must complete their testing and education requirements by 4/30/10.
- **Pennsylvania** – all licenses must complete their testing requirements by 4/30/10.

Detailed information concerning specific state and agency deadline requirements can be found on the MLO SAFE Compliant Requirements chart available at:

<http://mortgage.nationwidelicencingsystem.org/profreq/Documents/SAFE%20Compliant%20Requirements.pdf>

**Look Beyond Your Backyard to Grow Your Business** – As of January 1, 2010, there are 157 NMLS approved course providers and nearly 300 approved courses. While this is an impressive number given the short period of time NMLS has been in operation, there are still significant areas of the country where classroom education is in demand and where there are few providers. Alaska, California, Oregon, Hawaii, Montana, Wyoming, Colorado, North and South Dakota, Nebraska, Kansas, Oklahoma, Missouri, Iowa, Kentucky, Tennessee, Wisconsin, Arkansas, Mississippi, Alabama, Maine, and Puerto Rico have few, if any, classroom sessions currently scheduled in the state. With the various deadlines looming this is an excellent opportunity for travel seekers to hit the road and deliver education!

**State Education - Give More to Get More!** – As most providers know, several states have a requirement for a specific number of the 12 hours of PE electives to be devoted to covering state-specific laws and regulations. However, if a state does not have a state education requirement that doesn't mean the MLO's don't have a need for education on state law. Indeed, many MLO's are looking for courses that will prepare them to take the state component of the MLO SAFE test. Accordingly, providers may want to give consideration to offering State Comprehensive Courses even if the state doesn't require it. Additionally, just because a state may require three or four hours of state-education doesn't mean a provider can't offer more. The 12 hours of electives can include any number of topics related to mortgage loan origination including state law so the more you offer the more an MLO may be willing to take as they work to prepare to take the test.

**State Education Content** – Speaking of state education, NMLS is continuing to pay particularly close attention to state content. Content outlines or guidance have been provided by NC, OH, and PA for what material must be covered in the hours required by the state (let us know if you need this information). If no content outline is available, providers are advised to use the content outline for the State Component of the SAFE test. Providers can also use the following guide for weighting of topics:

<b>Content Domain</b>	<b>Content Percentage</b>
State Department of Financial Institutions	5-10%
State Law and Regulation Definitions	10-15%
License Law and Regulation	20-25%
Compliance	45-50%
Disciplinary Action	10-15%

Additionally, NMLS has begun the process of adding reference lists as addenda to state component content outlines. Reference lists have been posted for AZ, LA, PA, NC, NH, ID, and IA – more will be added soon so check the content outline page on the NMLS Resource Center often.

**New NMLS Course Approval Portal Launching:** NMLS has begun the roll-out of the new NMLS Course Approval Portal. A small number of providers were granted access to the portal over the winter holidays, and additional providers are being granted access to the site on a near-daily basis. The intent is to have all providers using the new portal by February 1, 2010. The new portal will be

used to submit course content, to review the status of course submissions, submit additional course materials, and to view and respond to course evaluator comments. Here are some additional points you should know:

- Providers will be required to continue to use the existing PULSE portal to pay fees and maintain their course offerings.
- Starting on February 1, 2010, NMLS will only accept course material in electronic format. Going fully digital has many benefits:
  - o By not having to ship material to the evaluators, NMLS can reduce the approval process time by as much as 10 business days.
  - o Providers will receive near real-time feedback on evaluations.
  - o Providers will no longer be forced to incur printing or shipping expenses.
  - o NMLS will be doing its part to assist in managing the environment.
- Updated User Guides for when and how to use the PULSE portal and the NMLS Course Approval Portal will be made available next week.

**CE Courses Now Available** – Continuing Education (CE) courses are now being evaluated nationwide and are being displayed in the NMLS Master Course Catalog effective January 4, 2010. The Functional Specification for Online CE Courses is being finished and will be made available in the NMLS Resource Center by mid-January (really!).

**Development is Underway on New NMLS Master Course Catalog** – Work is commencing on the development of the new Master Course Catalog, which will be fully incorporated into the NMLS Resource Center. It will contain several search capabilities, including the ability to search by date range, course location by zip code, course subject (including state content), course title, or by PE/CE. It is anticipated the new catalog will launch in early February.

**Highlighting Changes Can Help Reduce Evaluation Time** – Want to do something that will help to get your resubmission evaluated more quickly? Highlighting or “red lining” changes will assist the course evaluator to quickly identify those areas that have been updated and will reduce the amount of time it takes to re-evaluate the course. Providers should also ensure that all comments made by the evaluators are addressed.

**Avoid Course Approval Deficiencies** – A significant number of courses that are submitted to NMLS for approval are returned with deficiencies that need to be addressed before the course can be approved. A continuing trend that we’ve noticed is providers taking the course evaluator’s feedback and simply cutting and pasting the changes into course content. Providers should be advised that comments from the evaluators are not to be used as a quick fix to address content deficiencies. Rather, providers are to use the comments to help address deficiencies and to add and/or modify content to enhance the course, correct errors, and demonstrate an understanding of the material to be taught. Other items to note:

- Several new laws went into effect January 1. Please ensure all content is up-to-date prior to submitting a course for approval.

- Update “core content.” Many providers use existing content to write new courses. There have been cases where NMLS has previously approved a course, a new course is submitted using the previously-approved content, NMLS evaluates the new course and then finds deficiencies with the previously approved content. Generally this happens when:

- o Requested changes associated with a conditional approval were not made;
- o The laws have changed and the core content needs to be updated;
- o The changes were not correct;
- o Another evaluator has evaluated the course and found something that was not caught during the initial evaluation.

We recognize this is a frustrating scenario and that it happens from time-to-time; however, it is NMLS policy to not knowingly approve incorrect information even if it was not caught during the previous course review.

- Please be sure that when referring to “X days” in course material you state “business days” where applicable. Several of the evaluators have regulator backgrounds and the omission of the word “business” when referring to days ranks as one of the number one deficiencies.

**New State Test** - The NJ State Test Component was made available on January 4, 2010. Candidates will be able to begin enrolling for the following state test components on January 22: CA, CO, IN, TN, and UT. Corresponding content outlines will be posted within the next couple of weeks.

**What’s Coming Soon! Keep an eye out for the following:**

- NMLS will be closed on January 18<sup>th</sup> in observance of the Martin Luther King, Jr. holiday.

**NMLS User Conference - February 9-11<sup>th</sup> San Diego, CA.** A number of sessions are planned that will speak to testing and education. Registration information is available at <http://mortgage.nationwidelicensingsystem.org/news/events/Pages/UserConference.aspx>

**Feb 9: Pre-Conference Session:**

**New Education Providers - Become an Approved Provider**

This power session will inform you of everything you need to know to become an approved course provider and how to submit courses for approval. Learn about the course formats, state requirements, and how to build and maintain your relationship with NMLS. After this session, you’ll also know what course evaluators are looking for in course content as well as common mistakes to avoid. ***NMLS will be processing applications during the conference.***

**Feb 9: General Session - NMLS Testing and Education Update and Discussion**

Chairman of the NMLS Mortgage Testing and Education Board and NMLS staff will provide an update on the implementation of the SAFE Mortgage Loan Originator Test and NMLS approved education programs. Discussion will focus on the roll-out of the test nationwide, testing and education progress on a state-by-state level, and the certification process.

## **Feb 10: Education Provider Track**

Jam-packed session devoted to covering information on the course approval process and what NMLS is looking for in course content, an overview of the requirements for the 2010 course renewal process, and discussions regarding evolving trends and observations in education delivery methods. NMLS will also present key findings from its multi-phase auditing process. The session will also include a sharing of “lessons learned” from fellow course providers.

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