

NMLS Course Provider Newsletter

Issue 1 August 4, 2009

Welcome to this first edition of the NMLS Course Provider Newsletter! Over the past several months we at NMLS have been working hard to communicate to prospective course providers the policies and procedures being implemented as the testing and education provisions of the SAFE Act were being put into place. Now that you're an approved course provider we want to maintain our commitment of keeping you informed of how the course evaluation process is working, of trends and issues we're seeing, and generally, what the "folks in Washington are thinking." We expect to publish the Newsletter at least monthly and more often if necessary.

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Course Catalog Launch Date: The first version of the NMLS Master Course Catalog will be available on August 24, 2009. The catalog will initially be produced as a pdf file and will be posted in the NMLS Resource Center under both the Professional Requirements (Education) and Course Providers sections. The catalog will be updated daily (M-F) to reflect newly approved courses and new and revised course offering. In October, to coincide with a redesign of the NMLS Resource Center, the catalog will include search functionality so that a MLO will be able to search for a course by provider, date, course type, course format, and/or geographic region. The catalog will also be fully incorporated into the NMLS Resource Center which will provide greater credibility to you and your course offerings.

Early Course Evaluation Trends and Observations: The course review process is well underway. We are fortunate to have working with us an outstanding team of course evaluators. They include experienced regulatory and industry personnel with extensive backgrounds in mortgage law, mortgage practices, publishing, course design, and instruction. Here are some early observations:

- NMLS is taking a fairly narrow interpretation of the SAFE Act when it comes to the ethics topic required in pre-licensure courses. SAFE requires that ethics shall include "instruction on fraud, consumer protection, and fair lending issues." Some of the courses that have been evaluated to date do not include all three components (i.e. fraud is left out or one or more areas are lightly touched upon at the expense of another). For pre-licensure courses please be sure that the 3 or more hours required by SAFE includes all three areas.

- Changes to several federal laws (RESPA, Reg Z, etc.) went into effect in July 2009. Please be sure your content for ethics and federal laws are up-to-date and reflects these changes.

Do's and Don'ts for Submitting Courses: Help us help you to get your course approved as quickly as possible:

- **Do:** include page numbers on your course content/materials (it helps the evaluators).
- **Do:** clearly label all the material when you submit it (especially if it's in hardcopy or multiple files).
- **Do:** include timelines for each module associated with a course. Remember, NMLS needs to verify that a course will meet the required number of hours that you're requesting approval for and are required by the SAFE Act. If we're unable to verify the length of any module and/or the course, then the course will be noted as deficient.
- **Do:** include imbedded notes or an instructor guide/manual for PowerPoint presentations. Just submitting a PowerPoint presentation will result in the course not being approved.
- **Do not:** just submit a PowerPoint presentation (see note above).
- **Do:** cite references and appropriately credit and have approval to use all copyrighted material. Failure to do this will result in a deficiency and will lead to a denial if not corrected.

NMLS Approved Course Provider Logo: the official "NMLS Approved Course Provider" logo is now available and is included as an attachment to this newsletter. You may place the logo on your web site or include it as part of your marketing materials. This is the only logo approved for use and it may not be altered in any way. The "*Policy on Use of NMLS Name in Course Marketing*" discusses when and how the logo may be used. The logo for "NMLS Approved Courses" will be available on August 24th. If you see the logo being used by an organization that is not on the NMLS Approved Course Provider List please let Rich Madison know as quickly as possible.

Hour vs. Hours in Course Titles: as you are aware NMLS has implemented a course naming convention that requires each course title to begin with the number of hours for the course. There has been some confusion: is it hour or hours? For uniformity, and because there may be some 1 hour courses, we have settled on the singular "hour." Any course that was submitted as "X Hours" has been changed to "Hour" with the word hour capitalized. The course naming convention examples that are posted in the NMLS Resource Center are being updated to reflect this change.

NMLS Test Policy as it Relates to Course Providers: Please note that NMLS has instituted a very strict policy with regard to ensuring the National and State components of the SAFE Tests remain secure. Persons who created a base record or made a filing in NMLS agreed to use the system *only for activities related to obtaining or maintaining a mortgage loan originator license*. This policy also applies to the SAFE Mortgage Loan Originator Test developed by NMLS. Any other use of the system or the test is in violation of the Agreement and may be subject to state or federal sanctions.

Additionally, prior to sitting for the test, all candidates must agree to the SAFE Mortgage Loan Originator Test Rules of Conduct. The rules stress the confidentiality of all of the test questions and test materials, as they are the copyrighted, proprietary property of NMLS. Any attempt to modify,

publish, transmit, or create derivative works of the test materials, in whole or in part, is a direct violation of copyright laws, the Agreement and the Rules of Conduct and will subject an individual to federal and/or state sanctions.

Candidates who violate or may violate the Agreement, the Rules of Conduct, or copyright laws, who own, operate, are employed by, or are otherwise affiliated with organizations that are NMLS Approved Course Providers or organizations that intend to seek NMLS Course Provider Approval status, may cause their NMLS Course Provider applications to be denied or their Approval status to be revoked, suspended, or subject to other sanctions.

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

- New User Guide for Reporting Student Course Completions (Credit Banking) will be posted in the NMLS Resource Center in mid-August. The user guide will provide step-by-step instructions for how to submit course completions.
- NMLS will host its first Industry Day to discuss testing. A save-the-date notice and additional information will be forthcoming within the next few days.
- Pete Marks and Rich Madison will be at the AARMR Conference and will be speaking about the SAFE Act testing and education implantation on August 13 in Savannah, GA.
- NMLS Approved Course logo will be available on August 24th.
- NMLS Master Course Catalog will be available on August 24th.

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