



Nationwide Mortgage Licensing System and Registry
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NMLS Course Provider Newsletter Issue 5 October 19, 2009

It's mid-October and autumn is in full swing. Fall is traditionally associated with transition periods so it only seems appropriate that many states are currently making the transition to implement their SAFE laws. These transitions translate into additional change in an industry already hit hard by the financial crisis. As a result, there is a lot of confusion and anxiety. Over the past few weeks we at NMLS have experienced an increase in calls and e-mails from course providers and mortgage loan originators requesting information on how to do to become an approved provider, get courses approved or how to pass the National or State components of the SAFE Mortgage Loan Originator Test. We're doing our best to answer these calls in a timely manner and as you will see below, we're increasing our outreach efforts in order to provide timely and accurate information about many of the changes occurring. There is no doubt about it – we're in a transition period and as is the case with all transitions, not all communication is as crisp as we would like for it to be and not every process associated with implementing something new is going to work perfectly. However, your feedback regarding how we're doing is appreciated and any recommendations for improvement are viewed as an important part of our continuous process improvement plan so we welcome them.

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Proactive Course Approval Application Status: As mentioned in the previous Newsletter, one of the most frequently asked questions is "What is the status of my course approval?" We continue to recognize that course approval status is a sensitive issue and that knowing the status of an approval is critical to your internal planning. So in addition to several initiatives we've recently introduced to make the course approval process run as efficiently as possible (see Issue 4 of the Newsletter), on November 2 we'll begin instituting a proactive notification service where providers will be notified via e-mail of the status of their course if the approval process has taken more than 21 days

from the date we received the course material. The intent of the notification is to inform you of the status of your course and to set an expectation for when you can anticipate formal notification that the course is either deficient or has been approved.

Please keep in mind that the Proactive Notification Service is not a shortening of the course approval time; rather, it is a service to inform you of the status of your course. You should always plan on course approvals taking at least 30 days from the date of submission and you should never schedule or sell a course until after it has been approved.

CE Course Approval Start: NMLS is now accepting continuing education courses (CE) for approval. As discussed in previous issues of the Newsletter, in order to minimize confusion associated with the Certification Process about which CE courses an MLO should take, and at the request of several states, NMLS will not display CE courses in the Master Course Catalog until January 1, 2010. MLOs that need continuing education for 2010 renewals need to take existing state-approved education (PA is an exception to this policy).

Establishment of the Mortgage Testing and Education Board (MTEB): On October 15th, NMLS formally established the new Mortgage Testing and Education Board. The MTEB is comprised of nine senior members of state mortgage regulatory agencies from each of the Conference of State Bank Supervisors five districts as well as a representative from American Association of Residential Mortgage Regulators. The new board will serve as an administrative body responsible for establishing and enforcing the testing and education policies associated with the implementation of the testing and education provisions of the SAFE Act. The MTEB is initially meeting weekly to address issues related to testing and education and has assumed many of the responsibilities that were formally held by the Mortgage Testing and Education Implementation Committee, which held its last meeting on October 8.

Education Audits – NMLS will begin performing audits on courses starting in November 2009 that will continue through 2010 and beyond. The audits will consist of several components to include surveying students who have completed a PE or CE course within the last 30 days, “mystery course takers” who will take courses in each of the various classroom formats, and site visits. The purpose of the audits are to ensure the integrity of the NMLS education program as intended by the SAFE Act and to validate that NMLS policies are being followed. As the auditing program moves closer to implementation, additional information will be disseminated to providers regarding how the various components of the program will work and how information will be shared. Stay tuned!

Now Available: Course Description in the Master Course Catalog: Providers can now include course descriptions along with their courses offerings in the NMLS Master Course Catalog. To include a course description in the catalog, here is what you need to do:

- For new courses being submitted starting on October 16, providers will see the input field in the course application form that will hold up to 500 characters of text.
- For courses submitted prior to October 16 (approved and pending), providers should submit via e-mail to nmls.ed@stateregulatoryregistry.org the course description(s) as they would like for it to appear in the catalog. The e-mail request to add the course

description must also include the provider's company name, NMLS provider ID number, the course name, classroom format, and the course ID number (if the course has been approved). Please allow at least seven business days from the date of the submission for the catalog to be updated.

- Course descriptions cannot be longer than 500 characters. NMLS reserves the right to edit any description that is longer than 500 characters.
- Be sure to carefully edit and spell check the course description prior to submitting it to NMLS.
- Course descriptions are intended to provide an overview (i.e. a description) of the course; *the space may not be used for marketing purposes*. Descriptions may not include language that is intended to promote the provider and/or its services. Text submitted in all-caps will be rejected. *NMLS reserves the right to edit or remove any course description that it deems to be inappropriate.*

Release of New State Test Components: On October 22 the following test components will be released: District of Columbia, Georgia, Kentucky, Maryland, Michigan, Wyoming, and Virginia.

Course Evaluation Trends and Observations: The numbers keep climbing: NMLS has received over 225 courses for approval and approximately 150 have been approved to date. To ensure your course is evaluated as quickly as possible, please remember the following:

- If you're mailing your material, please submit two (2) copies. Providers are also encouraged to submit materials on DVD or flash drives (two each). Materials submitted in digital format help us get the material to the evaluator much more quickly.
- Assume NMLS and the evaluators know nothing about your organization and your course. Imagine yourself as the recipient of the material you're submitting and ask "Is the evaluator going to understand my course, its content, and the context in which the material is going to be presented?"
- We continue to receive courses that do not reflect changes to several federal laws (RESPA, Reg Z, etc.) that went into effect in July 2009. Content for ethics, federal laws, AND state law needs to be current and should account for upcoming changes as well.
- We need to verify the SAFE Act time requirements for every course (as applicable: 3 hours Federal Law, 3 hours Ethics, 2 hours of Nontraditional Mortgage Lending plus the state hours [as required] and the electives).
- If your course was deficient and you're resubmitting the content, please highlight or call-out the changes. This will prevent the evaluator from having to reread or search through all of the content to identify the changes.

What To Do If You Need to Cancel a Course Offering: If you need to cancel a course offering please send an e-mail to Rich Madison (rmadison@csbs.org) with the course details to include course number (not the session number), the date the offering was scheduled for, and the offering

location. Offerings submitted by 5pm EST will be removed from the NMLS Master Course Catalog when it is produced the next morning.

For Prospective Providers: If you're a prospective course provider, here are some things you should know:

- All policies and procedures for how to submit to become an NMLS approved course provider can be found at:
http://www.stateregulatoryregistry.org/AM/Template.cfm?Section=Course_Providers&Template=/CM/ContentDisplay.cfm&ContentID=22365
- NMLS currently has no backlog of applications.
- The initial application time is currently taking approximately one week; course approvals take four weeks.
- ***The User Guide: NMLS Course Provider Application Process*** (version 1.8, July 9, 2009) provides step-by-step instructions on how to submit the application.

New Test Facts: *Ignore the rumors - here are a few facts about the SAFE test*

- The number one question we receive about the test concerns the use of calculators. We are asked daily "Can I take a financial calculator with me to take the test?" The answer is no. **Candidates are NOT allowed to take personal calculators or financial calculators into the test centers. Only basic 4-function calculators are necessary for the test, and they are provided at all of the test centers.**
- If a candidate wants to reschedule a test appointment, he or she must cancel or reschedule the component no later than 12 p.m. local time (with the test center vendor where the test is scheduled) two business days prior to the scheduled appointment. If a test session is not rescheduled or cancelled after the cut-off time, enrollment fees will NOT be refunded.
- Each test component has 10 un-scored questions. These questions do not affect the candidate's score in any way. They are being pilot tested for future use. Candidates will not be able to identify which questions are scored and which are un-scored.
- Candidates must bring a current, government issued photo ID to the test center. If an ID is expired, the candidate will not be permitted to test.
- The MLO Testing Handbook has everything a candidate needs to take the SAFE Mortgage Loan Originator Test. It is located here: [NMLS Resource Center > Professional Requirements > Testing](#).
- Just another reminder that test enrollment fees are non-refundable and non-transferrable.

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

- NMLS Webinar for State Trade Associations on MLO Professional Requirements - October 27, 3-4:30pm and October 28, 10-11:30am.

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Pulse Customer Support (for course submissions or credit banking): 877-234-6090

NMLS Call Center: 240.386.4444