



**Nationwide Mortgage Licensing System and Registry**  
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## **NMLS Course Provider Newsletter Issue 4 September 24, 2009**

The theme of this edition of the Newsletter can be summed up in one word: operations. The period of planning, policy making, and initial applications has passed (along with the long days of summer) and we're now fully in the operational phases of implementing the testing and education requirements of the SAFE Act. As is the case with all new start-ups (and at times we do feel like we're a new Internet start-up), things initially aren't perfect and over time each group works to refine processes, build on those operations that appear to be working well, and retool those that aren't. We're doing the same thing. Your feedback and comments regarding how we're doing and recommendations for improvement are an important part of this ongoing process and we welcome them.

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**Course Approval Application Status:** One of the most frequently asked questions is "What is the status of my course approval?" We recognize that this is a very sensitive issue and that getting your course approved is critical to the success of your business. Like you, we want as many courses approved as quickly as possible so industry professionals can complete their education by state deadlines. Your goal of getting students to complete courses is our goal as well. Accordingly, here are some things you should know so that we're all running down the field in the same direction:

- You need to plan on it taking at least 30 days from the date you submit your course until it gets approved.
- Calling NMLS on a daily or weekly basis to ask about the status of your course will not get the course approved any faster. Courses are being evaluated by a team of professionals who are very hard-working and productive.
- We have also been refining our operations to ensure material gets to evaluators faster and we've modified how we assign evaluators to courses to ensure we provide consistent feedback. For example, we've employed a new strategy we've termed "teaming." Teaming

means we ask a few providers to look at the same course which has been submitted in multiple formats and/or those smaller courses which were derived from a larger course. For example, let's say a provider submits a 20 Hour CA SAFE Comprehensive in the three classroom formats and then also a 3 Hour CA Law course in the three formats. That's six courses we will want to ensure we provide consistent feedback on. As long as the courses are submitted on or about the same time, the teaming approach will allow us to more efficiently review and turn around all six courses at the same time.

- Please pay attention to the trends and observations section of the Newsletter to ensure you're not making some common mistakes.
- Lastly and most importantly, do not schedule or sell a course which has not been approved. We are seeing a few situations where course providers are promising to customers that they will deliver an NMLS approved course before the course has been approved. Only approved courses can have a course offering and without the course offering there is no way to complete credit banking. Also, because of the details associated with credit banking, providers cannot offer another provider's course.

**CE Course Approval Start Date:** NMLS will begin evaluating continuing education courses (CE) on October 1, 2009. Just as a reminder, 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). The benefit to this policy for course providers is that you should aggressively market your state-approved courses to encourage MLOs to complete their 20 hours prior to December 31, 2009 so that they can become certified.

**Updated User Guides:** The *User Guide: NMLS Course Application Process Account Set-up & Maintain Course Offerings* has been updated (version 1.4 dated September 21, 2009) (available in the [NMLS Resource Center](#)). The updated version reflects recent software changes that have been made for the setting up of course offerings to include the requirement to schedule the offering by time zone, and how to get the offering to either display or not display in the NMLS Master Course Catalog. The *User Guide: Reporting of NMLS Approved Course Completions (Credit Banking)* has also been updated (version 1.3 dated September 21, 2009) to reflect changes to the credit banking process and discusses issues related to the need for a student to have an NMLS ID number.

**New State Test Components Open for Enrollment:** On September 22nd, test enrollment and scheduling opened for the following state components: District of Columbia, Georgia, Kentucky, Maryland, Michigan, New Jersey\*, Wyoming, and Virginia. The first test appointments for these components will be available for October 22nd. As a side note, we're lacking on ground providers and/or courses for some of these states. (\*New Jersey test enrollments will not be available until January 4, 2010).

**Course Evaluation Trends and Observations:** NMLS has received nearly 175 courses and over 80 have been approved to date. To ensure your course is evaluated as quickly as possible please do the following:

- If you're mailing your material, please submit two (2) copies. *Note: This updates a previous requirement to only send one copy.*
- 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?" The number one reason why courses are being sent back as deficient is because the evaluators don't have enough information about the course, the timelines, or how materials like PowerPoint slides or text books are going to be used in the course.
- Another reason why courses are found deficient is because the content is not up-to-date. Remember, changes to several federal laws (RESPA, Reg Z, etc.) went into effect in July 2009. Content for ethics, federal laws, AND state law needs to be current.
- The other common reason why courses are found deficient is because we can't verify timelines. 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).

**Please Include AppID on Inquiries:** If you have a question about your course or are resubmitting material as part of the review process, please be sure to include your NMLS Provider ID and the AppID number in all correspondence. The AppID number is included on all evaluation forms and is part of the file name of any attachment. NMLS has two databases it uses to manage information and having the AppID and your NMLS Provider ID helps us to more quickly respond to any question you may have.

**Display Your Provider ID Number When Marketing:** To assist the prevention of fraud, you are required to include your NMLS Provider ID number anytime you make reference to the fact that you're a NMLS approved provider. Details related to this are included in the ***NMLS Policy on Use of NMLS Name in Marketing***.

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

- NMLS currently has no backlog of applications.
- The initial application time is currently taking approximately one week; course approvals take four weeks.
- If you're wondering when to submit your application to become a NMLS approved provider, we would like to suggest you do it now. More than a dozen states are coming onto the NMLS system in January, and you want to have courses ready for MLOs to take when those states come onto the system.
- When preparing your application, be as detailed about your organization as possible. When submitting your application make sure to upload all the required documents and make sure your website is up-to-date and that your refund, cancellation and other policies are clear and easily accessible.

- ***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.

**Test Taking Fast Facts:** Here are a few quick facts about the SAFE test:

- The official name of the test is the SAFE Mortgage Loan Originator Test.
- The SAFE Mortgage Loan Originator Test is comprised of two components: the National Component and the State Component.
- Details for how to take the test are contained in the MLO Handbook available in the [NMLS Resource Center > Professional Requirements > Testing](#).
- Candidates need to enroll and pay for test components through NMLS first and then can schedule testing appointments.
- Test-takers do not need to wait for their states to come onto the NMLS system before taking the National Test Component. Any individual who is an MLO or seeks to become an MLO can take the national component right now.
- Candidates are NOT allowed to take a calculator or any other materials into the test center. Only basic calculators are provided at the test centers.
- Candidates do NOT need to complete their education requirements prior to taking the SAFE MLO Test.
- If you missed the Testing Webinar, you can find the presentation slides on the [NMLS Resource Center > Course Providers in the "News" column](#).

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

- Continuing Education Course Approval begins October 1, 2009 for display in catalog starting January 1, 2010.

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