



Nationwide Mortgage Licensing System and Registry  
1155 Connecticut Ave., N.W.  
Washington, D.C. 20036

## NMLS Course Provider Newsletter Issue 10, March 8, 2010

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**New Credit Banking Reports/How to Report Credit Banking Problems-** Starting the week of March 8<sup>th</sup>, NMLS will begin making available to providers a report that details their credit banking activities for the previous week. For security reasons the reports will be placed in the provider's individual area of the NMLS Course Approval Portal. The reports will be made available every week and will include information by course number, which courses were banked the prior week, the date of the credit banking, the NMLS ID number of the individuals banked, and the fees paid.

If you discover a credit banking problem, please take the following actions:

- Send an e-mail to Alan Ridenour ([aridenour@csbs.org](mailto:aridenour@csbs.org)) detailing the problem to include who was/was not credit banked properly, the NMLS ID numbers of individual(s) involved, the course ID number (not session number), the course start and end dates, and the location of the course.
- Do not attempt to re-bank credits. This will only result in double-payment and NMLS does not issue refunds.
- If you have any questions regarding the credit banking report please send an e-mail to Alan at the address above.
- For providers who have not have submitted a course for approval since January, specific details regarding how to login to the portal to access the report will be sent to you via e-mail.

**Now Verifying: Credit Banking Dates-** Per the *NMLS Policy on Reporting (Banking) of Student Credits*, providers have seven (7) calendar days after the course end date to submit course completions to NMLS. With many state deadlines looming the timely reporting of course

completions is going to become even more important (since it could result in an individual losing their license). Accordingly, and along with the generation of the of Credit Banking reports, NMLS is now verifying that course completions are being reported in accordance with NMLS policies. Providers who are found to be non-compliant will be notified. Chronic failure to report within the required timeframe may result in the Mortgage Testing and Education Board (MTEB) taking action against the provider. Please note that NMLS is less concerned about individual incidences where an MLO has failed to supply a correct NMLS ID number. We recognize this will happen from time-to-time and we will work one-on-one with providers to provide assistance as necessary.

**Requirements for References and Case Studies in Courses** – Since January, providers who have submitted courses have frequently received feedback informing them that they need to include “exercises, examples, and/or case studies regarding state law and to cite references in their material.” For many providers this was a new requirement that caused frustration and resulted in a lot of questions. The intent of the requirement, particularly the requirement to cite references, is to assist MLOs to better prepare for the National and State Components of the MLO SAFE test by exposing them to the laws and statues that are contained on the test content outline. The requirement to include case studies, particularly in the case of state law, is intended to reinforce learning by providing context for how the law is applied in real-world situations.

We recognize we could have done a better job earlier of informing all providers of the requirement to include case studies and references. To help ensure providers have a clearer understanding of the type of material NMLS is looking for, the following documents will be posted on our web site on March 18<sup>th</sup>:

- A model PowerPoint presentation that will include instructor notes and will explain what NMLS is looking for as well as what should not be included in the PowerPoint.
- A model syllabus that will include examples of course descriptions, objectives, and module time allocations.

We hope these documents will assist to remove some of the subjectivity inherently associated with approving education.

**Change to Annual Course Renewal Schedule-** At the NMLS Users Conference in February we briefed attendees that the course renewal process would begin on May 1. During the conference, and in subsequent conversations, many providers expressed frustration that NMLS was starting course renewals prior to the one year anniversary date of many courses. After meeting with our IT vendor Pearson VUE, and pending final approval from the SRR Board of Managers, NMLS intends to reconfigure PULSE and switch to a rolling course renewal process so that courses will be required to be renewed annually during the anniversary month of their initial approval. For providers this means:

- The first renewals for 2010 will begin in July.

- Courses will be required to be renewed during the anniversary month of initial first approval (not initial submission).
- Think about what month your courses were approved in and plan accordingly (and for many providers, this will be a reoccurring, monthly process).

Specific details regarding the renewal process will be published in late spring.

**Course Approval Fee Increase Effective April 15** – In December 2009, the SRR Board of Managers approved a fee increase for course approval processing. The fee increase was scheduled to go into effect January 4, 2010 but was delayed. The fee increase is now scheduled to go into effect April 15. Fees are as follows:

<b>Education Services - Process or Transaction Type and Who Pays the Fee</b>	<b>Fees - 2009</b>	<b>Fees - 2010 (subject to change)</b>
Course Provider Application Fee – Initial Course Provider pays	\$400 for each initial application, good for 2 years.	\$400 for each initial application, good for 2 years. No change from 2009.
Course Provider Application Fee – Renewal Course Provider pays	\$400 for each initial application, good for 2 years.	\$400 for each initial application, good for 2 years. No change from 2009.
Course Application Fee – Initial Course Provider Pays	\$300 for each initial application, good for 1 year.	\$300 fixed fee plus \$20 per each course hour. Range, 1 – 20 hr courses (\$320 - \$700 per course)
Course Application Fee – Renewal Course Provider Pays	\$200 for each course renewed, good for 1 year	\$200 fixed fee plus \$20 per each course hour. Range, 1-20 hr courses (\$220 - \$600 per course) (subject to public comment and SRR board of Managers approval)

**New Online NMLS Master Course Catalog:** We have been working on a new NMLS Master Course Catalog that is searchable by zip code, date range, or state content. The new catalog will also enable MLOs to browse offerings by course categories. Here a few details about the catalog you need to know:

- The new catalog is designed to display search results based upon course offerings. If a course does not have an offering scheduled, the course will not display in the search results. This is different from the current PDF version of the catalog which lists all courses alphabetically by provider name. The existing PDF version of the catalog, which is now over 100 pages, will continue to exist but will be updated only once a week.

- The new catalog is designed to enable an MLO to search or browse for a course. Since CE online courses do not have an address or date range associated with them, MLOs will need to browse the catalog to find online CE courses.
- State-specific courses are cataloged based on the state abbreviation contained in the course title and are displayed in the results section in ascending hour order (i.e. the 2 hour courses display before the 8 hour courses, etc.). The ability to support search is one of the reasons why NMLS has developed a very formal course naming convention.
- The catalog displays course descriptions. If your course does not yet have a course description, please submit it as soon as possible (details are contained in the November 5 edition of the Newsletter).
- The new catalog will launch the week of March 15. If you would like to preview the catalog, please click here:  
<http://mortgage.nationwidelicensingsystem.org/profreq/education/mcc/Pages/default.aspx>

Keep in mind when previewing the new catalog:

- o It's still being tested with information that is as much as two weeks old. Please do not report that you can't find a recent course offering.
- o Additional instructional text is still being placed on search results pages.
- o The tabs on the search results pages are being redesigned.
- o Send any additional comments to Rich Madison at [rmadison@csbs.org](mailto:rmadison@csbs.org).

**Helpful Hints for Course Approval Process:** Here is a list of helpful hints to ensure your course is approved as quickly as possible:

- **Ensure Content is Current:** We continue to see a lot of courses with outdated information. 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, and NMLS evaluates the new course and then finds deficiencies with the previously approved content. To avoid creating a frustrating situation:
  - o Ensure core content is correct by submitting one course, get it approved, and then submit additional courses.
  - o Versioning and dating core content will assist the evaluators to know when the content was approved and how current it is.

- Do not continue to submit courses with core content that is not current or known to have deficiencies.
- **Submit ALL Content:** We respect and appreciate that many providers are extremely knowledgeable; however, we can't evaluate what's in an instructor's mind. Courses are required to be submitted with all material documented in such a way that the information can be evaluated and approved. Just submitting a course outline, a stack of PowerPoint slides or other "raw" material will result in a deficiency notice (see notice regarding model PowerPoint and syllabus being provided above).
- **Highlight Changes:** Highlighting or "red lining" changes made in response to a deficiency notice, or other changes that you have made to the course, 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. Additionally, if the revised material is moved from the original page note, please provide the evaluator with the page number whereby the new/revised content may be found.
- **State Law Courses:** Course material should provide the MLO with the state specific citation from which the course material is instructing upon as well as case studies.
- **Submit Text for Online CE Courses:** Providing the course in written format as well as providing online access to the course (student ready) will help to expedite the review process for online CE courses. If you do not submit written material it will take the evaluator three days to work through your twenty-hour timed course.

**Course Auditing and Compliance** – In February NMLS welcomed aboard Terasita Edwards as the new auditing manager. Terasita was an accreditation coordinator with the Accrediting Council for Independent Colleges and Schools, and she will be working with NMLS on auditing and education compliance issues. Specifically, Terasita will be implementing our auditing strategy which includes surveying students who have completed courses, coordinating the activities of "mystery shoppers," assisting with the courses renewal process, and coordinating course performance feedback with providers. We're excited to have Terasita onboard, and you'll be hearing a lot from her in the coming months.

**Standards of Conduct Form Due March 12** - On February 4, 2010, the Mortgage Testing and Education Board (MTEB) approved Standards of Conduct for Course Providers as well as for test takers. The MTEB also approved Administrative Action Procedures which outlines the process by which the MTEB will investigate and respond to reported violation of the Standards of Conduct. Both of these documents are being posted in the NMLS Resource Center.

Terasita Edwards sent a notice to all approved course providers on February 26 requesting that providers sign the new Standards of Conduct and return the form to NMLS. If you have not returned the form that was sent to you, please do so by the March 12<sup>th</sup> deadline.

**Certification Process and Compliance Chart** – We have been working with several states to complete the policies associated with the “Certification Process.” Details regarding which states will be certifying the test, education and/or both will be posted in the NMLS Resource Center the week of March 8<sup>th</sup>.

Providers should also be aware of the *MLO SAFE Compliance Requirement Chart*. The “compliance chart” is a valuable resource for knowing state deadlines for PE, CE, testing, finger printing and criminal back ground checks. The compliance chart is updated frequently and is available at <http://mortgage.nationwidelicensingsystem.org/courseprovider/Pages/Resources.aspx>

**News Regarding the SAFE MLO Test:** Information you should know and can share with students regarding the test:

- The National Content Outline has been updated to include a National Component Reference List. Please consult the outline and note the references when preparing courses on federal law, ethics, and non-traditional mortgage lending. The National Test Component Outline, along with all of the state test component outlines, are available at: <http://mortgage.nationwidelicensingsystem.org/profreq/testing/Pages/TestContentOutline.aspx>
- Questions have come up regarding the test retake policy, specifically the number of times an MLO can take the test before they need to wait six months before taking it again. The question arises because of the language used in the SAFE Act. NMLS has an official policy regarding the number of times an individual can take the test before having to wait, which has been shared with HUD as part of the CSBS/AARMR response to HUD’s proposed rules. The policy can be found at <http://mortgage.nationwidelicensingsystem.org/profreq/testing/Documents/Test%20Retake%20Policy.pdf>
- One of the most frequently asked questions received by the NMLS call center is “how do I register for the test?” If you receive this question, please inform MLOs that they need to login to NMLS, enroll and pay for one or both components of the SAFE MLO test, and ***then*** schedule a test appointment. MLOs should not go directly to Pearson VUE or Prometric to pay for the test. Specific details are in the MLO Testing Handbook which can be found on at <http://mortgage.nationwidelicensingsystem.org/profreq/testing/Pages/default.aspx>
- The pass rate for the National Component of the test through the end of February was 68%; the aggregate pass rate for the State Components was 73%.
- New Test Components: on February 22, tests were released for CA, CO, IN, TN, and UT. On March 12<sup>th</sup>, test enrollments will open and content outlines are now available for CT, IL, OH, OK and ND.

## **NMLS Testing and Education Points of Contact:**

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

NMLS Call Center: 240.386.4444