



**RESPONSE TO COMMENTS AND APPROVED CHANGES TO THE
UNIFORM NMLS LICENSING FORMS AND MORTGAGE CALL
REPORT**

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Purpose of the Uniform NMLS Licensing Forms and the NMLS Mortgage Call Report

The Uniform NMLS Licensing Forms (Forms) create a national standard of information collection for company, branch, and individual licensure agreed to by all NMLS participating state agencies. The Forms are intended to provide state regulators with sufficient information to make a decision to approve a new license, continue a license authority, or approve a license renewal request, while at the same time driving greater transparency and uniformity across NMLS participating regulatory jurisdictions.

The NMLS Mortgage Call Report (MCR) provides timely, comprehensive, and uniform information concerning the financial condition of licensed mortgage companies, their mortgage loan activities, and the production information of their mortgage loan originators. This information enhances a state regulator's ability to effectively supervise licensees, determine examination schedules, monitor compliance with state law and requirements of Title V of P.L. 110-289, the *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* ("SAFE Act")¹, and accurately calculate assessments when applicable.

A goal of both the Forms and the MCR is that, over time, they include all necessary information required by regulators such that requirements do not need to be submitted and tracked outside NMLS.

Background

On a biennial basis, the NMLS Policy Committee (NMLSPC)² undertakes a review of the Forms and MCR after receiving public comment. The purpose is to update the Forms and MCR to provide better information to state regulators and to make general System usability improvements to support these changes.

Responses to Comments

On May 1, 2015 SRR solicited public comments on the [Uniform NMLS Licensing Forms and Mortgage Call Report](#). The comment period ended on June 1, 2015 and all public comments were posted on the [NMLS Resource Center](#). The Forms Working Group and MCR Working Group (Addendum A), comprised of state regulators, reviewed the public comments received and made recommendations to the NMLSPC for consideration.

¹ The full text of the SAFE Act can be found at

<http://mortgage.nationwidelicensingsystem.org/SAFE/NMLS%20Document%20Library/SAFE-Act.pdf>

² To assist it in making decisions and handling operational matters, the SRR Board of Managers created the NMLS Policy Committee (NMLSPC) which is comprised of 11 state regulators. The NMLS Policy Committee provides SRR a mechanism to make policy decisions for NMLS with regards to its impact on meeting state licensing regulations. Decisions are made after considering input from NMLS Participating State Agencies, licensees and industry. The roster of the NMLSPC can be found at

<http://mortgage.nationwidelicensingsystem.org/about/Documents/2015%206%201%20NMLS%20POLICY%20COMMITTEE%20LIST.pdf>

At the direction of the NMLSPC, on July 21, 2015 SRR invited a second round of public comments on the [Proposed Changes to Uniform NMLS Licensing Forms and Mortgage Call Report](#). The eleven public comments received were posted on the [NMLS Resource Center](#), reviewed by the Forms and MCR Working Groups and discussed by all NMLS participating state agencies. Commenters included industry trade groups, state licensed financial services companies and law firms. Following comment review, final recommendations by the regulator working groups were sent to the NMLSPC for approval.

Guided by the NMLSPC and state regulators, this document is intended as SRR's response to those comments received and serves as a comprehensive listing of the approved and deferred changes to the Forms and MCR. Comments received that were not relevant to the July Request for Public Comment were not considered by the regulator working groups or the NMLSPC.

Implementation of Changes

The Forms changes and updates are targeted for the third quarter of 2016 (currently September 10, 2016) and updates to the MCR will be available in the System on April 1, 2016 for quarter 1, 2016 reporting. More extensive updates to the Forms and MCR are expected to be realized in the NMLS Modernization initiative, slated for 2018 completion. As NMLS Modernization development and implementation strategy continues, System stakeholders will be engaged and afforded public comments on functional changes and System additions.

New and existing users to NMLS should become familiar with the changes to the various sections of the Forms and MCR and update their record accordingly. Additional changes to NMLS will be found in the 2016.1 and 2016.3 Release Notes to be posted on the [NMLS Resource Center](#) prior to the releases.

Approved Form Changes Targeted for 2016.3 Implementation (Currently September 10, 2016)

Company Form Changes (State Context)

Legal Status

- Legal status available for selection will be expanded to include the following: Trust; General Partnership; Limited Liability Partnership; Limited Partnership; and Limited Liability Limited Partnership. If a company had previously selected “Partnership” they will be required to update their legal status to one of the new partnership legal statuses. The existing “Partnership” selection will be retired. Companies with a legal status of “Other” can keep the selection as “Other” or update their legal status to “Trust.”

Annual/Call Report Contact Employee

- SRR will add “Annual/Call Report” to the Area(s) of Responsibility selection within the Contact Employee section. This is an addition to the non-primary contacts available for designation. Non-primary contacts are optional unless otherwise required by a particular agency.

General Usability – Advance Change Notice (ACN)

- The Company Form (MU1) will be modified to allow ACN utilization in the future removal of Direct Owners and Executive Officers, Indirect Owners, Qualifying Individuals, and Affiliates/Subsidiaries.

Company Form and Branch Form Changes (State Context)

General Usability – Event Date

- The Company Form (MU1) and Branch Form (MU3) will be modified to incorporate a non-functional field to allow users to provide an event date in addition to the ACN effective date if the ACN event occurred in the past.

Business Activities Update

- Business activities for company and branch selection will be expanded to include the following: Reverse mortgage lending; Reverse mortgage brokering; and Reverse mortgage servicing. The following business activity will be retired: Reverse mortgage activities.

Attestation Language Updates

- Attestation language as part of Company and Branch filing submission will be updated. While companies may utilize third-party firms to assist with licensing compliance, NMLS Policy is that filing attestation and submission should only be completed by an employee of the company who is authorized to attest on behalf of the company. To reduce attestation by third-party firms, such as compliance personnel who are not employees of the entity licensed within NMLS, Company and Branch attestation language will be strengthened.
- Companies will be given a new user role for Organizational Users that will allow designated third party users to assist with completing company and branch filings without having the ability to attest and submit the filing.
- SRR will update the User Profile page of Company/ Institution Account Administrators and Organizational Users to require imputation of "Title/Position." This new data field will be pulled into the attestation language presented to company and branch filers upon filing attestation and submission.

Individual Form Changes (State Context)

Disclosure Question Updates

- Individual NMLS or SRR Testing Rules of Conduct Disclosures, (R)(1) and (R)(2), and their associated responses, if applicable, will be removed.

Attestation Language Updates

- Individual attestation language as part of the Individual Form (MU4 and MU2) will be updated to strengthen wording.

Deferred Form Changes

The following changes were approved by the NMLSPC, but implementation is deferred until NMLS modernization is carried out. NMLS modernization is expected to be realized in 2018.

MU2 Control Person's Update

- SRR will enable company filers to provide state agencies with information on "significant persons of interest" within the company, without triggering control persons requirements in other agencies.

Employment History Updates

- The updating of the Employment History section of the Individual Form (MU4 and MU2) to integrate categories for selection in drop-down format to accommodate non-employment history will be deferred to the Modernization initiative.

Disclosure Question Updates

- All proposed changes to Individual and Company Disclosure Questions contained in the [Request for Public Comments](#), except the removal of the Individual NMLS or SRR Testing Rules of Conduct Disclosures, (R)(1) and (R)(2), will be deferred to NNLS Modernization to allow further vetting by appropriate parties.

Form Changes Not Approved for Implementation

Dynamic Licensing Forms Based on License Authority and Business Activities

- The concept of dynamic licensing forms based on license authority and business activities is not a priority SRR is currently pursuing.

Comment Section within Company Form (MU1) and Branch Form (MU3)

- A comment section within the Company Form (MU1) and Branch Form (MU3) is not being considered for a future System enhancement. SRR is researching a more comprehensive two-way communication approach amongst licensees and regulators for inclusion in the NMLS Modernization initiative.

Approved MCR Updates for 2016.1 Implementation (January 26, 2016)

MCR Print File Option

- SRR will implement a one-click print option for submitted MCRs, by period/quarter to assist in the analysis of historical data. This one-click print option will be available for company and regulator users starting the first quarter of 2016.

Approved MCR Updates for Quarter 1, 2016 Reporting (Available April 1, 2016)

Definition of “Application”

- The revised definition of “application,” will be enforced for MCR reporting starting the first quarter of 2016.

Calculation, Completeness Checks, and General Usability

- Biennial updates to the MCR will be made to improve general usability and update calculations and completeness checks. Detailed changes are found in this document.

Approved MCR Updates for Possible 2017 Implementation

Calculation Addition

- I430: Pull-Through Ratio, will become a calculated field.

Comprehensive MCR to Reduce External State-Specific Reporting

- The effort to create a more comprehensive MCR to reduce required external state-specific reports is being considered for 2017 implementation.

Dynamic MCR

- A dynamic MCR based on business activities or license types is expected to be incorporated in a 2017 system release.

Financial Condition (FC)

- In pursuit of developing a comprehensive report that meets state’s needs, SRR plans on enhancing the FC component in 2017.

APPROVED FORM CHANGES

I. Updates to Legal Status Section of Company Form (MU1)

Issue: With limited and general partnerships and trusts becoming increasingly prevalent, it was proposed to make updates to the Legal Status section of Company Form (MU1) to include additional legal status elections.

Comments Received: One commenter provided feedback on this minor enhancement to the Legal Status section of Company Form (MU1) and indicated support of the change. The commenter urged SRR to provide NMLS Guidebook guidance to assist in appropriate legal status election.

Approved Changes: Minor changes to the Legal Status section of Company Form (MU1) are targeted to be incorporated in the third quarter of 2016. During the Public Comment period, SRR determined that additional legal statuses, than those originally proposed, should be included as well. Updates to this section are found below.

- Legal Status available for selection will be expanded to include the following: Trust; General Partnership; Limited Liability Partnership; Limited Partnership; Limited Liability Limited Partnership.

If a company had previously selected “Partnership” they will be required to update their legal status to one of the new partnership legal statuses. The existing “Partnership” selection will be retired. Companies with a legal status of “Other” can keep the selection as “Other” or update their legal status to “Trust.”

Screenshot to Demonstrate Changes to Legal Status Section

The screenshot shows the 'Legal Status' section of a form. At the top right, there is a 'HELP' button. Below it, the 'Total Charges' are listed as '\$0.00'. The form contains several input fields: 'Fiscal year end' (12/31), 'If publicly traded, please insert stock symbol' (empty), 'Formation State' (California), 'Formation Country / Province' (United States), 'Formation Date' (empty), and 'Legal Status' (Corporation). A 'Description' field is also present. A section titled 'Do you want to amend your legal status?' has a checked box 'If yes, check here:'. Below this are fields for 'New Formation State', 'New Formation Country / Province', and 'New Formation Date'. The 'Indicate legal status:' dropdown menu is open, showing a list of options: Corporation, Limited Liability Company, General Partnership, Limited Partnership, Limited Liability Partnership, Limited Liability Limited Partnership, Not for Profit Corporation, Sole Proprietorship, Trust, and Other. The 'Trust' and 'Other' options are highlighted with a red box. At the bottom, there is an 'Effective Date' field and a 'Save' button.

II. Annual/Call Report Contact Employee

Issue: The contact employees listed in the Company Form (MU1), designated by state and industry type may not be the appropriate contact for Annual Report or Call Report related communications. A state agency may direct MCR inquiries at a company prior to an initial MCR submission for that particular agency. Additionally, with the development of a MSB Call Report, slated for System deployment in July of 2016, a MSB Call Report Contact Employee may be an important election for inclusion within the Contact Employee section.

Comments Received: One commenter indicated that SRR's proposed inclusion of an Annual/Call Report Contact Employee to the Contact Employee section is a beneficial addition to the Company Form (MU1).

Approved Change: SRR will add "Annual/Call Report" to the Area(s) of Responsibility selection within the Contact Employee section of the Company Form (MU1). A company may select under Industry Type "Mortgage" and under Area(s) of Responsibility "Annual/Call Report" to designate a MCR Contact Employee or select under Industry Type "Money Services" and under Area(s) of Responsibility "Annual/Call Report" to designate a MSB Call Report Contact Employee. The "Annual/Call Report" Contact Employee for MCR and MSB Call Report allotment is targeted to be integrated in NMLS the third quarter of 2016.

Screenshot to Demonstrate Addition of Annual/Call Report Contact Employee

The screenshot displays the "Contact Employee Information" form. At the top right, there is a "HELP" button and a "Total Charges: \$0.00" indicator. Below the header, there is a note: "Provide the information requested below for each contact employee and click Save. Click Delete to remove the contact employee. If this individual is a Primary contact, do not identify Industry Type(s), Area(s) of Responsibility, or State(s)." There are two checkboxes: "Primary Company" and "Primary Consumer Complaint (Regulator)". Below these are input fields for "First Name:" and "Last Name:". A horizontal line separates the primary contact section from the non-primary contact section, which is titled "**FOR NON-PRIMARY CONTACTS ONLY**". This section includes a heading "Select at least one Industry Type, Area of Responsibility and State". Under "Industry Type(s)", there are checkboxes for Mortgage, Debt, Consumer Finance, and Money Services. Under "Area(s) of Responsibility", there are checkboxes for Accounting, Exam Billing, Licensing, Consumer Complaint (Public), Exam Delivery, Litigation, Consumer Complaint (Regulator), Legal, and Pre-Exam Contact. The "Annual/Call Report" checkbox is highlighted with a red box and a red arrow. Below this is the "State(s)" section with a grid of checkboxes for various states and territories. At the bottom of the form are "Save" and "Cancel" buttons.

III. General Usability – Advance Change Notice (ACN)

Issue: Currently companies are unable to utilize the Advance Change Notice (ACN) functionality when removing Direct Owners and Executive Officers, Indirect Owners, Qualifying Individuals, and Affiliates/Subsidiaries. Many companies find it challenging when making changes to these sections in having to log in to the System on the effective date of the change to make the removal.

Comments Received: One comment was received on SRR's proposal to allow ACN utilization in the future removal of Direct Owners and Executive Officers, Indirect Owners, Qualifying Individuals, and Affiliates/Subsidiaries. The commenter indicated that this enhancement will help close the gap in the ACN functionality.

Approved Change: The Company Form (MU1) will be modified to allow ACN utilization in the removal of Direct Owners and Executive Officers, Indirect Owners, Qualifying Individuals, and Affiliates/Subsidiaries. This modification is targeted for the third quarter of 2016.

IV. General Usability – Event Date

Issue: Currently in the System there is no way for company filers on the Company Form (MU1) and Branch Form (MU3) to indicate a past effective date for certain changes, only current and future dates. The result is inaccurate effective date reporting of changes in some cases.

Comments Received: Two individuals provided feedback on the past effective date issue. One commenter indicated that there needs to be a way to indicate a past effective date to accurately report changes that occurred in the past, if the record was not updated when the change occurred. Another commenter had concerns that past effective dates may make companies accountable for certain event changes over which they had no control over, such as a CEO unexpectedly leaving.

Approved Change: To allow industry to indicate a past effective date for certain events that occurred in the past that were unable to be reported prior to or on the event change date, SRR will include a non-functional field to allow users to provide an event date in addition to the ACN effective date if the ACN event occurred in the past. This non-functional field is targeted to be implemented in the System the third quarter of 2016.

V. Expansion of Business Activities

Issue: The business activities available for company and branch selection do not contain separate categories to differentiate between the various types of possible reverse mortgage activities.

Comments Received: One comment was received regarding SRR's proposed expansion of business activities available for company and branch selection to include Reverse Mortgage Lending, Reverse Mortgage Brokering and Reverse Mortgage Servicing. The commenter backed the proposal in that it will help applicants and licensees provide state agencies with a more specific depiction of their actual business activities.

Approved Change: Business activities will be expanded to include Reverse Mortgage Lending, Reverse Mortgage Brokering and Reverse Mortgage Servicing to enhance companies' ability to report actual business functions conducted. These business activities are targeted to be incorporated in the Company Form (MU1) and Branch Form (MU3) in the third quarter of 2016.

Screenshot to Demonstrate Expansion of Business Activities

Business Activity Wizard HELP ?

Step 1: Select Business Activities

Select **all** business activities conducted by your company from the list below, regardless of whether you plan to manage a license associated with the activity through NMLS. Previously selected business activities will not appear in the list below.

Prior to selecting your activities you may want to review business activity descriptions by clicking **i** on the upper right sandbar.

Jump to: [Mortgage](#) [Consumer Finance](#) [Debt](#) [Money Services](#)

Mortgage

<input type="checkbox"/> First mortgage brokering	<input type="checkbox"/> Home equity lending/lines of credit
<input type="checkbox"/> Second mortgage brokering	<input type="checkbox"/> Reverse mortgage activities
<input type="checkbox"/> First mortgage lending	<input type="checkbox"/> High cost home loans
<input type="checkbox"/> Second mortgage lending	<input type="checkbox"/> Credit insurance services
<input type="checkbox"/> First mortgage servicing	<input type="checkbox"/> Third party mortgage loan processing
<input type="checkbox"/> Third party first mortgage servicing	<input type="checkbox"/> Third party mortgage loan underwriting
<input type="checkbox"/> Subordinate lien mortgage servicing	<input type="checkbox"/> Manufactured housing financing
<input type="checkbox"/> Third party subordinate lien mortgage servicing	<input type="checkbox"/> Lead generation
<input type="checkbox"/> Master Servicing	<input type="checkbox"/> Commercial mortgage brokering or lending
<input type="checkbox"/> Mortgage loan purchasing	<input type="checkbox"/> Mortgage loan modifications
<input type="checkbox"/> Short sale	<input type="checkbox"/> Other - Mortgage
<input type="checkbox"/> Foreclosure consulting/foreclosure rescue	

Total Charges: \$0.00

VI. Attestation Language Updates

Issue: During the initial Request for Public Comment Period, some state agencies voiced that the attestation language as part of the filing submission is inadequate. Additionally, while companies may utilize third-party firms to assist with licensing compliance, NMLS policy is that filing attestation and submission should only be completed by an actual employee of the company who is authorized to attest on behalf of the company.

Comments Received: SRR received feedback from one commenter on the proposed company and individual attestation updates. Based on the commenter's feedback it was determined that the intention of the company attestation language update to prevent attestation from third-parties was unclear. Additionally, the commenter provided some language suggestions to the proposed company and individual attestation language. Suggestions provided by the commenter were incorporated in the approved attestation language changes.

Approved Changes: To prevent attestation and filing submission on behalf of a company by third-party individuals (e.g. compliance personnel), who may not be actual employees or agents of that company, the attestation language contained in the Company Form (MU1) and Branch Form (MU3) will be updated. Companies will also be given the ability to assign a new user role that will allow third party users to assist with completing company and branch filings without having the function to attest and submit the filing. Furthermore SRR will update the User Profile page of Company/ Institution Account Administrators and Organizational Users to require imputation of "Title/Position." This new field will be pulled into the attestation language presented to company filers upon filing attestation and submission. SRR will also strengthen the attestation language contained in the Individual Form (MU4 and MU2).

Attestation updates are targeted for implementation in the third quarter of 2016. Approved attestation language updates are found in Addendum B, C, D and E. With these attestation changes, SRR will update the NMLS Guidebook to inform industry that third-party individuals are not authorized to attest on behalf of a company they are not actual employees or agents of.

Addendum B: Approved Company and Branch Attestation Language (MU1 and MU3) in Redline

Addendum C: Approved Company and Branch Attestation Language (MU1 and MU3) Clean Version

Addendum D: Approved Individual Attestation Language (MU4 and MU2) in Redline

Addendum E: Approved Individual Attestation Language (MU4 and MU2) Clean Version

VII. Disclosure Question Updates

Issue: In review of the Forms, it was determined by state regulators that a revisit of the Company and Individual disclosure questions is appropriate.

Comments Received: One commenter expressed many concerns with the proposed revisions and additions to the Company and Individual disclosure questions. The commenter had concerns that some of the proposed questions were loaded and would not be easily answered with confidence and certainty in some circumstances. The commenter also indicated that some questions should have a ten-year limit to be consistent with current disclosure questions. SRR recognizes the commenter's concerns and following extensive conversations amongst state regulators, industry and regulator working groups and committees, it was decided to defer all proposed changes to the Company and Individual disclosure questions. The intent is to allow further vetting of questions by System stakeholders. However, due to new functionality within NMLS which allows authorized SRR staff to place a flag on an individual record to notify regulators of a pending or complete investigation into a potential violation of the Rules of Conduct for Test Takers and Education Students, the NMLS or SRR Testing Rules of Conduct Disclosure questions are no longer necessary.

Approved Changes: SRR targets that the removal of the below Individual Disclosures will occur in the third quarter of 2016. No other changes to the Company and Individual disclosures will occur until the Modernization Initiative, and at that time public comments on proposed changes will be solicited.

NMLS or SRR Testing Rules of Conduct Disclosure Removal

~~*(R)(1) Have you ever been found to have violated any Rule of Conduct for test takers of the SAFE MLO Test or found to have violated the NMLS Industry Terms of Use as it pertains to enrolling, scheduling or taking the SAFE MLO Test?*~~

~~*(R)(2) Have you been notified that you are the subject of an investigation by the Mortgage Testing and Education Board (MTEB) or State Regulatory Registry LLC (SRR) regarding an alleged violation of the Rules of Conduct for test takers of the SAFE MLO Test or the NMLS Industry Terms of Use as it pertains to enrolling, scheduling or taking the SAFE MLO Test?*~~

DEFERRED FORM CHANGES

I. MU2 Control Person's Update

Issue: Various state laws require “persons of interest” within a company to complete the Individual Form (MU2) in order to provide information to the respective regulatory agency. The Individual Form (MU2) is intended for control persons and if a person of interest in one state completes and attests to the Individual Form (MU2), requirements are triggered in the other states the company is licensed in, such as a credit report obligation. Some persons of interest, such as a Chief Technology Officer, don't fall under the scope and definition of a control person, however the only way for companies to provide the information required by some states on those persons of interest is through the Individual Form (MU2).

Comments Received: One comment was received on SRR's proposal to allow companies to indicate persons of interest for one state agency without triggering control person requirements in other agencies. The commenter was in favor of the proposal as it would alleviate unnecessary control person requirements for non-control personnel. It was recommended that persons of interest should not have to complete the same level of information currently required within the Individual Form (MU2). Additionally the commenter suggested renaming “persons of interest” as it may carry a negative connotation.

Deferred Change: NMLS will be enhanced to allow MU2 creation, without triggering control person requirements in other agencies. This enhancement will be incorporated in the NMLS Modernization initiative. This may result in the same level of information collection on the “persons of interest” within the Individual Form (MU2), but the company will have the ability to designate an individual as a non-control person. State agencies will define requirements on who needs to be included. Per industry's suggestion, SRR is considering another naming convention for “persons of interest” such as “other significant persons.”

II. Employment History Section

Issue: In the Employment History section of the Individual Form (MU4 or MU2), the System requires ten years of history and associated employment addresses, with no gaps in time. If gaps in employment exist, individual filers typically input as employer “unemployed, retired, full time student, etc.” with a personal address to comply with the system requirement. Employment information appears on NMLS Consumer Access and it may not be appropriate for an individual's personal address to be listed in public domain if it was not actual employment.

Comments Received: One comment was received on the proposed Employment History section changes. The commenter expressed support of the changes as it addresses the confusion individual filers may encounter when having to input a full ten years of employment history that contains non-employment events to satisfy the System requirement. The commenter also expressed support in limiting the amount of information displayed on NMLS Consumer Access for non-employment events.

Deferred Change: SRR will integrate categories for selection in drop-down format to accommodate non-employment history when the System is modernized in 2018. All

categories will still require address imputation, but designated category (i.e. Unemployed, Retired, Student, and Military Service) will result in address suppression on Consumer Access, and addresses will only be viewable in the System to relevant regulators. Only the category selected and the associated dates will appear on Consumer Access for the general public. Additionally some designated category selections will be suppressed fully from NMLS Consumer Access (i.e. Incarcerated) and will only be viewable in the System to relevant regulators. Actual employment history will appear on NMLS Consumer Access in the same manner as currently. This enhancement will align with improvements being considered for NMLS Consumer Access. A Request for Public Comments on NMLS Consumer Access is slated to be published in the fall of 2016.

Potential drop-down selections for integration include: Employed; Incarcerated; Military Service; Retired; Self-Employed; Student; Unemployed; Other

III. Disclosure Question Updates

As previously indicated within this document, any changes to Individual and Company Disclosure Questions contained in the [Request for Public Comments](#), will be deferred to NNLS Modernization to allow further vetting by appropriate parties. However, SRR will remove the Individual NMLS or SRR Testing Rules of Conduct Disclosures, (R)(1) and (R)(2).

FORM CHANGES NOT APPROVED FOR IMPLEMENTATION

I. Dynamic Licensing Forms Based on License Authority and Business Activities

Issue: Resulting from public comments received, regulator input, and discussions amongst the Forms Working Group on dynamic licensing forms, it was determined that the majority of the fields included in the Forms are required by state agencies regardless of industry type or license authority. Forms with too many variants open the possibility of information loss and uniformity makes it easier for existing licensees on the System to enter additional industries or states. Furthermore, uniform licensing forms simplify the state's management process of licensees if their regulatory authority spans multiple industries. However, with state agencies continued expansion on NMLS to manage license authorities beyond the mortgage industry to include consumer finance, debt, and money service businesses, SRR does see an opportunity in incorporating some dynamic components to the Forms. With dynamic licensing forms, if an agency determines a particular field or section is not required given the license authority or business activities selected by a licensee, those "not required" fields would not appear within the form. If a licensee is seeking licensure under more than one license type, the licensee will be presented with the most stringent form based on the selected license authorities or business activities. If applying for a subsequent license, a licensee may have to provide more information within the form if the newly selected license type has more stringent form requirements.

Comments Received: One commenter provided feedback on the dynamic licensing forms proposal. The commenter expressed support of dynamic licensing forms but indicated that upon implementation the System needs to ensure applicants are not channeled into completing a more stringent form if they are not conducting activities under a license that would require a more stringent form.

Deferred Change: Following much research, SRR determined that as the majority of the fields on the licensing forms are required by all state agencies regardless of license type, dynamic licensing forms is not a priority being pursued. In the case of state exemptions however, where some states require much less information than that for licensure, a dynamic form may be considered for a future enhancement. Any future initiatives on dynamic licensing forms will go out for another public comment period, but movement on such an initiative has been deferred.

II. Comment Section within Company Form (MU1) and Branch Form (MU3)

Issue: Currently company filers are unable to provide comments to regulators on the content of their filings. Comments could be used by company filers to describe items that are not required as part of their license application, that were not include in their application, to avoid placement of license items by the regulators. Some license types, such as exemptions, don't require certain information to be included in a filing, but with no comment section available, the filing may appear incomplete to the regulators. Furthermore a comment section could be utilized to indicate whether an amendment filing contains material changes to the record or are for clean-up purposes such as a spelling correction.

Comments Received: SRR received one comment with respect to the Comment Section proposal. The commenter expressed support of the proposal in that it would enhance communications amongst licensees and regulators, possibly decrease license deficiencies and expedite license application processing.

Deferred Change: SRR has concerns that the Comment Section may be utilized inappropriately by licensees to house sensitive information unsuitable for filing inclusion or utilized to supplementarily satisfy license checklist items or license deficiencies. As improved communicability amongst the regulators and licensees within NMLS is a priority, SRR is researching a more comprehensive two-way communication approach to be incorporated in the NMLS Modernization initiative.

APPROVED MORTGAGE CALL REPORT (MCR) UPDATES

These enhancements comprise the biennial updates to improve usability of the Mortgage Call Report (MCR) pursuant to public comment. The summary of previous modifications made to the MCR can be found on the [MCR Prior Form Versions](#) page of the NMLS Resource Center.

The changes to the Mortgage Call Report (MCR) will require that there is a form version update to the MCR filing. The way that the form functions may vary from submissions from prior quarters. The field definitions may also vary by form version. The System will identify what form version the filing is and the current and past form version field definitions are available on the NMLS Resource Center. The form version change will also include updates to XML upload specification document. Unless otherwise noted, all changes will be applied only to the new form version (FV5).

I. MCR Print File Option

Issue: With current NMLS functionality, company users need to individually select and print each MCR component, including each individual state-specific Residential Mortgage Loan Activity (RMLA) component, to view and print the MCR filing as a whole for a particular period/quarter. This process is cumbersome, especially for those companies licensed under multiple state agencies.

Comments Received: SRR received no comments on the proposed MCR print file option this comment period but this issue is derived from a recommendation submitted last comment period.

Approved Change: SRR will implement a one-click print option for submitted MCRs, by period/quarter to assist in the analysis of historical data. This one-click print option will be available for company and regulator users starting the first quarter of 2016 (January 25, 2016).

II. Definition of Application

SRR provided guidance on the revised definition of “application” available for reporting beginning the first quarter of 2015. The definition is as follows:

An application is an oral or written request for an extension of credit encumbering a 1-4 family residential property. Exclude any commercial/business/investment purpose encumbrances from reporting. Include inquiries or Pre-Qualification requests that result in denial of credit. The application date used is either (1.)The date on the initial 1003 with the borrower’s signature; (2) The date of an oral request for extension of credit, with deference to the initial1003; (3) Inquiries and Pre-Qualification requests, if declined, should use the denial date. Examples of requests that are considered an application for the NMLS MCR include, but are not limited to, purchase of owner occupied 1-4 family residential properties including 2nd homes and vacation homes; construction of 1-4 family residential properties (as described above) made directly to the consumer; non-commercial liens on residential properties (Lines of Credit should be reported at maximum approved credit line); pre-approvals on item #1 even if a residential property has not been identified; reverse mortgages

– regardless of purpose; refinance loans on all of the above; all requests for extensions of credit to purchase residential property that result in the issuance of an ECOA notice.

Issue: Industry requested for SRR to adopt a definition that mirrors the definition under federal law and the Home Mortgage Disclosure Act (HMDA). It has been argued that different interpretations of the term “application” increase the regulatory burden incurred by mortgage companies, making it more difficult to collect loan origination information for state and federal reporting purposes.

Comments Received: No comments were provided on the definition of “application” for MCR reporting purposes.

Approved Change: State regulators urged the CFPB to adopt a definition of “application” that is consistent with state requirements in order to alleviate additional burden on industry. The letter sent to the CFPB by CSBS on HMDA reporting requirements is available [here](#). The revised definition seeks to clarify the data state regulators want reported as the definitions under federal law do not capture all of the loans necessary for state regulator supervision. The purpose of the MCR is to provide state regulators, through the use of data, with a means to identify, measure, monitor and control risk at the licensee level and to monitor the industry as whole. The byproduct of reverting to strict alignment with the proposed HMDA definition of “application” would be no reduction in out-of-system reporting to state agencies as well as a possible increase in these reports for other state agencies in order to capture the required application information. The revised definition of “application” has been approved and will be enforced for MCR reporting starting the first quarter of 2016.

III. Qualified and Non-Qualified Mortgage Reporting

Issue: In April 2015 with the MCR’s recent form version update, fields to capture Qualified Mortgages (QM) and Non-Qualified Mortgages were included. With the absence of fields to capture loans that are not subject to QM standards or loans in a portfolio being held for investment that were originated prior to QM standards went into effect, SRR issued guidance in the [MCR FAQs](#) on the reporting of such data.

Comments Received: SRR received no comments pertaining to the proposed addition of fields to capture Qualified Mortgages (QM) and Non-Qualified Mortgages during this comment period. However, during the last comment period it was indicated that these fields are an important MCR inclusion.

Approved Change: To enable more accurate reporting on QM standards, SRR will include an additional line to capture loans that are not subject to QM standards on the state-specific RMLA component of the MCR and a line to disclose loans in a portfolio being held for investment that were originated prior to the date that QM standards went into effect, to the FC component. This enhancement will be incorporated in both the Standard and Expanded MCRs. These fields will be available for quarter, 1 2016 reporting starting April 1, 2016.

Current View in RMLA

QM and Non-QM							
AC920	Qualified Mortgage (QM)	<input type="text"/>					
AC930	Non-Qualified Mortgage	<input type="text"/>					
AC990	Total QM and Non-QM	0	0	0	0	0	0

Current View in FC

Qualified and Non-Qualified Mortgages		HFI, at Amortized Cost (\$)	HFI, at Fair Value (\$)
A060W1	Qualified Mortgage (QM)	<input type="text"/>	<input type="text"/>
A060W2	Non-Qualified Mortgage	<input type="text"/>	<input type="text"/>
A060W9	Total Loans	0	0

IV. Pool Reporting Qualified

Issue: The April 2015 form version update introduced required state-specific servicing fields to the RMLA component of the Expanded MCR. SRR received feedback from industry that under Section III - Loans Serviced, the inclusion of NMLS ID, Owner Name, Pool Number, UPB & Loan Count, proved to be overly burdensome due to the large amount of data/pools reported in some cases. SRR provided guidance in the MCR FAQs regarding pool reporting and advised filers that pools should be limited to investor type and provided in the aggregate.

Comments Received: SRR received no comments on pool reporting this comment period but industry indicated last comment period that an upload option within Section III – Loans Serviced is necessary.

Approved Change: In response to industry concerns, SRR will incorporate an upload option within Section III – Loans Serviced to accommodate companies who are reporting large amounts of data related to servicing. This upload ability will be available starting April 1, 2016. Companies will still have the option to manually input servicing data.

Screenshot Demonstrating Proposed Placement of Upload Function

The screenshot shows a web application interface for 'Section III - Loans Serviced Under MSRs'. At the top right is a 'HELP' button with a question mark icon. Below the title bar, a header indicates the user is 'American Advisors Group (9392) Alabama Expanded RMLA filing created 7/13/2015 by RodriguK.' with social media icons. The main content area contains instructions: 'Click **Add New** to provide information regarding Loans Serviced Under MSRs during the period. After you enter information in a row, press enter or click ; the row will be saved and a new row will be generated allowing you to provide information for additional loans.' and 'Click on the sandbar above for information on data formatting requirements and field definitions.' Below this is a table header with columns: 'Record ID', 'NMLS ID', 'Owner Name', 'Pool #', 'UPB (\$)', and 'Loan Count (#)'. A red-bordered message box states: 'No information regarding Loans Serviced Under MSRs has been provided.' At the bottom left, there are two buttons: 'Add New' and 'Upload'. The 'Upload' button is highlighted with a red rectangular box.

IV. Completeness Check Update - Servicing Disposition on Closed Loans

AC1200: Closed Loans During the Quarter with Servicing Retained

AC1210: Closed Loans During the Quarter with Servicing Released

AC1290: Total Closed Loans (equals the sum of rows AC1200 to AC1210)

Issue: Currently a Completeness Check exists in the State-specific RMLA component of the Standard and Expanded MCR to verify the amount and count of Loans Closed and Funded equals the amount and count of Total Serviced Loans, which also equals the amount and count of Total Closed Loans under Mortgage Loan Originator Data section. This is problematic given that brokered loans don't belong in the 1200 series.

Comments Received: SRR received no comments on the proposed Completeness Check update this comment period.

Approved Change: This Completeness Check will be updated to break the tie between the 1200 series and the Total Closed Loans reported in AC070 and under Mortgage Loan Originator Data section (ACMLOTOT). Additionally, calculated field: AC1290 (Total Closed Loans) will be renamed to "Servicing Disposition Total" to accurately portray the intention of the 1200 series in capturing the servicing disposition on closed loans.

Completeness Check Update

The amount and count of Loans Closed and Funded (AC070) equals ~~the amount and count of Total Serviced Loans, which also equals~~ the amount and count of Total Closed Loans under Mortgage Loan Originator Data section (ACMLOTOT)

AC1290 Field Name and Definition Update

AC1290: ~~Total Closed Loans~~ **Servicing Disposition Total** (Equals the sum of rows AC1200 to AC1210 in the above column. ~~This sum should equal AC070 and the total in the Mortgage Loan Originator Data section.~~)

V. Completeness Check Addition - Interest Income: C010-C080 in the Expanded FC

Issue: Within the Interest Income section of the Expanded FC (C010-C080), the Total column and corresponding categories (Origination Warehousing, and Secondary Marketing; Servicing; Multifamily/Commercial; Residential Portfolio Management and All Other) are all self-reporting fields. This creates the potential for data to not match up and a company can provide data in the Totals but not report the breakdown by the separate categories.

Comments Received: SRR received no comments on the proposed Completeness Check update this comment period.

Approved Change: SRR will incorporate a Completeness Check in the second quarter of 2016 to enforce that the Total columns (C010-C080) equal the breakdown by corresponding category (Origination Warehousing, and Secondary Marketing; Servicing; Multifamily/Commercial; Residential Portfolio Management and All Other).

Screenshot Demonstrating Interest Income: C010-C080 in the Expanded FC

Schedule C: Income		1-4 Unit Residential Only			
NET INTEREST INCOME	Total (\$)	Origination, Warehousing, and Secondary Marketing (\$)	Servicing (\$)	Multifamily / Commercial (\$)	Residential Portfolio Management and All Other (\$)
Interest Income					
C010 Warehousing Interest Income from Loans Held For Sale Residential and Multifamily/Commercial	<input type="text"/>	<input type="text"/>		<input type="text"/>	
C020 Interest Income on Loans Held for Investment	<input type="text"/>			<input type="text"/>	<input type="text"/>
C030 Interest Income from Securities Held to Maturity	<input type="text"/>			<input type="text"/>	<input type="text"/>
C040 Interest Income from Securities Available for Sale	<input type="text"/>			<input type="text"/>	<input type="text"/>
C050 Interest Income from Trading Securities	<input type="text"/>			<input type="text"/>	<input type="text"/>
C060 Other Interest Income	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C070 Recognition of Yield Adjustment	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>
C080 Servicing-Related/Escrow Interest Income	<input type="text"/>		<input type="text"/>	<input type="text"/>	
C090 Total Interest Income	0	0	0	0	0

VI. Calculation Update - Net Income/(Loss) after Corporate Allocations and Minority Interest

Issue: It was reported that the D600 formula on the Standard and Expanded FC should be changed from a subtraction to an addition formula.

Current Formula: D600: Net Income/(Loss) after Corporate Allocations and Minority Interest equals D550: Net Income/(Loss) before Minority Interest minus D560: Minority Interest

Comments Received: No comments were received on this calculation update as it was not included in the Request for Public Comment due to it being a known miscalculation reported by various state regulatory agencies.

Approved Change: The calculation of D600: Net Income/(Loss) after Corporate Allocations and Minority Interest), will be updated to an addition formula. The updated calculation is below.

D600: Net Income/(Loss) after Corporate Allocations and Minority Interest equals D550: Net Income/(Loss) before Minority Interest ~~minus~~ plus D560: Minority Interest

DEFERRED MCR UPDATES

I. Calculation Update - I430: Pull-Through Ratio

Issue: Currently in the RMLA Expanded, line I430: Pull-Through Ratio is a non-calculated field. Guidance was given in the [Expanded MCR Field Definitions](#) to calculate this field through the following: "The number of 1 -4 unit residential loan closings divided by the number of applications during the reporting period."

Comments Received: SRR received no comments on the proposed calculation update this comment period.

Deferred Change: Due to systematic complexities of introducing a calculation that pulls data from across sections, SRR is not making line I430: Pull-Through Ratio, a calculated field for quarter 1 2016 reporting. SRR will continue development in making I430 a calculated field in a future release, and until that point MCR filers should determine the Pull-Through Ratio using the formula below. The ratio determined should be rounded to the nearest hundredth (e.g. .555 should be reported as .56).

I430: Pull-Through Ratio = C070 (# of Loans Closed and Funded) /AC020 (# of Applications Received)

II. Dynamic MCR

Issue: Currently state mortgage companies that designate in their Company MU1 Form that they are an authorized Fannie Mae or Freddie Mac Sellers/Services or Ginnie Mae Issuers must submit an Expanded Mortgage Call Report. In the Request for Public Comment posted on May 1, 2015, SRR asked if the current approach of MCR requirements based on

designations should be reconsidered in favor of a MCR based upon a company's selected business activities or license type in order to collect information that is pertinent to the actual entity.

Comments Received: Three comments were provided on SRR's proposed dynamic MCR. One commenter indicated that the current MCR is too extensive for small companies and creates an unnecessary burden. Another commenter indicated that the current MCR approach is not applicable to their business model and advocated for a simpler report. One commenter suggested for MCR requirement be based on loan volume and/or the size of the servicing portfolio.

Approved Change: Resulting from the public comments received, agency feedback, and discussions amongst the MCR WG members, SRR is pursuing development of a dynamic MCR based on a company's business activities and license authority. SRR has begun mapping out required fields for dynamic MCR implementation so that only appropriate data fields will be presented to company filers based on the actual entity. Once required fields dictated by business activities and license authority have been identified, SRR will publish more specific changes to the MCR and request public comment. A dynamic MCR is expected to be incorporated in a 2017 system release.

III. Comprehensive MCR to Reduce External State-Specific Reporting

Issue: One of the primary goals of the NMLS Mortgage Call Report is to include all necessary information required by regulators such that requirements do not need to be submitted and tracked outside NMLS. With each revision to the MCR since it was implemented in May 2011, this goal has been furthered as evidenced by the reduction of external state-specific reports, however numerous reports are still required externally on a state-by-state basis.

Comments Received: One commenter provided feedback on SRR's goal of a more comprehensive MCR to reduce external state-specific reports. The commenter stated that data for MCR incorporation should be considered carefully to avoid increased data submission requirements that only accommodate requirements of smaller agencies.

Approved Change: SRR is working with industry participants, associations, and state agencies to determine what external state-specific reports can be removed due to current MCR content and through expansion of data on the RMLA and the Financial Condition (FC) components. Expansion of the content within the RMLA and FC components will be implemented in conjunction with the dynamic MCR initiative in 2017. Specific and targeted changes will be published for another public comment period after SRR identifies appropriate modifications to facilitate further removal of external state-specific reports.

IV. Financial Condition

Issue: The FC component of the NMLS Mortgage Call Report is based on the Mortgage Bankers Financial Reporting Form (MBFRF) but it has not been updated on a consistent basis to keep pace with standard accounting changes and relevancy to certain areas of state supervision of mortgage companies.

Comments Received: No comments were provided on SRR's proposal to update the Financial Condition.

Approved Change: In pursuit of developing a comprehensive report that meets state's needs, SRR plans on enhancing the FC component in 2017. The FC enhancement effort will include consultations with industry trade associations, federal and state agencies, and relevant industry stakeholders to ensure alignment between the state's needs and the MBFRF, while keeping in mind the potential impact to industry players. Targeted changes identified will be published for another public comment period.

Addendum A

NMLS Licensing Forms Working Group

REPRESENTATIVE	AGENCY
Keisha Whitehall Wolfe, Chair	Maryland Office of Financial Regulation
Nancy Burke	New Hampshire Banking Department
Lorenda Lillard	Washington Department of Financial Institutions
Michelle Hickman	Wyoming Division of Banking
K.C. Schaler	Idaho Department of Finance

NMLS MCR Working Group

REPRESENTATIVE	AGENCY
Richard Cortes, Chair	Connecticut Department of Banking
Eric Davies	California Department of Business Oversight
Kara Grove	Michigan Department of Insurance and Financial Services
Tracy Hudson	West Virginia Division of Financial Institutions
James Keiser	Pennsylvania Department of Banking and Securities
Daniel Kline	Idaho Department of Finance
Timothy Knopp	Pennsylvania Department of Banking and Securities
Sam Marcum	Missouri Division of Finance
William Mejia	California Department of Business Oversight
Rick St. Onge	Washington Department of Financial Institutions Division of Consumer Services
Scott Peter	Nebraska Department of Banking and Finance
Ryan Walsh	Pennsylvania Department of Banking and Securities
Shu-fen Weng	California Department of Business Oversight

Addendum B

Approved Company Attestation Language (MU1 and MU3) in Redline:

**Highlights indicates language additions or movement in placement*

**Red strikethrough indicates language removal*

~~I <<NAME>>, of <<COMPANY>> (Applicant) on this date <<XXX>> swear (or affirm) as follows, that I executed this form on behalf, and with the authority, of said Applicant and said Applicant agrees to and represents the following:~~

I, <<NAME>>, <<TITLE/POSITION>>, am employed by or am an officer or a control person of <<COMPANY>> (Applicant). I am authorized to verify the foregoing responses, attest to, execute and submit this filing on Applicant's behalf. Applicant agrees to and represents the following:

- (1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;
- (2) To the extent any information previously submitted is not amended, such information remains accurate and complete;
- (3) To the extent any information submitted is part of an advance change notice with a delayed effective date, such information is accurate and complete as of this submission;
- (4) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into the background of the Applicant, and any related individuals or entities, in accordance with all laws and regulations for purposes of making a determination on the application;
- (5) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and
- (6) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which the Applicant is applying.

If the Applicant has knowingly made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

~~[check box] I verify that I am the named person above and that I am authorized to attest to and submit this filing on behalf of the Applicant.~~

[check box] On this <<DATE>>, I verify that I am the named person above and that I am authorized to attest to and submit this filing on behalf of the Applicant. I solemnly swear (or affirm) under the penalty of perjury or un-sworn falsification to authorities, or similar provisions as provided by law that I have reviewed the foregoing responses for accuracy, and that they are true and correct.

Addendum C

Approved Company Attestation Language (MU1 and MU3) Clean Version:

I, <<NAME>>, <<TITLE/POSITION>>, am employed by or am an officer or a control person of <<COMPANY>> (Applicant). I am authorized to verify the foregoing responses, attest to, execute and submit this filing on Applicant's behalf. Applicant agrees to and represents the following:

- (1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;*
- (2) To the extent any information previously submitted is not amended, such information remains accurate and complete;*
- (3) To the extent any information submitted is part of an advance change notice with a delayed effective date, such information is accurate and complete as of this submission;*
- (4) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into the background of the Applicant, and any related individuals or entities, in accordance with all laws and regulations for purposes of making a determination on the application;*
- (5) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and*
- (6) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which the Applicant is applying.*

If the Applicant has knowingly made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

[check box] On this <<DATE>>, I verify that I am the named person above and that I am authorized to attest to and submit this filing on behalf of the Applicant. I solemnly swear (or affirm) under the penalty of perjury or un-sworn falsification to authorities, or similar provisions as provided by law that I have reviewed the foregoing responses for accuracy, and that they are true and correct.

Addendum D

Approved Individual Attestation Language (MU4 and MU2) in Redline:

**Highlights indicates language additions or movement in placement*

**Red strikethrough indicates language removal*

I <<NAME>>, (Applicant) on this date <<XXX>> swear (or affirm) that I executed this application on my own behalf, **that I am attesting to and submitting this application**, and that I agree to and represent the following:

- (1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;
- (2) To the extent any information previously submitted is not amended and hereby, such information remains accurate and complete;
- (3) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into my background, in accordance with all laws and regulations;
- (4) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and
- (5) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which I am applying.

If ~~an~~ **the** Applicant has **knowingly** made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

[check box] I verify that I am the named person above and agree to the language as stated.

Addendum E

Approved Individual Attestation Language (MU4 and MU2) Clean Version:

I <<NAME>>, (Applicant) on this date <<XXX>> swear (or affirm) that I executed this application on my own behalf, that I am attesting to and submitting this application, and that I agree to and represent the following:

(1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;

(2) To the extent any information previously submitted is not amended and hereby, such information remains accurate and complete;

(3) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into my background, in accordance with all laws and regulations;

(4) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and

(5) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which I am applying.

If the Applicant has knowingly made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

[check box] I verify that I am the named person above and agree to the language as stated.