Industry Engagement Workshops Summary of Key Findings

NMLS 2.0 Requirements Discovery
January 19-20, 2017
Charlotte, NC

Meeting Objectives

Establish an open and collaborative dialogue on how to make the end-to-end licensing process a great experience.

- Familiarize you with the NMLS 2.0 project
- Present core tenets of NMLS 2.0 capabilities
- Summarize current-state feedback
- Brainstorm ways to transform NMLS
- Discuss how to maintain stakeholder engagement

Topics Discussed

Thinking Forward

Overview of NMLS 2.0

- Summary of current state challenges
- Vision
- High-Level Approach
- Stakeholder engagement strategy
- Governance structure
- Guiding principles
- Architectural building blocks
- Draft user persona and journey map walkthrough

Facilitated Breakout Sessions

Summary of Attendee Expectations

- Provide insights and best practices on how to improve NMLS
- Gain understanding of the future direction of NMLS 2.0
- Understand how we can continue to support the effort

NMLS 2.0 Guiding Principles

Principle Topic	Guiding Principle
Real-Time System	NMLS 2.0 is a real time system that will show the current state of an entity's record.
Uniform Data	NMLS 2.0 will provide an application/licensing platform containing uniform data, terms, and definitions.
Dynamic Display	NMLS 2.0 will present users with only information that is relevant to them based on their role (i.e. regulator, industry type, etc.).
One Record	Each distinct legal entity, branch, and natural person will have a single, unique record in NMLS. The entity's One Record in NMLS can be used to apply for, maintain, or surrender licenses in multiple states and will capture all data required in the supervision process.
Common Framework	The System will enable uniform core policies/processes based on best practices identified through the established governance process.

NMLS 2.0 Guiding Principles

Principle Topic	Guiding Principle
Data Validity	NMLS 2.0 will be built to promote data quality through accurate data input and will validate data where possible.
Record Information	The ability to create or modify record information will be limited to the entity with the right to control it.
Legal System of Record	NMLS is a legal system of record for agencies participating in NMLS.
NMLS Unique ID	The NMLS Unique ID will be applied to only unique legal entities or a natural person.
Automate what is manual and routine	Manual and routine processes will be automated to the greatest extent possible.
Leveraging Data	NMLS 2.0 will leverage external data sources rather than recreating data when applicable.
Data Security	NMLS 2.0 will be built to best practices in data security and privacy protections.

NMLS 2.0 Architecture Building Blocks

Role-Based & Delegated Security Model	Rules-Based Processing
Workflow- & Object-Centric Design	Centralized Ecosystem and Audit Trail
Input Validation & Contextual Help	Functional Reporting Capability

User Experience Breakout #1 – Single Record Concept

Problem Statement: NMLS 1.0 currently provides multiple login credentials to users with multiple records (e.g., State, Company, Branch, etc.) in the system.

Goal: NMLS 2.0 will provide a single login per natural person to eliminate having to manage multiple records (e.g., log-in credentials and worklists).

Common Themes Heard During Session:

- Ability to affiliate with multiple entities
- Ability to easily indicate what entity an individual is working with (e.g., branding / visual aids)
- Ability to display license types by entity and filter by license type
- Ability to select and change record association
- Ability to open more than one filing at a time
- Ability to audit transfers
- Ability to have history carry with a user from one company to another with the ability to reuse as much data as possible
- Ability to personalize the name of an entity since many entities can have a very similar name
- Ability to easily navigate between entities
- Configurable dashboard (organize by license type)
- Ability to manage permissions/roles/associations
- Ability to view prior employee data
- Not knowing where you are could result in data entry errors and lead to re-work

User Experience Breakout #2 – NMLS for all license types

Problem Statement: NMLS was initially designed to be a mortgage-licensing system and the overwhelming focus is on mortgages, which creates a number of pain points for non-mortgage companies.

Goal: Identify how the ecosystem, processing, and workflow can be more efficient and user-friendly for MSB, consumer finance, and debt companies.

Common Themes Heard During Session:

- Display state licensing requirements right up front
- Have more targeted training materials (specific to non-mortgage)
- Cut the noise – don't show info to users that isn't relevant to them (i.e. non-mortgage users shouldn't see MU4's)
- Move all checklist requirements into the system
- Ability to easily find help resources (right on screen)
- Ability to receive important licensing news (new state coming into system or requirement changes)
- Ability to have dynamic display based on user role
- NMLS currently has a heavy mortgage connotation (MU means Mortgage Uniform
- Not all states are in NMLS

User Experience Breakout #3 – True Insular Ecosystem

Problem Statement: NMLS 1.0 has numerous interactions taking place outside of the system (e.g. communications via email or certified mail).

Goal: Identify areas where communications/documents are required outside NMLS today. Ensure NMLS 2.0 is equipped with functionality to eliminate activities taking place outside of the system.

Common Themes Heard During Session:

- NMLS should be the one-stop shop for licensing (no activities occurring outside system)
- Deficiencies should be placed and addressed in the system but communications should not be viewable by other states - Should be clear who placed the deficiency (name and contact info)
- Ability to make all payments in the system for all activities
- All state required checklist items should be submitted through NMLS
- Suggest that state regulators allow for re-use of FieldPrint finger prints
- All required documents should be uploaded and submitted through the system – no more mailing
- Ability to communicate with other users within the system
- Ability to remind users to complete an action
- Ability to configure who gets which notifications
- Ability to display information in a dashboard so that people know what they need to do
- Display all prerequisites to NMLS license filing right on the filing page
- Ability to upload bank of documents for future use
- Ability to access historical information
- Ability to e-sign documents
- Ability to screen share and have live chat with call center users

User Experience Breakout #4 and #5 – Automation of Company Activities and Reviews

Problem Statement: The existence of manual processes within NMLS 1.0 negatively impact the user experience.

Goal: Understand what company/regulator activities can be automated to enable rule-based processing.

Common Themes Heard During Session:

- Ability to auto-populate all forms and records when data already exists in the system
- Ability to allow an MU2 person to attest via email and provide request details in the email
- Ability to upload multiple files at one time
- Ability to auto-populate branch and book and records data from the MU1 for branch transitions
- Ability to auto-create annual financial reports and reports required by the states (Challenge is the variation between the different states)
- Ability to auto-tag documents in the document upload section based on system defined business rules for documents
- Ability to auto-archive old data based on record retention schedules
- Ability to display and manage workflow in a central location such as a dashboard
- Reset password taken out of the Call Center and moved to company/individual
- Ability to request documents from the system
- Ability to validate address information during data entry / data upload
- Complete adoption of electronic surety bonds

User Experience Breakout #6 – Individual and Company record data

Problem Statement: The current system forces the user to manually enter information (e.g., addresses) that already exists in the system.

Goal: Understand what information can be provided at the individual or company level (vs. the license level) to provide an “auto-fill” functionality during application filing.

Common Themes Heard During Session:
This breakout session was covered by the automation discussion in breakouts #4 and 5.

User Experience Breakout #7 – License Management

Problem Statement: The workflow process for application filings is complex, not intuitive, difficult to navigate, and does not provide transparency into where in the process the applicant is.

Goal: Develop logical workflow for filings (e.g., MU1, MU2, MU3), and better coordination with MU2 control person changes in NMLS 2.0.

Common Themes Heard During Session:

- Ability to perform a comprehensive quality check against state checklists before submission
- Ability to decouple and have multiple pending filings since the system does not currently allow a MU1 filing until all the MU2 and MU3 filings are complete
- Ability to save your work and come back later
- Ability to display a visual representation of where in the process the user is (status bar)
- Ability to quickly navigate across sections of the filing
- Suggest providing better visibility into what happens after renewals and license application (i.e., companies would like to understand status of a filing and who to contact
- Ability to make small updates without filing a full MU1
- Ability to know exactly what changed when attesting
- Ability to have multiple workflows for different users/situations
- Ability for users to work independently on company filings
- Audit trail for any changes

User Experience Breakout #8 – Workload Management

Problem Statement: Users have difficulty managing their workload within NMLS.

Goal: Conceptualize usable functionality to manage all of the activities that need to be completed within NMLS.

Common Themes Heard During Session:

- Ability to show task completion metrics
- Ability to upload and categorize documents and manage which states can see them
- Limit MU2 attestations to as few times as possible
- Allow for interaction with internal systems
- Ability to auto-assign certain tasks by state, work item type
- Ability to set due dates and display items requiring action in a calendar
- Ability to allow task review at completion
- Ability to highlight form changes to expedite review
- Ability to notify a user of assigned action items, items requiring review or actions completed
- Ability to notify a person when assigned a task and provide a description of the action to be taken
- Ability to easily assign/re-assign tasks and view all outstanding tasks – only for certain users
- Ability to display all the open tasks a person needs to take in a central location (i.e., dashboard)
- For activities requiring multiple people involved, the system should easily show who is responsible for which activities
- When a task is completed, it should no longer show as active or requiring action

User Experience Breakout #9 – Data / Periodic Reporting

Problem Statement: The upload process for the UAAR can be very difficult and time-consuming. How will the upcoming MSB Call Report be managed?

Goal: Ensure the process to request, submit, and view a report via NMLS 2.0 is efficient and effective for users.

Common Themes Heard During Session:

- Varying state requirements is a challenge, can these be standardized at all?
- Elimination of unnecessary reports (such as Mortgage call reports should not be required if a company is not licensed to sell mortgage loans) – smarter reporting
- Entire UAAR file should not be rejected if some location addresses fail
- Ability to upload and attest to addresses that would have been rejected
- Ability to reject and correct only those items that are rejected
- Ability to upload more than 10,000 records in one file
- Ability to automatically perform address validation from multiple sources
- Ability to whitelist previous address validation exceptions
- State regulator input: Need consistent state timelines
- Challenge: Reporting required in both NMLS and State systems
- Ability to accommodate same location and different EIN
- Ability to accept PO Box mailing addresses (State Regulator acceptance needed)
- User Experience: Error comments need to be more specific / helpful
- Companies would like more information on the upcoming MSB Call Report
- Ability to edit locations after submission

User Experience Breakout #10 – Invoice Management

Problem Statement: NMLS users currently experience pain with the inability to make bulk payments and the difficulty of searching for invoices.

Goal: Understand the full inventory of invoices that must be paid and what invoices are sent through ad-hoc invoice tools.

Common Themes Heard During Session:

- State regulators input is needed to move all payments into the system for licensing even for activities that occur outside of the system (less paper checks)
- Ability to easily download invoice details
- Ability to include customizable fields (cost center) to enable more efficient accounts reconciliation
- Reduce the number of screens to make payments, 1-click payments
- Ability to allow for payment from an email notification requesting an action to make payment
- Add confirmation number to the payment
- Ability to pay ESB premium
- Ability to make bulk payments
- Ability to accept AMEX
- Ability to accept prepaid accounts
- Ability to search for invoices by timeframe, etc.
- Provide more descriptive information in email when requesting payment
- More easily downloadable/usable accounting reports with history of payments
- Ability to project renewal costs

User Experience Breakout #11 – Legal system of record

Problem Statement: Can NMLS function as a legal system of record that can be relied upon by companies/regulators in adjudication proceedings?

Goal: Determine NMLS' potential capability to be relied upon as a legal system of record.

Common Themes Heard During Session:

- Ability to print a proof of licensure
- Should all communication with regulators be saved in the system? (i.e., what should the states be able to view).
- Legal system of record should include communications with the regulators
- Most people currently view it as a legal system of record for licensing
- State regulator input required to standardize the characterization of activities and business across states
- Some states do not require certain items to go into NMLS due to MOUs or other reasons
- Legal system of record is useful to provide a trail of activity to prove a company took some action (i.e., if an action / documentation is not in the system, it makes it hard to prove to a regulator that a certain action was taken)
- Ability to capture version history
- Ability to clearly show the latest version to make it easier for state regulators to find the latest
- Ability to accurately label documents at upload
- Ability to limit viewing of data/records to the right people

Parking Lot Items

- How do we expand NMLS 2.0 to include things regulators want to see such as examinations?
- Uniformity of data (i.e., what would state regulators agree to standardize?)
- Documentation retention requirements
    - What are policies of SRR, companies, regulators?
    - Concerns about personal info being stored
    - Possibly look at cold storage
    - Is there a reason for anything to be deleted?
    - States own the data and have differing requirements
- ACN decoupling, especially for complex ACNS (changes in control when people operate in multiple states where pending changes hold up ability to submit a MU1 (i.e., need to identify "record hostage" situations and remove them to allow for more efficient workflow)
- Need to accept payments from foreign users, but this is an exception – maybe have a correspondent bank to process payments, international wires
- Decoupling of MU1 and MU2 would reduce pain and re-work – need parallel workflows
- Inclusion of statutes in NMLS – some are starting to be added
- Ability to immediately get escalated help from experienced users for difficult issues
    - Pilot was started for this – possibly expand
    - FieldPrint causes complex issues
- Foreign individuals currently a hot topic that will be discussed at the conference in Feb as it is becoming very common

Policy Considerations

- States standardizing on state checklists
- Would State regulators be willing to include state checklists in the system?
- Would State regulators be willing to reverse rules that require some payments to occur outside NMLS?
- Would State regulators be willing to accept e-signatures?
- Can state regulators accept state forms in the system?
- What data would the states agree to standardize for the UAAR?
- Need consistent state timelines for UAAR
- Will the State regulators accept PO Box addresses?
- What should the states be limited to see in the system?
- Suggest that State regulators allow for re-use of Field Print finger prints in lieu of asking for additional finger prints that need to be done outside the system
- Some states still require documents to be sent via hard copy. Would States be willing to accept documents (signed / PDF from the system)?
- Will State Regulators adopt communications within the system?
- Can the states agree to standardize financial reporting requirements to minimize variation?