
NMLS Public Comment Policy

Objective

The Objective of this Policy is to set forth those updates or proposals (“proposals”) to NMLS¹ that require a public comment period to assure the public has adequate notice, has the ability to submit timely and meaningful comment on the proposals that may significantly impact users of NMLS and to set forth time periods for public comment.

Background

Public involvement in the proposals process is the best way to develop and manage NMLS and it encourages licensee understanding and participation in NMLS activities.

Policy

NMLS provides notice and a public comment period² for proposals, as determined by the NMLS Policy Committee, that may significantly impact its users.

NMLS updates that warrant a public comment period include, but are not limited to:

- Major NMLS functionality enhancements and for which the NMLS Policy Committee believes feedback will enhance functionality
- Call Report updates
- Uniform Form changes
- Fee changes
- Wide Scope System Issues as defined in the System Policy Creation Policy

This Policy does not apply to any proposals that are strictly limited to the internal operations of SRR.

The requirements for public comment outlined above do not apply as a general rule to sensitive supervisory information, including Confidential Supervisory Information (CSI)³, and

¹ NMLS refers to broadly to all aspects of NMLS licensing, registration, supervision, complaint processing, and information sharing System, including but not limited to, NMLS, NMLS Modernization efforts, and the State Examination System (SES). NMLS is under the purview of the SRR LLC (and its Board of Managers and Governance Groups).

² Public comment typically follows regulator comment, though it is not required. The length of the comment period is approved by the NMLS Policy Committee. In instances where, in the NMLS Policy Committee’s sole discretion, an issue does not warrant a formal regulator comment period, the NMLS Policy Committee may direct CSBS Staff to request regulator feedback.

³ CSI is defined as “information related to Supervisory Activity the disclosure of which would violate confidentiality

the treatment thereof. CSBS staff will determine on a case-by-case basis whether supervision-related proposals need to go out for public comment. The appropriate SRR governance group(s)⁴ shall be consulted before CSBS recommends a public comment period to the NMLS Policy Committee.

Comment Period

Generally, a public comment period shall not be less than 60 days. The Policy Coordinator, at their discretion, may extend the period for public comment for a period of up to 90 days, unless further extended by the CSBS Senior Vice President, Business Services, when good cause is demonstrated. Considerations for extensions shall include, but are not limited to, the content and complexity of the proposal and/or intervening circumstances during the comment period.

In limited circumstances, there may be good cause for the comment period to be less than 60 days so that CSBS can respond appropriately to a time sensitive matter. Under no circumstance shall the period of public comment be less than 21 days. The Policy Coordinator must request such an exception in writing to the CSBS Office of General Counsel justifying the reason for requesting that the comment period be less than 60 days. Upon exception approval of the CSBS Office of the General Counsel, the Policy Coordinator shall request such exception in writing to the Policy Committee. The Office of the General Counsel and the Committee may agree to grant such an exception when good cause is demonstrated for reducing the public comment period and must do so in writing.

Policies or requirements established as a result of a shortened time period shall have the same force and effect of a Policy or requirement established under the standard time periods.

Roles, responsibilities and procedures as outlined in the Public Comment Process document must be followed for the public comment period to assure the public has effective notice and the ability to submit timely and meaningful comment on proposed updates.

Process Document

I. Stakeholder Roles and Responsibilities

A. Policy Coordinator. The Policy Coordinator is the CSBS staff person from Business Services who is generally responsible for the subject area addressed in a proposal. The Policy Coordinator is responsible for preparing notices and assuring that proposals for public comment are posted in a timely manner. The Policy Coordinator is responsible for

laws, regulations, policies and any information sharing agreements applicable to financial services supervision (e.g. documents produced by a company or regulator related to an examination (including findings and reports), enforcement data, supervisory information shared with other agencies). Handling of and access to Confidential Supervisory Information by CSBS employees and contractors is covered under the appropriate CSBS operating policies and procedures.”

⁴ This includes, but it's not limited to, established agency advisory groups.

coordinating the process of analyzing and recommending a disposition on all comments received during the comment period. If there is an assigned SRR Governance Group(s) that is responsible for the subject matter of the proposal the Policy Coordinator will work with the group through this process. The Policy Coordinator will be responsible for ensuring all comments are posted on the NMLS Resource Center as soon as feasible, but no later than 21 days after the end of the comment period and for coordinating the final response to comments which will also be posted on the NMLS Resource Center.

- B. SRR Governance Group.** An SRR Governance Group⁵, which generally consists of state regulators and may include industry representatives when appointed by the NMLS Policy Committee, is responsible for the subject matter of the update, proposal, or item issued for comment. With the facilitation of the Policy Coordinator and the staff liaison assigned to the SRR Governance Group, the SRR Governance Group will analyze the comments, involve other interested parties as necessary, and make recommendations to the NMLS Policy Committee based on the original proposal with any modifications deemed appropriate from the content of the comments.
- C. NMLS Policy Committee⁶** The Committee, as appointed by the SRR Board of Managers, shall review all comments received and shall make a disposition as to each comment. If appropriate, the Committee shall present their determination to the SRR Board of Managers for their approval prior to adopting the updates.

The appropriate SRR governance group(s) shall be consulted before CSBS recommends a public comment period to the NMLS Policy Committee.

- D. Senior Vice President of Business Services ("SVP- Business Services").** The CSBS SVP-Business Services must assign a Policy Coordinator, who shall manage the review of the recommendations before they are sent to the NMLS Policy Committee.

CSBS General Counsel. If requested, The Office of the General Counsel shall provide counsel to the Policy Coordinator, the SVP- Business Services, the Committee or any CSBS staff member regarding the proposals, posting of the document for effective notice and comment, review and disposition of any comment received, or any interpretation of the Public Comment Policy. The General Counsel may also request review of a proposed update by the SRR Lawyers Committee⁷

⁵ May refer to Committee, Subcommittee, Working Group, Task Force, Advisory Group.

⁶ To assist it in making decisions and handling operational matters, the SRR Board of Managers created the NMLS Policy Committee (the " Committee") 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 on the [NMLS Resource Center](#). All Committee members are nominated by state regulators and appointed by the SRR Board of Managers .

⁷ The SRR Lawyers Committee is comprised of attorneys from state regulatory agencies. The Committee analyzes legal issues related to NMLS operations with the intent of helping SRR spot potential legal issues from a state agency perspective. The Committee does not provide SRR with legal advice. All members are nominated by state agencies and appointed by the SRR Board of Managers.

II. Notice to the Public.

In order to ensure that members of the public are apprised of SRR's publication of proposed updates and solicitation for comments on the proposed updates, CSBS staff shall :

- (1) Publish the proposal on the NMLS Resource Center (including publishing a News Item⁸) soliciting comments by a certain date;
- (2) Transmit the notice to SRR stakeholders, including but not limited to, regulators participating in the System, system account administrators, and relevant SRR Governance Groups⁹ (e.g., SRR Lawyers Committee, Industry Development Working Group); and
- (3) Issue a press release noting the Request for Public Comment. The press release will discuss the issue and provide relevant information regarding the comment period deadline and how to submit a comment.

The Policy Coordinator shall prepare notice of the proposal and the solicitation for comments and cause it to be published by the means identified above. "Said notice shall state the time period for accepting comments as established by the Public Comment Policy.

Additionally, advance notice of the publication of a Request for Comment will be published on the NMLS Resource Center and if possible, shall be announced at any appropriate meetings (e.g., Ombudsman meeting), as soon as a determination has been made that such a request will be developed.

Once a Request for Public Comment has been issued, an opportunity for the presentation of and open discussion on the proposal will be provided via a NMLS Town Hall. Where feasible, the date and time for the open discussion shall be included in the Request for Public Comment.

Collecting and Receiving Public Comments

All final comments must be received in writing.

For all proposals, SRR shall accept comments by email comments@csbs.org or in hard copy
To:

State Regulatory Registry
Conference of State Bank Supervisors
Janine Bjorn, Senior Director NMLS Business Services
1300 I Street, NW, Suite 700 East
Washington, DC 20005

⁸ SRR staff recommends that interested stakeholders subscribe to the SRR Feed for the NMLS News Items in order to be notified when a new posting is made. Information on how to subscribe can be found on the NMLS Resource Center.

⁹ May refer to Committee, Subcommittee, Working Group, Task Force, Advisory Group

SRR shall encourage members of the public to provide comments by via email to comments@csbs.org or through an established centralized comment submission program. Comments must contain the Company name, if any, name of the submitter, email address and mailing address of the submitter. Comments submitted without contact information will not be considered. Comments must be limited to the issue that is the subject of the request for comment.

After the public comment period is complete CSBS Staff will compile all comments and make them available to the public on the NMLS Resource Center. Each company or agency shall submit one response that represents its comments, feedback and views on the proposal.

Consideration of Comments

The applicable SRR Governance Group(s)¹⁰ and/or any designated subject matter experts on the topic, must timely read and consider each comment submitted during the comment period and recommend a disposition for all comments. In the final consideration of the update, the SRR Governance Group(s) and/or any designated subject matter experts on the topic, must provide a written summary of all comments received, indicating which of those comments should be accepted, rejected, or tabled for future consideration.

The written response summary of all comments received, as described above, must be completed within a reasonable time period after the end of the stated open comment period and may be reviewed by other Governance Groups when additional input is desired before a final recommendation is prepared for the NMLS Policy Committee. The length of time to complete the summary report and recommendation will vary depending upon the complexity of the subject matter as additional input is reviewed and analyzed. The Policy Coordinator is responsible for keeping the Committee informed of specific timelines.

If after releasing the written response summary and recommendations to the public, CSBS deems it necessary to provide an additional public comment period, the Policy Coordinator will seek approval from the Committee for such additional comment period. Any additional comment period must follow the same procedures set out in this Policy.

Adoption of a Requirement or Policy of General Applicability

Proposals as determined by the Committee as requiring public comment shall be adopted only if:

- a. the Proposal has been posted for public comment in accordance with the Public Comment Policy;
- b. all comments submitted in response to the proposal have been reviewed, assessed and considered by the relevant SRR Governance Group(s)¹¹ and/or

¹⁰ May refer to Committee, Subcommittee, Working Group, Task Force, Advisory Group

¹¹ May refer to Committee, Subcommittee, Working Group, Task Force, Advisory Group

any designated subject matter experts on the topic who shall make a final recommendation that is presented to, and approved by the Policy Committee and, where appropriate, the SRR Board of Managers.

All finalized policies must be, at a minimum, posted on the NMLS Resource Center and communicated to targeted groups as deemed appropriate.