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Massachusetts Division of Banks (MA-DOB) Pre-Licensure Education (PE) Notice

Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 3-hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with the Massachusetts Division of Banks.

MA-DOB PE requirements are as follows:

- 3 hours of federal law;
- 3 hours of ethics;
- 2 hours of non-traditional mortgage lending;
- 9 hours of general electives;
- 3 hours of Massachusetts state-specific defined electives

Total PE: 20 Hours

MA-DOB has established the following required learning objectives and topics for the 3 hours of state-specific PE:

Required Learning Objectives:

Identify and describe the unique Massachusetts laws, to include:

- Describe the MLO licensing standards set forth in c. 255F, section 4(a)(ii)(c) regarding certain misdemeanor convictions.
- Explain the reverse mortgage program requirements set forth in MGL c. 167E Sections 7 & 7A (applicable to mortgage companies pursuant to MGL c. 183, section 67)
- Know the late fees as described in MGL c. 183, section 59
- Understand advertising requirements under the Division's regulation at 209 CMR 41.00 *et seq.*, and 940 CMR 8.00.

Required Topics:

- Licensing of Mortgage Loan Originators
- Licensing of Mortgage Brokers and Mortgage Lenders
- Investigations and Examinations
- Maintenance of Books and Records
- Client Funds Accounts
- Advertising
- Reverse Mortgage Loans
- Massachusetts Disclosures
- Fees and Charges
- Prohibited Acts and Practices

- Regulatory Actions
- Community Reinvestment Act (CRA) and Fair Lending
- Refinancing in the Borrower’s Interest
- Unfair or Deceptive Acts or Practices

References:

- Licensing of Mortgage Loan Originators: MGL c. 255F; 209 CMR 41.01 – 41.09
- Licensing of Mortgage Brokers and Mortgage Lenders: MGL c. 255E; 209 CMR 42.01-42.12
- Investigations and Examinations: MGL c. 255F, section 14
- Maintenance of Books and Records: 209 CMR 42.09; 209 CMR 48.00
- Client Funds Accounts: 209 CMR 42.11
- Advertising: 940 CMR 8.04; 209 CMR 41.12; 209 CMR 42.14
- Reverse Mortgage Loans: MGL, c. 167E sections 7 &7A; MGL c. 183, section 67; 209 CMR 55.00
- Massachusetts Disclosures: MGL c. 184, section 17B
- Fees and Charges (re: high cost mortgages): MGL c. 183, section 59; 209 CMR 32.32; 209 CMR 32.34
- Prohibited Acts and Practices: MGL c. 255F, section 15; 209 CMR 41.10; 209 CMR 42.12A; 940 CMR 8.06
- Regulatory Actions: MGL c. 255F, section 11
- Community Reinvestment Act (CRA) and Fair Lending: MGL c. 255E, section 8, 209 CMR 54.00
- Refinancing in the Borrower’s Interest: MGL c. 183, section 28C; 209 CMR 53.00
- Unfair or Deceptive Acts or Practices: MGL c. 93A, 940 CMR 8.00

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.