October 18, 2016

Notice Regarding State-Specific Continuing Education (CE) Requirements for Colorado Department of Regulatory Agencies (DORA)

Purpose
The purpose of this notice is to inform NMLS approved course providers of continuing education (CE) requirements that must be met as a condition for maintaining a mortgage loan originator (MLO) license with the Colorado Department of Regulatory Agencies (DORA).

Note that DORA intends to update their course requirements annually - the following requirements are for calendar year 2017.

Background and Reason for the Notice

Colorado licensed mortgage loan originators seeking to maintain an MLO license are required to complete one (1) hour of Colorado specific CE as a condition for licensure renewal. The one (1) hour course content requirements may replace what was a required general elective within the eight (8) hours of continuing education courses reviewed and approved by NMLS.

The Colorado CE education requirements are as follows:

- 3 hours of Federal law;
- 2 hours of Ethics;
- 2 hours of non-traditional mortgage lending; and
- 1 hour of Colorado defined electives.

Total CE: 8 Hours

2017 Colorado CE Course Content Requirements and Reference List

DORA has established the following course content for the 2017 one (1) hour of state-specific information:

I. Colorado is a Table Funding State – (15 Minutes)
II. Real Estate Commission approved Inspection Objection/Resolution forms – (15 Minutes)
III. Errors and Omissions Insurance – (15 Minutes)
IV. Competency – (15 Minutes)

The Colorado Real Estate Manual may be accessed at the following:
https://drive.google.com/file/d/0B1QWwFfpPTbkdDhKMmJ2cHdKelk/view?usp=sharing&pli=1

Colorado Real Estate Broker Mandatory Contracts and Forms:
https://www.colorado.gov/dora/node/95951
I. **Table Funding State** (38-35-125, C.R.S. and Colorado Contract to Buy and Sell)
   A. Disbursement of loan proceeds is made at the closing table, on the closing day
   B. “Good Funds” – wire transfer, certified check, cashier’s check or teller’s check
   C. Colorado “Contract to Buy and Sell” sections 4.4.1 and 4.4.2
   D. Failure to comply with good and available funds may be deemed a deceptive trade practice
   E. Potential liability if the buyer is found to be in default with the Contract to Buy and Sell

II. **Inspection Objection/Resolution forms** (12-61-904.5(1), C.R.S. and Inspection Objection Resolution Forms)
   A. Inspection Objection is a “notice” from the buyer – not part of the contract
   B. How to address inspection issues:
      1. Seller can repair the property prior to closing
      2. Seller can agree to pay concessions of contributions at closing
      3. Buyer can make repairs after closing without assistance from seller
      4. Buyer and seller can reduce the sales price
      5. Seller can escrow funds or pay contractor at closing
   C. Inspection Resolution is an amendment to the contract
      1. Buyer must provide a copy of the form to buyer’s lender
      2. Both parties sign the form
   D. No such thing as “paying outside of closing” everything must be fully disclosed on the “Closing Disclosure” form
   E. Duty of good faith and fair dealing in all communications and transaction with a borrower

III. **Errors and Omissions Insurance** (12-61-903.5, C.R.S. and Rules 2.23, 2.24, 2.25 & 2.26)
   A. E&O Insurance is a claims made policy
   B. Must have coverage at the time of the event and at the time of the claim
   C. Individual policy coverage: $100,000/$300,000
   D. Employees or exclusive agent for a company may utilize company coverage
   E. Must provide proof of continuous coverage
   F. Tail policy – covers a licensee for items under the old policy

IV. **Competency** (12-61-905.5(1)(q) C.R.S.)
   A. Lack of knowledge of products or processes
   B. Offering products that may not be the most suitable
   C. Misleading information that results in missing deadlines
   D. Not using the correct Colorado forms

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