

New Hampshire Banking Department (NHBD) 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 2 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 New Hampshire Banking Department.

PE requirements are as follows:

- 3 hours of Federal law;
- 3 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 10 hours of general electives;
- 2 hours of NH state-specific defined electives

Total PE: 20 Hours

NHBD has established the following required learning objectives and topics list for the 2 hours of state-specific PE:

Required Learning Objectives:

- Know that if an individual loses sponsorship, he or she only has 15 days to obtain a new sponsor or have the license terminated.
- Know that employment history should reflect licensed branch location.
- Explain that NH has a period of 10 years for felonies or financial misdemeanors, which is stricter than SAFE which has a period of 7 years.

Required Topics with References:

- I. New Hampshire Banking Department – RSA 383; RSA 397-A**
- II. License Law and Regulation**
 - A. Persons required to be licensed – RSA 397-A:3, 3-a
 1. Exemptions – RSA 397-A:4
 - B. Licensee qualifications and application process- RSA 397-A:5
 1. Financial responsibility (surety bond, net worth, or recovery fund)
 2. Background check and fingerprints (criminal check; credit report)
 3. Pre-licensing education and experience

4. Testing and retesting
5. Administrative Actions
- C. Grounds for denying license – RSA 397-A:5-IV-c
 1. Criminal convictions
 2. Previous revocation
 3. Prohibition
 4. Administrative Actions
 5. Financial Integrity
- D. License maintenance – RSA 397-A:3-9, A:5, 4-d, 4-e, 7, 8, A:7, A:8
 1. Continuing education
 2. Personal information updates and required notifications
 3. Examinations
 4. Renewal/Denial or refusal to renew
 5. License Surrender
 6. Record keeping and reporting
 7. Suspension and reinstatement

II. Prohibited conduct and practices

1. Contracting to receive a fee even if loan is not obtained (RSA 397-A:14, IV (b))
2. Assisting in a person's operating without a license (RSA 397-A:14,IV(d))
3. Attempts to influence an appraisers opinion of value (RSA 397-A:14,IV(i))
4. Requiring property insurance that exceeds the replacement costs (RSA 397-A:14,IV(k))

III. Required conduct

1. Licensees are responsible for supervision of all employees, agents, and branches (RSA 397-A:6, I)
2. Licensee shall conduct background checks and OFAC checks on all loan originators (RSA 397-A:6, I)
3. Funds must be disbursed at closing unless there is a rescission period (RSA 397-A:14-b)
4. Partial prepayments of principal shall be applied on the due date of the next regularly scheduled payment (RSA 397-A:15,I)
5. Licensees shall have a documented methodology that provides for the determination that the borrower can repay the loan (RSA 397-A:15,X)

IV. Fees and charges

1. Interest must be based on a simple interest basis (RSA 397-A:14,I)
2. No advance fee for loan modifications (RSA 397-A:14,IV(m))
3. An application fee may include the direct costs for processing an application, appraisal, credit report, or other third party services. (RSA 397-A:16,I)

V. Disclosures and agreements

1. If payment will be applied on the date rec'd, a notice must be provided at application (RSA 397-A:14, III)
2. Fail to make disclosures as required by this chapter and other state or federal law (RSA 397-A:14, IV (e))
3. If any fee is collected in advance, the licensee shall provide the borrower with a written explanation of the purpose and disposition of the fee (RSA 397-A:16,I)

VI. Advertising

1. NMLS #s for the company and individuals must be disclosed on all relevant advertisements (RSA 397-A:14-a,II)
2. Rates & terms advertised must actually be available (RSA 397-A:14,IV (c))
3. Rates & terms cannot be false, misleading, or deceptive (RSA 397-A:14-a, I)
4. Amount of loan referenced must be original principal amount (RSA 397-A:14-a, I)

VII. Records retention

1. Maintain all correspondence, including emails, notes, etc (RSA 397-A:11, I)
2. 21/7 day requirements for providing material (RSA 397-A:12, IV)
3. Department has authority to access all books, records, and employees (RSA 397- A:12, II)
4. All advertising must be maintained for a period of 3 years (RSA 397-A:14-a, III)
5. The method and timing of delivery of documents must be maintained (RSA 397- A:15,VIII)

VIII. Consumer Inquiries – RSA 397-A:15-a

IX. Disciplinary Action – RSA 397-A:17, 18, 19, 20

1. Notifications, hearings, and appeals
2. Suspension and revocation of licenses
3. Penalties/fines
4. Civil and criminal liability

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.