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.