



Policy on Criteria for Granting Approval to Become an NMLS Approved Course Provider

12/20/2018

Purpose

The purpose of this policy is to define the criteria that a course provider must satisfy as a precondition to being listed as an “NMLS Approved” course provider.

Background and Reason for the Policy

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requires that the Nationwide Multistate Licensing System (NMLS) review and approve all pre-licensure and continuing education courses that are offered to state-licensed mortgage loan originators and are intended to satisfy the 20 hours of pre-licensure education (PE) and/or 8 hours of annual continuing education (CE). To meet its mandate as required by the SAFE Act, NMLS requires that organizations seeking to have PE or CE courses approved by NMLS, register and become recognized as an “NMLS Approved” course provider. To maintain integrity within the industry, NMLS has established six criteria that an organization must satisfy as a precondition to becoming an “NMLS Approved” course provider.

Criteria for Granting Approval to Become Recognized an NMLS Approved Course Provider

To become recognized as an approved course provider, the organization must satisfy all six of the following criteria:

1. **Criteria 1 – Possess Infrastructure and Demonstrate the Ability to Deliver Education:**
The organization must demonstrate through the application process that they have the physical and business support infrastructure in place necessary to deliver education to the mortgage industry. Physical infrastructure is defined as the means to deliver courses in accordance with NMLS approved course formats (classroom, webinar, online) and in accordance with the respective functional specifications. Business support infrastructure is defined as:
 - 1) The organization must be domiciled and have a physical presence in the United States.
 - 2) In possession of current documentation authorizing the organization to conduct business in accordance with all applicable local and state laws to include the appropriate local tax authority, Secretary of State, and post-secondary education authority (as applicable).
 - 3) Having in place policies and processes necessary to run and operate a business in accordance with state and local regulations
 - 4) Organizations delivering traditional instruction must deliver courses at an appropriate facility for adult education.
 - 5) Possessing and maintaining the ability to complete financial transactions, issue refunds, and report and pay for course completions in accordance with NMLS credit banking policies;
 - 6) maintain accurate student records; and
 - 7) where applicable, abide by best practices associated with maintaining a web presence/performing e-commerce to include listing on any web site(s) where an

NMLS approved course is to be listed the organization's business address, phone number(s), e-mail address, privacy policy, refund policy, course cancellation and other applicable policies.

2. **Criteria 2 – Instructional Qualifications, Course Quality, Rigor, and Timeliness:** Organizations must demonstrate and verify they possess a minimum of five years recent operational or teaching experience in residential mortgage lending, real estate, or the appraisal industry. Instructors are required to deliver quality courses consistent with best practices in adult learning and rigor and the SAFE Act's intent for pre-licensure and/or annual continuing education. Additionally, organizations must demonstrate that they have a process in place to acquire and/or produce and maintain course materials that are current and provide instruction on existing and emergent U.S. federal and/or state residential mortgage-related laws and regulations.
3. **Criteria 3 – Student Satisfaction:** Organizations need to demonstrate that they have an end-of-course evaluations/survey, that they are being distributed and completed, and that substantive feedback is incorporated into course materials.
4. **Criteria 4 – Ensure Instructor Qualifications:** Organizations must have an instructor hiring practices and policy document. The document must detail the organization's process for evaluating and validating that instructors meet a minimum of five years of recent industry experience and meet legal requirements to teach NMLS approved courses, and that they are knowledgeable (either through current professional or academic experience) in the applicable area(s) of residential mortgage lending they are intending to teach. Instructors must also possess experience and be skilled in the instructional methodologies associated with the course format they are intending to teach.
5. **Criteria 5 – Evidence for Satisfactory Course Completion:** Organizations must have a means to measure/verify that a student has attended the course and have a means to measure that a student has completed a course.
6. **Criteria 6 – Abide by State and Local Laws/ NMLS Standards of Conduct:** Organizations must meet and continue to meet all requirements associated with doing business in their respective state(s) and/or jurisdiction(s). Organizations must also maintain accreditation/licensing requirements as required by state and local laws. Additionally, recognized course providers and their instructors must not have been denied approval to offer mortgage, real estate, or appraisal-related education or training in any state. Recognized course providers must also agree to and abide by the *NMLS Course Provider Standards-of-Conduct*.

Successful Demonstration that Criterion Has Been Met

Organizations that demonstrate that they have meet all six of the criteria listed above (and who have also met all the other application requirements) will be recognized as NMLS Approved Course providers. Upon approval of the application (initial or renewal) the organization will be listed on the list of "NMLS Approved Course Providers" which is maintained on the education page of the NMLS Resource Center.

Requirement to Maintain Approval Status

To maintain NMLS approval status, the organization must be working in good faith toward having at least one course approved by NMLS within sixty days of the initial course provider approval letter date. (The term good faith is defined as having uploaded course material in the NMLS Course

Approval portal and be working to address any deficiencies required to achieve course approval.) Additionally, the organization must maintain at least one course in an “approved” status with NMLS. An organization without an approved course for longer than sixty days and/or who is not working in good faith toward having an approved course will have their approval status suspended and will be prohibited from promoting themselves as NMLS approved.

Application Deficiencies

If, during the application evaluation process, the application package is found to be deficient and/or standards have not been met, the organization will be notified via e-mail and will be asked to address the deficiency. The organization will have no more than 30 calendar days from the date of notification to address the deficiency.

Failure to Demonstrate that Criterion Has Been Met

Failure to demonstrate compliance with one or more of the above listed criteria will result in a denial of the organization’s application, and the organization will not be recognized by NMLS as being an approved course provider. A denied application will render the organization as ineligible to submit courses to NMLS for approval. Additionally, any course the provider may offer to a state-licensed mortgage loan originator will be deemed non-SAFE compliant for PE or CE.

Suspension or Removal of NMLS Approved Status

An organization’s NMLS approved status may be removed or suspended by the Mortgage Testing and Education Board (MTEB) if it is discovered that the application contained incorrect or misleading information. Approval status may also be removed if the MTEB finds that the organization is operating in a manner that violates local or state laws, is in non-compliance with NMLS policies, that courses are not being delivered in accordance with the intent of published functional specifications, chronically fails to report student course completions on time or incorrectly, or if a violation of the NMLS Course Provider Standards-of- Conduct has occurred.

Right to Appeal

An organization whose application is denied may appeal the decision within 10 business-days of the date of the denial letter. The application will be reconsidered provided the organization shows evidence that all six of the criteria listed above have been met.