



**APPROVED NMLS FORM AND MORTGAGE CALL REPORT
CHANGES FOR IMPLEMENTATION
ON MARCH 31, 2014**

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Purpose of Forms and MCR

The Forms create a national standard of information collection for company, branch, and individual licensure agreed to by all NMLS participating state agencies. The Forms are intended to provide state regulators with sufficient information to make a decision to approve a new license, continue a license authority, or approve a license renewal request, while at the same time promoting transparency and driving uniformity across NMLS participating state agencies.

The NMLS Mortgage Call Report provides timely, comprehensive, and uniform information concerning the financial condition of licensed mortgage companies, their mortgage loan activities, and the production information of their mortgage loan originators. This information enhances a state regulator's ability to effectively supervise licensees, determine examination schedules, monitor compliance with state law and requirements of Title V of P.L. 110-289, the *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* ("SAFE Act")¹, and accurately calculate assessments when applicable.

A goal of both the Forms and the NMLS Mortgage Call Report is that, over time, they include all necessary information required by regulators such that requirements do not need to be submitted and tracked outside NMLS. With each revision of the Forms since 2008, this goal has been furthered, as is evidenced by the significant reduction in the items on state specific checklists.

Background

On a biennial basis, the NMLS Policy Committee (NMLSPC) undertakes a review of the Forms and the MCR after receiving input from participating state agencies and inviting public comment. The purpose is to update the Forms and MCR to provide better information to state regulators and to make improvements in the use of NMLS to support these changes.

All Form comments were reviewed by the Forms Working Group, comprised of state regulators, and discussed with all state regulators. All Mortgage Call Report comments were reviewed by the Mortgage Call Report Working Group comprised of state regulators and were reviewed with all state regulators. The recommendations for proposed changes from the regulator groups were sent to the NMLS Policy Committee for consideration and these changes were submitted for additional public comment on October 11, 2013.

The following is a comprehensive outline of the changes effective March 31, 2014 that have resulted from the work of the following working groups:

Forms WG

Mortgage Call Report WG

¹ The full text of the SAFE Act can be found at <http://mortgage.nationwidelicencingsystem.org/SAFE/NMLS%20Document%20Library/SAFE-Act.pdf>

Request for Comments

On April 12, 2013, the State Regulatory Registry LLC (SRR)² invited [public comments](#) on the Uniform NMLS Licensing Forms (“Forms”) and the Mortgage Call Report (“MCR”). The deadline for submitting comments was June 11, 2013. After a review of the comments by the MCR Working Group, the Forms Working Group (Addendum A) and the [NMLS Policy Committee](#), SRR invited public comments on October 11, 2013 for the [proposed changes](#) to the Forms and the MCR. Comments were due November 11, 2013. All submitted comments [for the April comment period and October comment period](#) are available on the NMLS Resource Center. The [Response to Comments](#) document is available on the NMLS Resource Center.

Implementation of Changes

While the new Form changes will be implemented on March 31, 2014, licensees will not have to complete new sections of the form until they make a new filing.

New and existing users to NMLS should become familiar with the changes to the various sections of the Forms and MCR and update their record as necessary. Additional changes to NMLS can be found in the 2014.1 Release Notes posted on the NMLS Resource Center.

The approved changes to the MU Forms described below will be implemented in the system, paper Forms, Help Documents and NMLS Policy Guidebook for Licensees in March 2014.

Company Form Changes

Disclosure Question Updates (State Context)

- The text of Company Filing disclosure question (E) regarding regulatory actions was updated to ask if there is “a pending regulatory action *proceeding* against the entity or a control affiliate [...].” Any responses to this question will be removed and a company will have to answer the new question on the next filing.

Branch Form Changes

Identification of Branch Managers by Industry and State (State Context)

- Branches will need to define Branch Managers as appropriate for the licenses they hold.

² State Regulatory Registry LLC (SRR) is a nonprofit subsidiary of the Conference of State Bank Supervisors (CSBS) that operates NMLS on behalf of state financial services regulatory agencies.

Company Form and Branch Form Changes

Updated Business Activity (State Context)

- The Business Activity “Reverse mortgage originations” was renamed “Reverse mortgage activities”. Filers should verify that this definition matches their current activities, and submit an updated filing if necessary.

Mortgage Call Report (MCR) Updates

- Biennial updates to improve usability of the Mortgage Call Report (MCR) pursuant to public comment. Detailed changes are found in this document.

COMPANY FORM CHANGES

One Disclosure Question has been updated, under Regulatory Action Disclosure. Question E has been updated to: “Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation described in (C) through (D)?”

Regulatory Action Disclosure	
(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever:	
(1) found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?	<input type="radio"/> Yes <input checked="" type="radio"/> No
(2) found the entity or a control affiliate to have been involved in a violation of a financial services-related regulation(s) or statute(s)?	<input checked="" type="radio"/> Yes <input type="radio"/> No
(3) found the entity or a control affiliate to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?	<input type="radio"/> Yes <input checked="" type="radio"/> No
(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity?	<input checked="" type="radio"/> Yes <input type="radio"/> No
(5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?	<input type="radio"/> Yes <input checked="" type="radio"/> No
(D) Has the entity's or a control affiliate's authorization to act as an attorney, accountant, or State or federal contractor ever been revoked or suspended?	<input type="radio"/> Yes <input checked="" type="radio"/> No
(E) Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation described in (C) through (D)?	<input checked="" type="radio"/> Yes <input type="radio"/> No

Based on public comment, the word “proceeding” was added to Disclosure Question E of the Company Form. Responses to this question will be removed and companies will have to evaluate this change in wording and answer the question on their next filing.

Redline Version of Company Disclosure Question E

(E) Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation in (C) through (D)?

Company Disclosure Question E as of March 31, 2014

(E) Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation in (C) through (D)?

BRANCH FORM CHANGES

Starting March 31, 2014, a branch may designate more than one branch manager per industry. Only one branch manager per industry per state will be permitted. For example, if a branch holds 15 mortgage licenses in 15 states, up to 15 mortgage branch managers may be designated – one for each state. In addition, a branch manager may only be designated if a branch holds a license in a state. The screenshots below demonstrate the prior manner in which the system worked as well as the new way branch managers may be designated.

Prior error message when more than one manager was assigned to one industry type:

Branch Managers

The screenshot shows a web application interface with a header bar containing the text "MU3 filing created" and a date "9/23/2013 by JonesTM31". A yellow banner displays a completeness check error message: "The following completeness check issues exist on this page:" followed by a list of four items: "Only one Branch Manager can be associated to Consumer Finance.", "Only one Branch Manager can be associated to Debt.", "Only one Branch Manager can be associated to Money Services.", and "Only one Branch Manager can be associated to Mortgage.". To the right of the banner, it says "Total Charges: \$0.00". Below the banner, a section titled "Below are branch managers identified for this branch." contains a table with five rows. Each row has an edit icon, an Entity ID, a Name, and an Industry Type(s). The table data is as follows:

Entity ID	Name	Industry Type(s)
100000	Branch 1 (L1)	Mortgage, Consumer Finance, Debt
100001	Branch 2 (L1)	Consumer Finance, Debt, Money Services
100002	Branch 3 (L1)	Debt, Money Services
100003	Branch 4 (L1)	Mortgage, Debt, Money Services
100004	Branch 5 (L1)	Mortgage, Consumer Finance, Money Services

Below the table, a paragraph explains: "Each branch must have a branch manager with a completed Form MU2. If desired, a separate branch manager can be identified for each industry type in which the branch conducts business activities. To add a branch manager, search the NMLS to determine if the person already has a record in the NMLS. If not, you will need to create a new record for the individual. Click the Add button to perform the search." At the bottom of the interface is an "Add" button.

Branch Managers will be assigned one or more states, and the industry types they are responsible for in each state. Previously they could only be associated with industry types, which did not fully represent the set of Branch Managers a Branch needed in some cases.

Branch Managers

Academy Mortgage Corporation, Alabama, 1st Branch (1127522) MU3 filing created 2/6/2014 by WebberG3. HELP

The following completeness check issues exist on this page: Total Charges: \$0.00

- o One or more Branch Managers are required based on the licenses held by this Branch:
 - o For the Mortgage Broker Branch License, a Branch Manager is required in District of Columbia for Mortgage.
 - o For the Mortgage Dual Authority Branch License, a Branch Manager is required in District of Columbia for Mortgage.
 - o For the Mortgage Lender Branch License, a Branch Manager is required in District of Columbia for Mortgage.

Below are branch managers identified for this branch.

Entity ID	Name	Industry Type(s)
000000	Academy Mortgage Corp	Mortgage (Vermont)
000000	Academy Mortgage Corp	Consumer Finance (Alabama) Mortgage (Georgia, Tennessee)

Each Branch must have a Branch Manager with a completed Form MU2. If desired, a separate Branch Manager can be identified for each industry type in which the Branch conducts business activities. To add a Branch Manager, search the NMLS to determine if the person already has a record in the NMLS. If not, you will need to create a new record for the individual. Click the **Add** button to perform the search.

Example of how Branch Managers might be displayed for a company after March 31, 2014:
Branch Managers

Academy Mortgage Corporation, Alabama, 1st Branch (1127522) MU3 filing created 2/6/2014 by WebberG3. HELP

Below are branch managers identified for this branch. Total Charges: \$1,320.00

Entity ID	Name	Industry Type(s)
000000	Academy Mortgage Corp	Mortgage (District of Columbia, Vermont) Debt (Vermont)
000000	Academy Mortgage Corp	Consumer Finance (Alabama) Mortgage (District of Columbia, Georgia, Tennessee)

Each Branch must have a Branch Manager with a completed Form MU2. If desired, a separate Branch Manager can be identified for each industry type in which the Branch conducts business activities. To add a Branch Manager, search the NMLS to determine if the person already has a record in the NMLS. If not, you will need to create a new record for the individual. Click the **Add** button to perform the search.

COMPANY FORM AND BRANCH FORM CHANGES

Business Activities change includes the following:

- Under **Mortgage**, “Reverse mortgage originations” is being changed to “Reverse mortgage activities”. The definition is being updated as well.

Western Union Financial Services, Inc. (0000000) MU1 filing created 9/12/2013 by JonesTM31. i ? HELP

Total Charges: \$625.00

Step 1: Select Business Activities

Select **all** business activities conducted by your company from the list below, regardless of whether you plan to manage a license associated with the activity through NMLS. Previously selected business activities will not appear in the list below.

Prior to selecting your activities you may want to review business activity descriptions by clicking **i** on the upper right sandbar.

Jump to: [Mortgage](#) [Consumer Finance](#) [Debt](#) [Money Services](#)

Mortgage

<input type="checkbox"/> First mortgage brokering	<input type="checkbox"/> Reverse mortgage activities } was "Reverse mortgage originations"
<input type="checkbox"/> Second mortgage brokering	<input type="checkbox"/> High cost home loans
<input type="checkbox"/> Second mortgage lending	<input type="checkbox"/> Credit insurance services
<input type="checkbox"/> First mortgage servicing	<input type="checkbox"/> Third party mortgage loan processing
<input type="checkbox"/> Third party first mortgage servicing	<input type="checkbox"/> Third party mortgage loan underwriting
<input type="checkbox"/> Subordinate lien mortgage servicing	<input type="checkbox"/> Manufactured housing financing
<input type="checkbox"/> Third party subordinate lien mortgage servicing	<input type="checkbox"/> Lead generation
<input type="checkbox"/> Master Servicing	<input type="checkbox"/> Commercial mortgage brokering or lending
<input type="checkbox"/> Short sale	<input type="checkbox"/> Mortgage loan modifications
<input type="checkbox"/> Foreclosure consulting/foreclosure rescue	<input type="checkbox"/> Other - Mortgage
<input type="checkbox"/> Home equity lending/lines of credit	

Consumer Finance

<input type="checkbox"/> Payday lending - storefront	<input type="checkbox"/> 1031 exchange companies
<input type="checkbox"/> Payday lending - online	<input type="checkbox"/> Private student loan lending
<input type="checkbox"/> Consumer loan brokering	<input type="checkbox"/> Non-private student loan lending
<input type="checkbox"/> Consumer loan lending	<input type="checkbox"/> Rent-to-own
<input type="checkbox"/> Consumer loan servicing	<input type="checkbox"/> Accounting/Billing servicing
<input type="checkbox"/> Sales finance company activities - motor vehicles	<input type="checkbox"/> Industrial loan lending companies
<input type="checkbox"/> Sales finance company activities - general	<input type="checkbox"/> Pawn brokering
<input type="checkbox"/> Title lending	<input type="checkbox"/> Property tax lending
<input type="checkbox"/> Refund anticipation lending	<input type="checkbox"/> Non-depository ATM operation
<input type="checkbox"/> Premium finance company activities	<input type="checkbox"/> Prepaid funeral plan providers
<input type="checkbox"/> Retail installment selling	<input type="checkbox"/> Other - Consumer Finance
<input type="checkbox"/> Escrowing agents	

After March 31, 2014, the business activity “Reverse Mortgage Originations” will become “Reverse Mortgage Activities”. The definition will be updated to reflect the change in activity term.

Redline Version of Definition

Acting as a broker, ~~or~~ lender, or servicer for a loan secured by a lien on residential real estate in which the homeowner is not required to make payments on the loan until a specific event occurs (e.g. homeowner ceases to reside in the property).

Definition as of March 31, 2014

Acting as a broker, or lender, or servicer for a loan secured by a lien on residential real estate in which the homeowner is not required to make payments on the loan until a specific event occurs (e.g. homeowner ceases to reside in the property).

MORTGAGE CALL REPORT (MCR) UPDATES

This enhancement comprises the biennial updates to improve usability of the Mortgage Call Report (MCR) pursuant to public comment.

The changes to the Mortgage Call Report (MCR) will require that there is a form version update to the MCR filing. The way that the form functions may vary from submissions from prior quarters. The field definitions may also vary by form version. The system will identify what form version the filing is and the current and past form version field definitions are available on the NMLS Resource Center. The form version change will also include updates to XML upload specification document. Unless otherwise noted, all changes will be applied only to the new form version (FV3).

A new data analysis platform has been created that will help regulators to analyze data within NMLS. The first application being built on the platform is "Mortgage Call Report Analytics." This application will present analysis of MCR data to the regulators to help identify potential risks, display aggregated charts and graphs, and help regulators schedule their exams.

There are three enhancements related to the usability of the form. All of these enhancements will apply to previous form versions as well as the new form version:

- The print-view display of the MCR filing will be updated so that the totals will be bolded.
- Data entry fields will be updated to display commas during data entry.
- The dollar amounts and counts in completeness checks and data validation warnings will be updated to contain commas, where appropriate.

Updates to the Financial Condition (FC):

- Update the assets section to break out the rows into short-term and long-term (see Appendix A below).
 - Add two new headers for short-term and long-term assets.
 - Reorder the rows to correspond to the appropriate section.
 - Add two new calculations to subtotal the short-term and long-term assets.
 - Update the calculation for A240 (Total Assets) to be the sum of the two subtotals.
- Update the liabilities section to break out the rows into short-term and long-term (see Appendix B below).
 - Add two new headers for short-term and long-term liabilities.
 - Reorder the rows to correspond to the appropriate section.
 - Add two new calculations to subtotal the short-term and long-term liabilities.
 - Update the calculation for B220 (Total Liabilities) to be the sum of the two subtotals.
- Before row D200, add the header: Other Non-Interest Expenses. This header corresponds to the calculation in D300.

- Move lines B230 and B240 after line B310.
 - Update the calculation for B350 to include these new fields.
 - Update the calculation for B360 to be equal to B220 + B350.
 - Update the completeness check that the balance sheet balances so that B230 and B240 are not double counted.
- The following field titles will be updated:
 - A060AF: Reserve For Credit Losses On Loans
 - C710: **Permanent** Impairment (not MSR-Related) & Other Credit Related Losses
- Row A060AF will be updated to allow users to enter only a positive value.
- The following calculations will be added:
 - Update A030: Equal to A030T (Column 1)
 - Update A032: Equal to A030T (Column 2)
 - Update A034: Equal to A030T (Column 3)
 - Update A036: Equal to A030T (Column 4)
 - Update A060: Equal to A060T (Column 1)
 - Update A062: Equal to A060T (Column 2)
 - Update A064: Equal to A060T (Column 3)
 - Update A066: Equal to A060T (Column 4)
 - Update A090: Equal to A090T
 - Update A160: Equal to A160T
 - Update A220: Equal to A220T (Column 1)
 - Update A090T: Equal to the sum of A090A and A090B
 - Update A060AF: Allow users to provide a value in column 2
- New optional note fields related to the following:
 - A060AH
 - A060AI
 - A220G
 - A220H
 - B350N
- Two new Completeness Checks:
 - A230 is equal to A230T. This CC is relevant only on the E-FC as A230T does not exist on the S-FC.
 - B350 is equal to B350T. This CC is relevant only on the E-FC as B350T does not exist on the S-FC.
- One New Data Validation Warning:

B180 is equal to A220T (Column 2). This warning is relevant only to the E-FC as these fields do not exist on the S-FC.