

**APPROVED NMLS MU FORM CHANGES FOR IMPLEMENTATION
ON JANUARY 25, 2010**

November 5, 2009

Purpose of MU Forms

The MU Forms are the national, uniform license forms created by state regulators in building the Nationwide Mortgage Licensing System (NMLS). The MU Forms create a national standard of information collection for company, branch, and loan originator licensure. The MU Forms are intended to provide state mortgage regulators with sufficient information to make a decision to approve a new license, continue a license authority, or approve a license renewal request.

Background

State mortgage regulators began developing the MU Forms in 2005 through monthly, in-person meetings coordinated by CSBS¹ and AARMR², conducted over a two year period. The development of the MU Forms included not only standard questions, but also standard requirements, definitions, and processes. Five states piloted the MU Forms starting in late 2005 and early 2006. These states were Idaho, Iowa, Massachusetts, New Hampshire, and Washington.

With input from continued regulator meetings, the experience of the five pilot states, and industry feedback, the MU Forms were finalized and published in paper on January 17, 2007. The MU Forms consist of the following:

[MU1 – Uniform Mortgage Lender/Mortgage Broker Form](#)

[MU2 – Uniform Mortgage Biographical Statement & Consent Form](#)

[MU3 – Uniform Mortgage Branch Office Form](#)

[MU4 – Uniform Individual Mortgage License/Registration & Consent Form](#)

The MU Forms, as finalized on January 17, 2007, were used to build NMLS. Minor changes were made to the MU Forms and updated paper versions were finalized and published on January 2, 2008, coinciding with the launch of NMLS.

Request for Public Comments

On November 20, 2008, the State Regulatory Registry LLC (SRR), on behalf of the state regulatory agencies using NMLS, invited comments from the public, including licensees and regulatory agencies, on the content of the MU Forms as represented on NMLS or on the paper forms posted on the NMLS website. Comments were sought for two distinct areas:

1. Based on experience in using the MU Forms over the past several years, input was sought with regards to improving the questions or content of the forms so as to better achieve the above stated purposes.
2. Based on Title V of P.L. 110-289, *The Safe and Fair Enforcement of Mortgage Licensing Act of 2008* (or the “S.A.F.E. Act”)³, input was sought with regards to modifying the MU Forms to meet the demands of the S.A.F.E. Act.

¹ Conference of State Bank Supervisors. More information can be found at www.csbs.org

² American Association of Residential Mortgage Regulators. More information can be found at www.aarmr.org

³ More information about the S.A.F.E. Act can be found here: [The S.A.F.E. Act Resource Page](#)

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SRR received approximately 63 comments from 25 different commenters during the comment period.

All suggestions were reviewed by the MU Forms Working Group of state mortgage regulators and discussed on conference calls open to all state mortgage regulators. Proposed changes were also discussed with the SRR Mortgage Advisory Council and the Industry Development Working Group. The MU Forms Working Group's recommendations were then sent to the SRR Mortgage Licensing Policy Committee for approval. The members of the MU Forms Working Group were:

REPRESENTATIVE	AGENCY
Alan Cicchetti – Chair	Connecticut Department of Banking
Janet Anderson	Georgia Department of Banking and Finance
K.C. Schaler	Idaho Department of Finance
John Schroeder	Indiana Department of Financial Institutions
Rod Reed	Iowa Division of Banking
Steve Knudson	Vermont Department of Banking and Insurance

List of Changes

Changes will be made to the following sections of the MU Forms:

- **Disclosure Questions** – MU1 Criminal Disclosure Question B; MU2/MU4 Criminal Disclosure Questions D, E, F, G; MU2/MU4 Regulatory Question I
- **Control Information** – Clarify and Reorder Questions
- **Other Business Names** – Rename to Other Trade Name
- **Identifying Information** – Add space for Toll Free Number
- **Consumer Complaint Employee Information** – Add checkbox to auto-populate from Contact Employee Information
- **MU4 Oath Language** – Amend language to accommodate company submission of MU4
- **Direct Owners and Indirect Owners** – Update text and functionality to properly identify companies and individuals who should be listed in these sections
- **Definitions** – Changes to definitions of Control and Financial Services Related

Implementation of Changes

While the MU Form changes will be implemented on January 25, 2010, licensees will not have to answer new questions until they make a new filing.

Companies and individuals will be required to answer new disclosure questions when they make a filing in the system through a license request, transition request or amendment filing. Regulators who wish to have the new questions answered may require amendment filings by placing deficiencies on a licensee's record.

Licensees must become familiar with the changes to the various sections and definitions and make necessary updates to their NMLS record. Licensees should be familiar with the [NMLS Policy Guidebook for Licensees](#) found on the NMLS Resource Center website (www.nationwidelicensingsystem.org)

The approved changes to the MU Forms described on pages 5 through 21 of this document will be implemented in the system, paper MU Forms and *NMLS Policy Guidebook for Licensees* in January 2010.

DISCLOSURE QUESTIONS (MU1)

Disclosure Questions

Lange Mortgage (11049) MU1 filing created 3/10/2009 by Lange T.

Total Charges: \$0

If the answer to any of the following is "YES", you must provide complete details outside of the system to the jurisdictions where you are licensed/registered or requesting licensure/registration. Remember to file updates of these disclosures as needed.

Criminal Disclosure

(A) Has the entity or a control affiliate ever:

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? ☐ Yes ☒ No

(2) been charged with any felony? ☐ Yes ☒ No

(B) In the past ten years has the entity or a control affiliate:

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: financial services or a financial services-related business, any fraud, false statements or omissions, any theft or wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion or a conspiracy to commit any of these offenses? ☐ Yes ☒ No

(2) been charged with a misdemeanor specified in (B)(1)? ☐ Yes ☒ No

Regulatory Action Disclosure

(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority:

(1) found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical? ☐ Yes ☒ 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)? ☐ Yes ☒ 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? ☐ Yes ☒ No

(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity? ☐ Yes ☒ 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? ☐ Yes ☒ 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? ☐ Yes ☒ No

(E) Is the entity or a control affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of (C)? ☐ Yes ☒ No

Civil Disclosure

Question (B)(1) in the Disclosure Question section of the MU1 form will be reworded.

CURRENT QUESTION:

- (B) In the past 10 years has the entity or a control affiliate:
- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: financial services or a financial services-related business; any fraud, false statements, or omissions; any theft or wrongful taking of property; bribery; perjury; forgery; counterfeiting; extortion; or a conspiracy to commit any of these offenses?
 - (2) been charged with a misdemeanor specified in (B)(1)?

NEW QUESTION:

- (B)
- (1) In the past 10 years has the entity or a control affiliate *been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?*
 - (2) *Are there pending charges against the entity or a control affiliate for a misdemeanor specified in (B)(1)?*

INDIVIDUAL FILING DISCLOSURE QUESTIONS (MU2/MU4)

The Disclosure Questions on the Individual Filing (MU2 and MU4) will be amended. A redline version of the current questions follow and a finalized version can be found at the end of the document as Addendum A:

FINANCIAL DISCLOSURE

(A) Within the past 10 years:

(1) have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition?

(2) based upon events that occurred while you exercised control over any organization, have you filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?

(B) Has a bonding company ever denied, paid out on, or revoked a bond for you?

(C) Do you have any unsatisfied judgments or liens against you?

CRIMINAL DISCLOSURE

(D) ~~Have you ever:~~

(1) ~~Have you ever~~ been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?

(2) ~~Are there pending charges against you for been charged with~~ any felony?

(E) Based upon the activities that occurred while you exercised control over ~~it an organization, has any organization ever:~~

(1) ~~Has any organization ever~~ been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?

(2) ~~Are there pending charges against any organizations been charged with for~~ any felony

(F)

(1) Have you ever been convicted or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to ~~committing or conspiring to commit~~ a misdemeanor involving: (i) financial services or a financial services-related business, (ii) ~~or any~~ fraud, (iii) false statements or omissions, (iv) theft or ~~any~~ wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, ~~or (ix) extortion?~~ ~~or a conspiracy to commit any of these offenses?~~

(2) Are there pending charges against you for a misdemeanor specified in F(1)?

(G) Based upon the activities that occurred while you exercised control over ~~it, has any an~~ organization ~~ever:~~

(1) ~~Has any organization ever~~ been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor specified in F(1)?

(2) ~~Are there pending charges against any organizations for any been charged with a~~ misdemeanor specified in F(1)?

CIVIL JUDICIAL DISCLOSURE

(H)

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(1) Has any domestic or foreign court ever:

(a) enjoined you in connection with any financial services-related activity?

(b) found that you were involved in a violation of any financial services-related statute(s) or regulation(s)?

(c) dismissed, pursuant to a settlement agreement, a financial services-related civil action brought against you by a State, federal, or foreign financial regulatory authority?

(2) Are you named in any pending financial services-related civil action that could result in a "yes" answer to any part of H(1)?

REGULATORY ACTION

(I) Has any State or federal regulatory agency or foreign financial regulatory authority ever:

(1) found you to have made a false statement or omission or been dishonest, unfair or unethical?

(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against you in connection with a financial services-related activity?

(5) revoked your registration or license

(56) denied or, suspended, or revoked your registration or license, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?

(67) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

(78) issued a final order against you based on violations of any law or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

(J) Have you ever had an authorization to act as an attorney, accountant, or State or federal contractor that was revoked or suspended?

(K) Are you now the subject of any regulatory action proceeding that could result in a "yes" answer to any part of I or J?

CUSTOMER ARBITRATION/CIVIL LITIGATION DISCLOSURE

(L) Have you ever been named as a respondent/defendant in a financial services-related consumer-initiated arbitration or civil litigation which:

(1) is still pending; or

(2) resulted in an arbitration award or civil judgment against you, regardless of amount, or that required corrective action; or

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(3) was settled for any amount?

TERMINATION DISCLOSURE

(M) Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of:

(1) violating statute(s), regulation(s), rule(s), or industry standards of conduct?

(2) fraud, dishonesty, theft, or the wrongful taking of property?

CONTROL INFORMATION

Builders Mortgage Inc. (8129) MU1 filing created 6/18/2009 by Framptom. Total Charges: \$1600

#1 Is this entity under common control with (affiliates), or exercising control over (subsidiaries), any other entities that also provide mortgage-related or settlement services? If yes, you must provide the information requested in the Affiliates/Subsidiaries section. ☐ Yes ☒ No

Will you be providing an Organizational Chart to all states where a license was requested? **Remove** [Clear](#)

Briefly describe control relationship(s) including percentage of interest. **Remove**

#2 Is this entity controlled by a Credit Union, Bank Holding Company, State Member Bank of the Federal Reserve System, State Non-Member Bank, National Bank, Foreign Bank, Savings Association/Savings Bank, or Thrift Holding Company? If yes, you must provide the information requested in the Financial Institutions section. ☐ Yes ☒ No

#3 Will you be providing an Organizational Chart to all states where a license was requested? ☐ Yes ☒ No [Clear](#)

#4 Briefly describe control relationship(s) including percentage of interest.

#5 Are there any indirect owners of the entity required to be reported? If yes, you must provide the information requested in the Indirect Owners section. ☐ Yes ☒ No

[Save](#)

The duplicate request for an organizational chart will be removed from the Control Information Page and questions will be renumbered.

Changes:

1. The questions will be renumbered and reordered as reflected above.
2. One question regarding organization chart and one request for control relationship details will be removed.
3. New question #4 will be changed from "Briefly describe control..." to "If you are not providing an organizational chart, briefly describe control relationship(s) with entities described in (1) and (2) above, (including percentage of interest), as applicable."

OTHER BUSINESS NAMES

The screenshot displays the NMLS interface for the 'Other Business Names' section. The left sidebar contains a list of navigation links, with 'Other Business Names' highlighted. The main content area features a title bar for the specific filing, followed by a text area containing instructions and a 'No Record found.' message. Navigation buttons for 'Previous' and 'Next' are located at the bottom of the main content area.

The *Other Business Names* section on MU1 will be renamed to *Other Trade Names*.

The MU3 uses the term “Other Trade Names” and the MU1 will be changed to make the terms consistent across both forms. Conforming changes will be made to the text on the page and any error messages, if applicable. License names for states issuing dba licenses also will be amended to conform to the change.

IDENTIFYING INFORMATION

Identifying Information

Lange Mortgage (11049) MU1 filing created 3/10/2009 by Lange T.

Entity name and EIN: Entity Name: Lange Mortgage
IRS Employer Identification Number: 703-45-1424

Do you want to amend your legal name?
If yes, check here: ☐
New Entity Name:
(sole proprietor use "Last, First, Middle")

Main address (Do not use a PO Box):
Number & Street: 8500 Jones Road
City: Springfield
State: Georgia
Country / Province: United States
Postal Code: 31328

Business phone, fax and email address:
Business Phone: 202-728-6227
Fax Line:
Email Address: lange@atix.org

Mailing address, if different from main address:
PO Box or Number & Street:

Total Charges: \$0

800 #

Additional space will be provided for an optional Toll Free phone number in the Identifying Information section of Form MU1. The system will only allow Toll Free phone numbers to be entered.

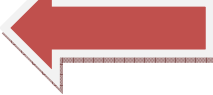
Regulators and Licensees expressed the desire to be able to enter a Toll Free number in addition to the Business Phone.

CONSUMER COMPLAINT EMPLOYEE INFORMATION

Consumer Complaint Employee Information

Lange Mortgage (11049) MU1 filing created 3/10/2009 by Lange T. Total Charges: \$0

Name the employee(s) authorized to respond to consumer complaints. Each consumer complaint employee may represent multiple jurisdictions.

☐ ☒ 

First Name:
 Last Name:
 Title:
 Business Address:
 City:
 State:
 Country / Province:
 Postal Code:
 Business Phone: 999-999-9999-9999
 Fax Line: 999-999-9999
 Email Address:

Jurisdiction(s): [select all](#)

<input type="checkbox"/> Alabama	<input type="checkbox"/> Illinois	<input type="checkbox"/> Nebraska	<input type="checkbox"/> South Carolina
<input type="checkbox"/> Alaska	<input type="checkbox"/> Indiana	<input type="checkbox"/> Nevada	<input type="checkbox"/> South Dakota
<input type="checkbox"/> Arizona	<input type="checkbox"/> Iowa	<input type="checkbox"/> New Hampshire	<input type="checkbox"/> Tennessee
<input type="checkbox"/> Arkansas	<input type="checkbox"/> Kansas	<input type="checkbox"/> New Jersey	<input type="checkbox"/> Texas
<input type="checkbox"/> California	<input type="checkbox"/> Kentucky	<input type="checkbox"/> New Mexico	<input type="checkbox"/> Utah
<input type="checkbox"/> Colorado	<input type="checkbox"/> Louisiana	<input type="checkbox"/> New York	<input type="checkbox"/> Vermont
<input type="checkbox"/> Connecticut	<input type="checkbox"/> Maine	<input type="checkbox"/> North Carolina	<input type="checkbox"/> Virginia
<input type="checkbox"/> Delaware	<input type="checkbox"/> Maryland	<input type="checkbox"/> North Dakota	<input type="checkbox"/> Washington
<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Massachusetts	<input type="checkbox"/> Ohio	<input type="checkbox"/> West Virginia
<input type="checkbox"/> Florida	<input type="checkbox"/> Michigan	<input type="checkbox"/> Oklahoma	<input type="checkbox"/> Wisconsin
<input type="checkbox"/> Georgia	<input type="checkbox"/> Minnesota	<input type="checkbox"/> Oregon	<input type="checkbox"/> Wyoming

A checkbox will be added to the *Consumer Complaint Employee Information* page to allow auto-population of fields if this information is the same as *Contact Employee* information.

In many cases, the Consumer Complaint Employee and the Contact Employee is the same individual. Employing a checkbox in this section will alleviate some double entry of information.

UPDATE MU4 OATH LANGUAGE TO ACCOMMODATE COMPANY SUBMISSION OF MU4

CURRENT LANGUAGE

I Margo Frampton, (Applicant) on this date Wednesday, October 22, 2008 make oath and say that I executed this application on my own behalf, and agree to and represent the following:

- (1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true, accurate and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;
- (2) To the extent any information previously submitted is not amended and hereby, such information remains accurate and complete;
- (3) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into my background, in accordance with all laws and regulations;
- (4) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and
- (5) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which I am applying.

If an Applicant has made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

☐ I verify that I am the named person above and agree to the language as stated.

Submit Filing

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NEW LANGUAGE

I Username of Company Name on this date Day of Week, Date of Filing make oath and say as follows, that I am submitting this form on behalf, and with the authority, of Applicant Name (Applicant) and that on behalf, and with the authority of, Company Name (Company), I agree to and represent the following:

A. To the best of the Company's knowledge:

- (1) The information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true, accurate and complete and are made under the penalty of perjury, or unsworn falsification to authorities, or similar provisions as provided by law;
- (2) To the extent any information previously submitted is not amended hereby, such information remains accurate and complete; and
- (3) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into the Applicant's background, in accordance with all laws and regulations.

B. While an active relationship exists between the Company and the Applicant, the Company will:

- (1) Ensure the Applicant is keeping the information contained in this form current and filing accurate supplementary information on a timely basis; and
- (2) Ensure that the Applicant complies with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which the Applicant is applying.

C. When the association between the Company and the Applicant ends, the Company will make the appropriate filings to terminate the company relationship on a timely basis.

If an Applicant has made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

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I verify that I am the named person above and that I am authorized to submit this filing on behalf of the Applicant and attest to the filing and make the above representations on behalf of the Company.

Updating this attestation language will allow a company representative to properly attest as a Third Party Natural Person in order to submit a MU4 on behalf of one of their employees.

DIRECT OWNERS AND EXECUTIVE OFFICERS

The screenshot displays the NMLS interface for the 'Direct Owners and Executive Officers' section. The left sidebar contains a navigation menu with the following items: License/Registration Information, Identifying Information, Other Business Names, Resident/Registered Agent, Web Addresses, Contact Employee Information, Consumer Complaint Employee Information, Books and Records Information, Other Business, Legal Status, Control Information, Control Affiliates, Financial Institutions, Disclosure Questions, **Direct Owners and Executive Officers** (highlighted with a yellow arrow), Indirect Owners, Qualifying Individuals, MU2 Forms, Jurisdiction Participation, and Completeness Check and Submit. The main content area is titled 'Direct Owners and Executive Officers' and shows a message: 'Lange Mortgage (11049) MU1 filing created 3/10/2009 by Lange T.' Below this, it states: 'Below are the individuals and/or companies that control 10% or more of the company and the executive officers and those with similar status or functions. Certain jurisdictions may require other persons, such as managers and/or supervisors to be identified. Consult relevant jurisdiction(s) for details. Click **Add Individual** or **Add Company** to identify additional direct owners and executive officers.' A red arrow points to the 'Add Individual' button. The status 'No Record found.' is displayed. At the bottom, there are 'Add Individual' and 'Add Company' buttons. The 'Previous' and 'Next' navigation buttons are also visible. The top right corner shows 'Logged in as target' and a 'Logout' link. The bottom right corner shows 'Total Charges: \$0'.

Various text changes will be made to the page to indicate who should be listed in this section.

NMLS will add a link from this page to the *NMLS Policy Guidebook for Licensees* in order to provide the detailed policy regarding Direct Owners and Executive Officers in NMLS.

DIRECT OWNERS AND EXECUTIVE OFFICERS

Direct Owners and Executive Officers

Tilwani's Inc. (1120) MU1 filing created 12/3/2007 by JetsonC. Total Charges: \$850

Title examples include: President, CEO, CFO, COO, partner, trustee, sole proprietor, shareholder, etc.

A control person owns or votes 10% or more; holds the position of director, general partner, executive officer, managing member; or otherwise directs the management or policies of the entity.

An MU2 form must be completed for individuals who are control persons.

Full Legal Name:

Title:

Percentage of Ownership:

Control Person: ☒ Yes ☐ No

Stock Symbol:

SSN or EIN:

Individual or Company: ☒ Company ☐ Individual

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A Form MU2 will be required for all natural persons listed in the Direct Owners and Executive Officers section of Form MU1. Natural persons not meeting the definition of Control Person should not be listed on this page.

Changes:

1. Functionality will be removed that required only those natural persons checked as “control person” to submit Form MU2. All natural persons listed in this section will be required to submit a MU2.
2. Various text changes will be made to the page to assist licensees in determining who should be identified in this section.

INDIRECT OWNERS

Indirect Owners

Tilwani's Inc. (1120) MU1 filing created 12/3/2007 by JetsonC. Total Charges: \$850

Status examples include: partner, trustee, indirect owner, shareholder, etc.

Full Legal Name:
(Individuals: Last, First, Middle)

Status:

Direct Owner in Which Interest is Owned: ☒ **Control Person**

Percentage of Ownership:

SSN or EIN:

Individual or Company: ☐ Company ☒ Individual

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NMLS requires natural persons listed in the Indirect Owners section of form MU1 who meet the definition of *Control* to provide a Form MU2.

Changes:

1. The current field label “Direct Owner in Which Interest is Owned” will be changed to “Equity Owner in Which Interest is Held” to allow regulators to build a hierarchical organizational chart from the information.
2. A radio button will be added to allow licensees to identify natural person indirect owners of 10% or more of the licensee as a “Control Person.” These individuals will be required to complete Form MU2.

DEFINITION/DOCUMENTATION CHANGES

DEFINITION OF CONTROL

The current definition of *Control* is:

CONTROL – The power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any *person* that (i) is a general partner or executive officer, including Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer, Director, and individuals with similar status or functions; (ii) directly or indirectly has the right to vote 10% or more of a class of a voting security or has the power to sell or direct the sale of 10% or more of a class of voting securities; or (iii) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 10% or more of the capital, is presumed to control that company.

The following will be added to the definition:

1. Add “Chief Credit Officer” as a title in the *Control* definition in (i)
2. Clarification will be made to the section (i) regarding individuals occupying similar positions or performing similar functions

The new definition of *Control* will read:

CONTROL – *The power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any person that (i) is a general partner or executive officer, including Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Credit Officer, Chief Compliance Officer, Director, and individuals occupying similar positions or performing similar functions; (ii) directly or indirectly has the right to vote 10% or more of a class of a voting security or has the power to sell or direct the sale of 10% or more of a class of voting securities; or (iii) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 10% or more of the capital, is presumed to control that company.*

DEFINITION OF FINANCIAL SERVICES OR FINANCIAL SERVICES RELATED

The current definition of Financial Services or Financial Services Related is:

FINANCIAL SERVICES OR FINANCIAL SERVICES RELATED – Pertaining to securities, commodities, banking, insurance, consumer lending, or real estate (including, but not limited to; acting as or being associated with a bank or savings association, credit union, mortgage lender, mortgage broker, real estate salesperson or agent, closing agent, title company, or escrow agent).

The definition will be changed to include:

1. Add “Farm Credit System institution” after “...credit union...” in the definition (do not capitalize institution)
2. Add “appraiser” to definition

The new definition of *Financial Services or Financial Services Related* will read:

FINANCIAL SERVICES OR FINANCIAL SERVICES RELATED – *Pertaining to securities, commodities, banking, insurance, consumer lending, or real estate (including, but not limited to; acting as or being associated with a bank or savings association, credit union, **Farm Credit System institution**, mortgage lender, mortgage broker, real estate salesperson or agent, **appraiser**, closing agent, title company, or escrow agent).*

SCHEDULE A AND SCHEDULE B – FORM MU1 PAPER VERSION

Schedule A, 2(c)(ii) and Schedule B, 2(a)(ii) currently state:

“that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant or right to purchase the security.”

These sections, 2(c)(ii) and 2(a)(ii), will be removed from the Form MU1 Paper Versions and corresponding changes will be made to the *NMLS Policy Guidebook*.

Licensees will be required to disclose only their current ownership as the system only allows disclosure of up to 100% of an applicant. Jurisdictions requiring the information pertaining to the above sections should obtain it outside the system.

ADDENDUM A

Finalized Individual Filing (MU2/MU4) Disclosure Questions to be implemented in January 2010

FINANCIAL DISCLOSURE

(A) Within the past 10 years:

(1) have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition?

(2) based upon events that occurred while you exercised control over any organization, have you filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?

(B) Has a bonding company ever denied, paid out on, or revoked a bond for you?

(C) Do you have any unsatisfied judgments or liens against you?

CRIMINAL DISCLOSURE

(D)

(1) Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?

(2) Are there pending charges against you for any felony?

(E) Based upon the activities that occurred while you exercised control over an organization:

(1) Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?

(2) Are there pending charges against any organizations for any felony?

(F)

(1) Have you ever been convicted or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?

(2) Are there pending charges against you for a misdemeanor specified in F(1)?

(G) Based upon the activities that occurred while you exercised control over an organization:

(1) Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor specified in F(1)?

(2) Are there pending charges against any organizations for any misdemeanor specified in F(1)?

CIVIL JUDICIAL DISCLOSURE

(H)

(1) Has any domestic or foreign court ever:

(b) enjoined you in connection with any financial services-related activity?

(b) found that you were involved in a violation of any financial services-related statute(s) or regulation(s)?

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(c) dismissed, pursuant to a settlement agreement, a financial services-related civil action brought against you by a State, federal, or foreign financial regulatory authority?

(2) Are you named in any pending financial services-related civil action that could result in a "yes" answer to any part of H(1)?

REGULATORY ACTION

(J) Has any State or federal regulatory agency or foreign financial regulatory authority ever:

(1) found you to have made a false statement or omission or been dishonest, unfair or unethical?

(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against you in connection with a financial services-related activity?

(5) revoked your registration or license

(6) denied or suspended your registration or license, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?

(7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

(8) issued a final order against you based on violations of any law or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

(J) Have you ever had an authorization to act as an attorney, accountant, or State or federal contractor that was revoked or suspended?

(K) Are you now the subject of any regulatory action proceeding that could result in a "yes" answer to any part of I or J?

CUSTOMER ARBITRATION/CIVIL LITIGATION DISCLOSURE

(L) Have you ever been named as a respondent/defendant in a financial services-related consumer-initiated arbitration or civil litigation which:

(1) is still pending; or

(2) resulted in an arbitration award or civil judgment against you, regardless of amount, or that required corrective action; or

(2) was settled for any amount?

TERMINATION DISCLOSURE

(M) Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of:

(1) violating statute(s), regulation(s), rule(s), or industry standards of conduct?

(2) fraud, dishonesty, theft, or the wrongful taking of property?