

Proposed NMLS Federal Registry Proposed Fees – *Comments Received*

Proposal 2010-3

October 14 to November 12, 2010

The State Regulatory Registry, LLC invited public comments on proposed fees for the NMLS Federal Registry during a [public comment](#) period from October 14 to November 12, 2010. Fifty-one individuals or organizations submitted comments during the comment period.

These 51 comments are contained in this document as received, without editing. Comments received in email format were copied exactly as submitted and pasted in the comments section of the table with the submitting individual's name and company displayed. Comments received as an email attachment or via USPS are displayed as submitted in their original format. These comments are noted in the table and numbered accordingly as attachments.

Comments are listed in the order received. Comments received without full name or contact information are not included.

The State Regulatory Registry, LLC will review the comments and make a recommendation to the [Board of Managers](#). The State Regulatory Registry Board of Directors, after consultation with federal regulators, shall respond to comments received and finalize fees for the NMLS Federal Registry.

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#	Date	Name & Company	Comments
1	10/14/10	Troy Ragland	<p>I propose that the individual, MU4 form, filing be raised to \$500.00 for initial filing and \$500.00 for annual filings. This does include fingerprint and background checks. It should include the test for initial filers.</p> <p>Additionally, for companies who have 10 MLO or less there should be a fee of \$50.00 for each MLO. Companies with 11 MLOs or more should pay an additional \$75.00 each.</p> <p>MU2 forms should have a fee of \$200.00 for each person who is required to file. Fingerprint and background checks should have a separate fee.</p> <p>MU3 forms should have a fee of \$500.00.</p>
2	10/19/10	Connie Hearn Advanced Mortgage, Inc	<p>The new fee that has me concerned is the one for a "two-factor authentication system for all institution users". Since all MU1 licensees seems to fall in this category, the small Broker with just one loan officer now has to bear the burden of an additional expense annually. In addition, the door is open to more fees from a 3rd party vendor hired by NMLS. As if the costs weren't already high enough for the small, independent Broker, the lack of distinction from larger institutions with possibly hundreds or thousands of loan officers seems to be unfairly punitive. If such a fee is "required" it should clearly be based on the number of records accessible to the institution. I recommend the fee be based on the number of records starting with the MU1 accessing less than 10 loan officers at \$10 annually and progress upwards incrementally.</p> <p>\$20 up to 25 records</p> <p>\$50 up to 50 records</p> <p>\$75 up to 100 records</p> <p>\$100 from 101 records and up</p> <p>This is just an example of how it might be structured. I object to the current proposal as published and hope you will consider the alternative proposed.</p>
3	10/19/10	Phillip Carmac Carolina Bank	<p>I don't think there is a real problem here. Bank loan officers now have to register just like the brokers/loan officers have had to do. The fee is \$30 per year so no biggie.</p>
4	10/19/10	Michelle Rotten Carolina Bank	<p>I agree- the Registry is pretty simple to maintain and not a big expense</p>
5	10/19/10	Terry Ryan Multi Financial Services, Inc	<p>First, there is a very broad consensus among the licensee community wondering what all the current fees are going toward.</p> <p>As such, I believe the LLC should make available financial statements to the public, just as we as many licensees have to do as a part of our licensing process. That is: Where are all of our fees going to? How were they determined? Just randomly developed?</p>

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			<p>What does “Employing Institution Fees” mean?</p> <p>Secondly, with us recognizing that NMLS/Federal Registry has done a wonderful (although quite confusing at times) job at</p> <p>Automating web pages, please explain why a fee increase/modification is needed. Again, in speaking to many of my fellow</p> <p>Licenseses at conferences, schools, on-line, etc., we all find the web pages EXTREMELY unwieldly and confusing. Are there Plans to make the “process” easier to understand and use?</p> <p>Third, why is there an INCREASE in fees from July 1st to December 31st?</p>
6	10/20/10	Mary Barris Glass City Federal Credit Union	Is the proposed two factor authentication fee for each MLO or just those that have access to other’s information
7	10/20/10	Karen Mitchell Citizens Bank and Trust	The article states that SRR is responsible for developing and executing training for institutions and MLOs concerning the federal registration process. What type of training will be provided to help Banks prepare to register their lenders?
8	10/20/10	Donna Varner Gilmer National Bank	I really think this fee is too high. You are applying another fee burden to the banks and also to each MLO that the banks have employed. I don't think it will take a lot of effort on the governments part to monitor this. It is bad enough that the small banks always end up paying for the mistakes of the big banks. Let them clean up and pay for their own messes and quit penalizing the little banks that do the job honestly in the first place. It appears you want to put the little banks out of business and leave the big banks in control and then when they fail, because the government can't let them fail, we the taxpayers and small banks are forced to bail them out.
9	10/20/10	Dennis G. Moriarity Unity CU	<p>Frankly I am absolutely amazed at the absurdity of this Government. First they put out an act aimed at somehow protecting the potential homeowners of the country from legitimate lending institutions. Then the bright minds in Washington propose hefty fees (paid by the regulated and passed to the consumer) to fund the great new bureaucracy that will evolve and be paid for by the consumer. I am not surprised.</p> <p>Let’s See: You are going to create a registry and the regulated will pay 30 bucks per MLO for you to gather their private information thereby voiding any privacy protection. Then to stay unprotected you will charge them an annual fee (30 bucks again) to expose themselves.</p> <p>Then if they change jobs (happens all the time in the private sector not so much in the government sector where little reason is given to leave the gravy train) you will charge them another 30 bucks even if the job is changed 10 times.</p> <p>Then each enrollee must endure a criminal background check (done obviously to assuage any fears a frightened populace would have of running into a criminal MLO) that costs 39 bucks for electronic prints or</p>

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			<p>49 if you have to do a paper print. My god I know paper had gone up in price but an additional 10 bucks?</p> <p>Then you put the arm on the institution, some 15 thousand or so, (which cost will be passed to the applicants) for 100 bucks to register and require them to pay another 100 bucks annually to do nothing other than be re registered. Uh heads up here if they are in the MU1R base nothing has to be done but just leave them there but I see you have found a way to keep getting the 100 bucks.</p> <p>Now the last one is sweet. You buy a 2 factor (used to be multi factor) software program and institute it and pay the one time purchase price supposedly to make sure the registrants info remains private. For your edification 2 factor is now being used by the bad guys to gain info from unsuspecting holders of this data. But the fact remains this requirement would make the institutions pay for the same program over and over. In the private sector this is known as double dipping. Practiced by unscrupulous bums all the time and easily identifiable.</p> <p>These fees are outrageous and obviously designed to totally fund the latest government boondoggle. I see this somehow funding a new department perhaps even a cabinet position where you will be able to employ many people that will spend the whole day registering and re-registering and enrolling and re – enrolling and a help desk to explain 2 factor checks to make sure no ones privacy is being abused.</p> <p>In the final analysis we are creating a useless department that will waste money (paid for by the poor people trying to get a mortgage) and employ a bunch of people to pretend like they are doing something that somehow needs to be done because the congress screwed things up in the first place. All of this will be done under the pretense of caring for them.</p> <p>I would like to direct your attention to http://cei.org/10kc otherwise known as the 10 thousand commandments site where they annually tote up the cost of government regulation. We are at 3.5 trillion and climbing. Take comfort in knowing that this act and attendant fees will be adding meaningfully to this debacle.</p>
10	10/21/10	Thomas Vann First South Bank	Make it has hard and accountable as you can
11	10/21/10	Vickie McIntosh Belle River Community Credit Union	<p>According to your 2010 US Census Bureau Statistical abstract you had the following number of insured financial institutions with the most recent data from 2008. At that time there were 8314 banks and 7806 credit unions. Since we know that many financial institutions are being merged out of the existence due to the overwhelming regulations, let's take a number of 15,000 remaining and assume that the majority offer some type of mortgage product.</p> <p>Now let's take a look at your proposed registry fees. At \$100.00 per institution for your annual filing fees alone you raise about 1.5 million dollars. Top that with your initial \$100.00 filing fee, we are now at 3 million dollars. Now lets factor in a per employee cost of three (3) mortgage loan officers per institution, which is probably on the lower end. At 45,000 employees your \$30.00 per individual annual registration will gain you another 1.3 million dollars and yet another 1.3 million for their initial registration at a \$30.00 fee each. Imagine that we are now at \$5.6 million dollars and we are not finished yet. Electronic prints will garner another 1.7 million dollars and an additional 3.1 million in annual income for your two-factor authentication</p>

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12	10/25/10	Silvana Friedel	<p>I am very disappointed for application I need to submit and pay. I have no problem in taking the SAFE exam and apply again, but why would you charge me again for a license when I just got the license in May, 2010? I think you should change this.</p>
13	10/26/10	Trig-Ag – FCU	<p>Registry costs for a small credit union are exorbitant. We do 3 to 4 home equity loans a year. Is there any consideration for a small user? Thank you for your consideration of our situation Geraldine Sobel Tri-Ag FCU.</p>
14	10/27/10	Debbie Southworth OMNI Community Credit Union	<p>While we understand the premise of the SAFE Act is to avoid predatory lending practices, OMNI Community Credit Union feels that the fees imposed on financial institutions are excessive and somewhat repetitive. Therefore, we do not agree with the fees.</p> <p>The fees laid out, basically total over \$75.00 per individual for initial registration, and \$100.00 for annual renewals. For institutions, it is \$100.00 initial and \$100.00 renewal. However, it is stipulated that there may be additional fees assessed. This is a significant amount of money for financial institution, particularly smaller financial institution to incur. An example of the repetitive nature of this Act, is that most financial institutions already have their employees undergo Criminal Background Checks. This is required to happen</p>

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			<p>again, with a \$39.00 Fee.</p> <p>If you require any additional information, please feel free to contact me at (XXX) XXX-XXXX.</p>
15	10/28/10	Barbara Del Gatto-Jesus Altura Credit Union	<p>Initial registration: It is unclear why someone who is initially registering the last six months of year should pay more for the same processing. New registrants should not be penalized over something they may have no control over.</p> <p>Annual registration: If a person registers the last six months there is no fee indicated although the processing has to be done. Would a \$15 fee for only a six month period be fairer to other registrants who paid full fee?</p> <p>Change in employment: Most likely occurs more frequently in today's society. Should it cost more just to update the employment when someone may most likely be strapped for money?</p> <p>I don't think it can be assumed all employers will pay the fees.</p>
16	10/29/10	Craig Heskett York State Bank and Trust Company	<p>This is a typical Bureaucratic reaction to a problem that was created by a Federal government unwilling to enforce laws already on the books. The answer for big government is to create a burdensome law, create a bunch of inefficient jobs that create no value in the economy for people who cannot find work in the private sector, and then let the business that are overburdened in the first place to pay for it.</p> <p>And you wonder why the American people are upset about what goes on in Washington.</p> <p>No bank I work for ever made or sold a Sub Prime loan, and we would not hire any of these so called "Mortgage Brokers" that helped create the problem (With the blessing and encouragement of Freddie and Fannie), yet we are going to pay for it.</p> <p>Great job. November is right around the corner.</p>
17	10/29/10	Kevin Pierce	<p>I have a comment for the State of Florida Safe licensing for MLO, S and the Federal NMLS licensing for MLO, s. I believe regulation need to take place to counter act the Financial Services as it relates to mortgages.</p> <p>All the damaged is done already by the mortgage industry which did not act alone in the subprime challenges along with credit default obligations coincide with the securities industry that were place on Americans households' with their 401k and pension accounts for their future and nearly cause the collapse of our financial system caused mainly by large mega banks and Wall Street investment houses.</p> <p>I personally object being thrown into the pile with all the mortgage brokers when I had no decision making authority to do subprime loans and have never did them at all knowing it was a bad product placed on the American consumers for profit and not principle. Fast forward to what is happening now with the regulation which I feel is late and amounts to small business individuals like myself went from paying \$150.00 @ the State level and 14 hours of continuing education @ \$25.00 and another \$150.00 every other year for my Branch Office licensing for a total of \$325.00. Now 16 yrs later to stay in the same mortgage industry</p>

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18	10/29/10	Bill Cofield	<p>The fees presented are reasonable but I do have some reservations about the "open door" in this request for other fees to be charged or added. In addition to these fees, there is: the HUD initial fee and annual renewal fee plus the cost of the audit for HUD, State fees for licensing and annual audits, Municipality fees for licensing, and the list goes on. This, of course, has nothing to do with tax issues that are over and above these fees which all amount to a "tax" or the cost of doing business. Add this to the fact that the government is also price fixing for part of the industry (by eliminating yield spread premium) and not for others, and then things start to get complicated. These most recently mentioned items actually do not matter though since you cannot do business until the first set of these fees are paid so you can legally conduct business.</p> <p>Just be reasonable. Those of us that are still trying to stay in the business are not the crooks. They left when the money got hard to come by and we are glad to see them go</p>
19	11/1/10	Chris Doyle Texas First Bank	<p>As a Texas Community Bank serving our market area since 1973, it concerns me that we need to register and pay any fee for a service we have provided without fault since that time. The past offenders need to be restricted from any activity and new players to the market should be monitored closely. If a registration process and fee is to be implemented you should concentrate your efforts towards these two classes of providers.</p> <p>If the fact that a fee will be assessed on all institutions is a foregone conclusion, then I would suggest the following for my bank and those that have similar qualities:</p> <p>Implement a streamlined registration process for the community banks only and limit the fee to something</p>

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			<p>nominal and one-time, i.e.: \$100. I can monitor the individuals that work for our organization. Policing their practices is my responsibility. Finger printing and fees associated with individual MLOs seem costly and burdensome for the bank.</p> <p>Our communities cannot bare additional restrictions to the home finance market.</p>
20	11/2/10	George Hamilton Lender's Corporation	<p>Please consider these comments a negative response to the proposed fees and the scope of the NMLS.</p> <p>States already maintain a database with essentially the SAME information you are collecting and maintaining. This duplication of information gathering and database maintenance is adding TENS OF MILLIONS OF DOLLARS ANNUALLY to our cost of doing business. All you had to do is set basic requirements for the states to fulfill and maintain and giving you access to the information. The resulting dollar cost increase for additional information would be a FRACTION of the cost you have created.</p> <p>Your duplication of information gathering (and increased fees for education/registration) will add more than \$1,000 annually to what I currently pay to stay in business. The professional advise and lower priced loans I give my referral base and customers (usually 12-15 loans annually) is my retirement. My corporation that provided me security is no longer affordable. Congratulations, you have just put my small company out of business and jeopardized my retirement</p>
21	11/2/10	Stephen Scurlock Independent Bankers Association of Texas	<p>The Independent Bankers Association of Texas (IBAT) appreciates the opportunity to comment on your proposed fees for registration of mortgage loan originators (MLO) employed by insured depository institutions, and more specifically, Texas community banks. IBAT exclusively represents the interests of some 500 community banks across Texas.</p> <p>We expressed our displeasure and disagreement with the inclusion of bank-employed MLOs during the debate on the SAFE Act. While we understand that battle is over, a number of our members remain less-than-pleased with the registration requirements and the fees attached. The prevailing opinion is that community banks, who neither participated in nor profited from the excesses that contributed to the mortgage crisis, are once again paying the price for the sins of others.</p> <p>Please consider several thoughts on this proposal.</p> <p>If an MLO has been employed with the same bank for an extended period of time, e.g., 5 years, is there a business reason to require renewal on an annual basis?</p> <p>It is standard procedure to do a criminal background check prior to employment at a bank. Is it really necessary to go through the added expense to get fingerprints and another criminal background check for MLO registration purposes?</p> <p>A number of our citizens, including our member bankers, have a Texas Concealed Handgun License (CHL). The licensing requirements include fingerprinting and a criminal background check. Any felony and some misdemeanor convictions disqualify an individual from this license, and such background checks are conducted upon renewal every 4 to 5 years. If an MLO has a CHL, would that suffice for the fingerprints and criminal background check requirements?</p>

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			<p>As our banks are heavily regulated, is there a process by which the bank itself could submit the names of those employed by their institution, sign an affidavit that they have conducted a background check and/or the MLO has been employed for 5 years or more . . . and avoid the registration and renewal fees?</p> <p>While we understand the need to fund this process, we would strongly recommend that those sectors of the industry responsible for the bad behavior pay the bulk of the expenses related to running this program.</p>
22	11/2/10	Gary Bruemmer MECE Credit Union	<p>Comments? How about a zero dollar fee instead. This registry is not something we want, it is not something we or our members need, and it should be unconstitutional to pass such a ridiculous law. This law punishes anyone that does a home loan as the cost will flow to the mortgage consumer. We do not have any sense any more. Now mortgage officers are being treated as sex offenders. What a great response to the mistakes a few a few big banks. Lets bail the offenders out and make everyone else pay. I sincerely hope that the nation speaks the next 8 years and reelects no incumbents and we get some decent representation to repeal this and many other messes that have been created in the last many years. If you have any sense, I will look forward to the change to a zero dollar fee.</p>
23	11/3/10	Phillip Maynez	<p>There are a lot of people out there not making enough money to pay all the fees.</p> <p>Why doesn't the NMLS allow all brokers registered with the system do loans in all states for a fee per loan?</p> <p>This way you can make earned fees and give a service to all loan officers and brokers for free. I would pay \$ 150 dollars per loan. and I'm sure everyone else would too.</p> <p>It will come as a hit to the Banks, but they charge way too much to the customers anyways.</p> <p>Plus maybe more banks will start dealing with brokers. Can you imagine if Wells Fargo cuts the brokers off like Bank of America did. The NMLS would essentially not have anyone to regulate.</p>
24	11/4/10	Jeremy Kohkosko Evergreen Home Loans	<p>It is my understanding that the Large Banks Such as Wells Fargo, Chase and Bank of America and so on to name a few... are not being held to the "standards" of NMLS and I am curious why, for legitimate reasons of equality and fairness, this has been allowed and when it will change?</p>
25	11/5/10	Veronica Madsen MCUL & Affiliates	<p>The Michigan Credit Union League (MCUL) appreciates the opportunity to comment on the Statewide Regulatory Registry's (SRR) proposed fee schedule in connection with the registration or federally regulated mortgage loan originators (MLOs). MCUL is a statewide trade association representing 95% of the credit unions located in Michigan. MCUL respectfully requests that the SRR takes the following letter into serious consideration when deliberating the passage of a final rule.</p> <p>MCUL strongly urges the SRR to reconsider the amount of fees that institutions will be charged in order to register MLOs, as the exorbitant costs are unjustified. It is ironic that a law designed to protect consumers will ultimately result in greater harm, as the costs associated with the licensing and registration of MLOs will ultimately be passed on to the consumer in order to obtain a mortgage loan.</p>

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			<p>Discussion</p> <p>The SRR website indicates that the cost to develop this system is \$4.3 million, which is to be borne by the states (i.e., the taxpayers), but the operating costs will be borne by the industry. The annual operating costs are projected to be in the range of \$6.5 to \$7.5 million over the next five years. What is not explained is how these annual cost estimates were generated and why these numbers are so high. MCUL fears that the SRR arrived at these high numbers in order to justify the unreasonable amount of fees that institutions will be required to pass on to consumers when approving a mortgage loan. It is clear that cost was not a factor when this rule and registration system was created.</p> <p><i>Initial and Annual Registration Fees</i></p> <p>The SRR's proposal did not explain how it arrived at a \$30 fee for both the initial and annual registration fee, and \$60 per registration if an MLO is registered between July 1 and December 31. Surely, the same amount of work to register an individual MLO is required in order to initially file an MLO in September (as opposed to March), and to change a date in the system to reflect a new annual renewal date, so the fees should reflect this. MCUL strongly urges and respectfully requests the SRR to lower these fees to reflect a more reasonable assessment; specifically, something along the lines of \$20 to initially register (regardless of when an initial filing is made), with a lower annual filing fee (for example, \$10). MCUL suspects that the SRR will not be receiving any initial filings between July 1 and December 31, as the cost is doubled.</p> <p><i>Employment Change Fees</i></p> <p>The proposed fee for changes in employment is \$30 per registration, regardless of when the registration was initially completed. If an employee leaves an institution within a certain number of days of an annual filing, the Registry should refund money to the institution. It is unjustified that the SRR will benefit monetarily, through multiple registrations for the same person, if an individual changes jobs multiple times within one year.</p> <p><i>Initial and Annual Institution Filings</i></p> <p>Under the proposal, each insured institution will be charged \$100 per initial and annual renewal. As previously stated, it is unclear why the same fee is charged when all that is required is a change in renewal date in the system. It is also not understood or explained why it requires a higher fee to accept and process a form for an institution than it is to accept and process a form related to an individual. MCUL strongly urges and respectfully requests the SRR to lower these fees to reflect a more reasonable assessment; specifically, something along the lines of \$30 to initially register, with a lower annual filing fee (for example, \$10).</p> <p><i>Criminal Background Check</i></p> <p>Under the proposal, SRR would charge \$39 to conduct a background check when an MLO's fingerprints are submitted electronically through an NMLS-approved vendor. Given the security issues associated with the electronic submission of sensitive information, institutions would be required to spend an extra \$10 for a paper copy. It is not understood or justified why it would cost an extra \$10 to print the information and</p>
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			<p>send it through the U.S. Postal System.</p> <p><i>Two-Factor Authentication Annual Subscription Fee</i></p> <p>The proposal would require institutions to pay an annual subscription fee of \$70 to cover the costs of a two-factor authentication system, though certain types of second authentication factors may require an <i>additional</i> initial activation fee. If an institution has multiple employees working at both its parent and subsidiary, institutions would be required to pay this annual fee <i>for each account</i>. It provides MCUL no comfort that individuals will not be assessed a separate subscription fee, as this fee is outrageous.</p> <p>What is not made clear is the justification for the costs of this system. As the development of this system is to be borne by the states (i.e., the taxpayers), and the operational costs are to be borne by the institutions, it is not understood why institutions would be required to pay for this service in addition to its initial and annual filing fees when the system should have already been developed at the time it is released. Amending computer codes to adjust authentication factors does not justify each institution spending \$70 per year, especially if no changes are required to be made to the system.</p> <p>Conclusion</p> <p>MCUL is strongly opposed to the fee amounts as proposed. The proposal stated that the proposed fees for federal registration are consistent with those charged to apply for or maintain a state license, but it is not clear as to why it should cost the same to register as it does to license, given that licensing entails the additional bureaucratic requirements of pre-licensing and continuing education. Comparing registration to licensing is comparing apples to oranges.</p> <p>MCUL vehemently urges the SRR to reconsider the amount of the fees imposed.</p> <p>MCUL appreciates the opportunity to provide comment.</p>
26	11/8/10	Tracey Hunter Visions Federal Credit Union	<p>I am writing on behalf of the Board of Directors and management team of Visions Federal Credit Union which is headquartered in Endicott, New York and serves over 125, 000 members in Southern New York and Northern Pennsylvania.</p> <p>The registration of Mortgage Loan Originators final rule was so broad that our credit union if forced to register dozens of employees whose only responsibility is accepting applications from our members. They are not mortgage loan officers in any sense of the work, and it is unlikely that should they leave our employment that they will ever work in the mortgage business again. Nonetheless, we are forced to register them so the public can check them out. We are also forced to do an additional fingerprint check on top of the one we have already performed on these staff members as a part of the hiring process.</p> <p>Therefore, we believe that the fees of \$30 per initial registration are too high for this public service, and there is no justification at all for a higher fee if they register between July 1st and December 31st. A fee of \$10 or less should be sufficient to cover a name being entered into a registry for this legally required program.</p> <p>There should be no difference in cost between electronic and regular fingerprints, since the equipment</p>

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			<p>needed to provide the electronic prints is not usually cost effective for an institution to purchase and most may need to pay a third party to produce the prints. We still believe that fingerprint reports already on file should be accepted rather than adding this expense.</p> <p>We do not have an objection to a registration fee for an institution, but there is no need for a renewal fee annually for a \$70 two factor authentication annual subscription on top of the registration fee. Perhaps a registration fee that included access to the site would be appropriate.</p> <p>Thank you for the opportunity to comment on your pricing schedule.</p>
27	11/9/10	Bishop Henley Prime Lending	<p>I have a question regarding entities that will be required to be registered federally as well as register employees; but who also must maintain a state license or who have previously held a state license but have since let the license expire or surrendered it due to the fact that the company is exempt.</p> <p>In the case of my company, we are a wholly owned subsidiary of a depository institution that is federally regulated by the Federal Reserve bank of Dallas. As such, we recognize several exemptions to state license requirements as a company and for our branches. In some instances however, we were required to hold a state license in certain states prior to state regulations being updated to recognize wholly owned subs as exempt. In these states we were advised we could let the license expire with the state or surrender the license as it was no longer needed, and since we would be complying with the registration processing requirements once those are established. My question is this- will the NMLS be updated so reflect any "exempt" status for companies, branches, etc. the reason I ask is that when you go into the consumer access web page and look up my company, it lists all of our licenses, but it also lists licenses that let go as expired or surrendered, and that reflects negatively to customers who want to search the company. When we register, I assume that there will be some sort of distinction on the consumer access, but I'm sure it will list all licenses too and also expirations and surrenders. Will those states be removed from the list? Thanks</p>
28	11/9/10	Jesse R	<p>I am a sole-proprietor one person independent contract processor. I just want to let you know to please be considerate of small business owners like myself when coming out with new fees. Since I am my own company, with some fees I'm hit twice: once for the company NMLS and the other for the individual NMLS. Because we are hit twice, perhaps some fees for an individual business owner can be modified or reduced. My other comment is a suggestion for NMLS to consider a sliding scale type approach on certain fees depending on the business size. Some professional organizations have similar fee structures; businesses with more employees pay more than businesses with smaller employees therefore making a more level playing field. Of course some fees cannot be broken out this way i.e., credit report, but where possible, please consider this fee structure. If the fees keep increasing or new fees are added, then small business owners like myself will not be able to stay in business.</p>
29	11/10/10	Darla Rooke Junction National Bank	<p>Junction National Bank is a small, rural community bank with very limited residential real estate lending activity and currently would be exempt. However, registry fees are still troublesome since the bank is just one loan under the de minimis exception.</p> <p>The bank is privileged to have seasoned lenders as each has a dedicated more than 20 years with Junction National. It is unfortunate that those that have been employed for an extended period of time will have to follow the same requirements for registration and renewal as those new to residential mortgage lending.</p>

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			<p>Banks are extremely regulated entities and currently are required to conduct criminal background checks on employees. The additional cost for screening through the national mortgage licensing system appears to be redundant. Consideration should be given to allow institutional certification of proper background checks for the mortgage loan originators with more than 5 years of service and avoid registration and renewal fees for those individuals.</p> <p>The annual renewal process appears to be onerous and a period longer than annual renewal should be considered. Renewals for Texas Concealed Handgun Licenses are less frequent than the annual renewals for mortgage loan originators. What is wrong with this picture?</p> <p>Junction National Bank never participated in activities contributing to the mortgage crisis, but unfortunately is paying the price. The bank properly underwrites all loans, as the bank holds each mortgage for the life of the loan. It seems as though some concessions should be given for safe and sound operations.</p> <p>Thank you for considering our comments.</p>
30	11/10/10	Rick Clayburgh North Dakota Bankers Association	See attachment 1
31	11/12/10	Elizabeth Reefer Commerce Bank	See attachment 2
32	11/12/10	Catherine Houston Wells Fargo	See attachment 3
33	11/12/10	Thomas Cahill Jr JP Morgan	<p>Dear Madam or Sir:</p> <p>As an administrator for a large institution, I am concerned about the below statement (“Annual renewal of federal registration”) of fees that we received from the NMLS. Within 180 days (time not identified to-date) all MLOs for an institution will need to be federally registered in order to comply with the SAFE Act. As a large institution we will need to register greater than 35,000 employees in order to comply and we most certainly will need to register these individuals in tranches for the following reasons:</p> <ol style="list-style-type: none"> 1. Mandate by NMLS to ensure integrity of systems and servers during the 180 day period 2. Managed the process for fingerprinting more effectively 3. Effectively manage internally to track and monitor registration progress <p>In essence, the full 180 day period will be necessary; however, the below fee rule is actually punishing firms for completing the registration process in advance. If we complete the registration of more than 35,000 employees prior to July 1, we would actually need to recertify this same population again before December 31st. This will actually create a bottle-neck in the month of July because everyone will try to overload the system and fingerprint vendor in order not to recertify its employees. For example, if an MLO completed his registration on June 30 he would need to recertify (complete the same process again) before December 31st.</p>

Nationwide Mortgage Licensing System and Registry

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			<p>This process is very redundant to the MLO and the business within the first year of implementation.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Ensure that all employees that must register during the initial 180 days do not have to recertify in the first year (i.e., 2011). 2. Charge the businesses \$60 initial registration fee during the 180 days to ensure that those same MLOs do not have to complete the process again in 2011. <p>I greatly appreciate your time and consideration regarding this matter and anticipate a seamless process for our business.</p> <p>Best regards.</p> <p>Annual renewal of federal registration: An NMLS processing fee of \$30 will be assessed on an annual basis in accordance with federal requirements that mortgage loan originators renew their registrations once a year. No annual renewal fee will be assessed on MLOs who initially register between July 1st and December 31st, but such annual renewal fees would be assessed in subsequent years for these individuals. 7</p>
34	11/12/10	Valerie Moss Credit Union National America	<p>Dear Mr. Doyle:</p> <p>The Credit Union National Association (CUNA) appreciates the opportunity to comment on the State Regulatory Registry’s (SRR) proposed fees to be assessed by the Nationwide Mortgage Licensing System & Registry (NMLS) in connection with the registration of federally regulated mortgage loan originators under the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act). CUNA is the largest credit union trade organization in the country, representing approximately 90 percent of our nation’s nearly 7,700 state and federal credit unions, which serve approximately 93 million members.</p> <p>CUNA heard from a number of credit unions regarding the proposed NMLS fees for mortgage loan originators (MLOs) and their employing institutions. The consensus was that the time and resources involved in registering and administering MLOs along with annual renewal costs will be cost prohibitive for many credit unions, especially smaller institutions (under \$50 million in assets). Many of these smaller credit unions only fall under the requirements of the SAFE Act because they offer home equity loans to their membership.</p> <p>CUNA asks that the SRR consider a graduated fee scale based on asset size or number of MLOs registered on the system to provide some relief for the small-to-medium sized institutions (under \$100 million in assets). This would be applicable to both the initial registration and annual renewal fees for the employing institution and the individual MLOs. As one credit union CEO explained, “to have the same fees imposed on small financial institutions like mine that will have only two registered MLOs as would be imposed in a large financial institution that could have potentially hundreds of MLOs just doesn’t make sense.”</p> <p>In addition to the \$100 initial filing and \$100 annual renewal fees for institutions, the SRR has also proposed a two-factor authentication annual subscription fee of \$70 for all institution users who have access to more than one MLO’s personally identifying information. Faced with the choice of allowing their MLOs to access the system themselves or have the credit union do it for them, most institutions will choose the latter in</p>

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			<p>order to ensure compliance with SAFE Act requirements. Credit unions expressed concerns regarding the additional costs of a security fee, and suggested that the fee be lowered, applied on a sliding scale as suggested for the other fees, and applied per institution rather than per each institution user.</p> <p>Thank you for the opportunity to comment on the proposed NMLS registration fees. If you have any questions, please do not hesitate to contact me at (202) 638-5777, ext. 6741 or vmoss@cuna.com.</p>
35	11/12/10	Mardi Maher American Bankers Association	See attachment 4
36	11/12/10	Tessema Tefferi National Association of Federal Credit Unions	See attachment 5
37	11/12/10	Erin Frederick Cline Consumer Mortgage Coalition	See attachment 6
38	11/12/10	Alejandra Siles American Financial Services Association	See attachment 7
39	11/12/10	Chris Powers Tioga State Bank	<p>As a small community bank, we want to express our concerns with the proposed Federal Registry fees associated with the S.A.F.E. Act. We are still working to determine what the exact annual dollar cost will be to our institution, but have concluded that it will be a significant amount, and one for which we will have to add an additional budget line item. This, added to other fees and assessments we have recently seen, creates a growing financial burden which further challenges our bottom line. In addition, our profitability on mortgages is already marginal due to the federal reserve, as well as Fannie and Freddie keeping rates artificially low. The additional fees associated with S.A.F.E. Act registration will be detrimental to our profitability and could lead us to limit certain mortgage products and or services in the future. Finally, as with all regulatory requirements, we will need to devote additional human resources to ensure compliance which adds to our overall payroll expense.</p>
40	11/12/10	John Le Francois All Western Mortgage	<p>I know my input will not be used to determine if fees will increase, but I wish to comment on the cost of fees are now getting to the point of absurdity. We have seen a decline of loans and the price of contracts is still going down. Fees are being assessed with little regard to income or business volume and legislation removing YSP is going to eliminate more loan officer then currently. I'm opposed to anymore increases until at least 2 years to see what affect the new legislation will have on mortgage brokers. You may not have any MLO left to monitor.</p>
41	11/12/10	Nancy Blackwood Flagship Financial Group	<p>Our Industry has been hit so hard and all the new regulations that we have to abide by with the costs are really tough. Please consider what a struggle we are all going through in this economy and please do not increase the already overwhelming fees. Thank you for your consideration.</p>

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42	11/12/10	Alex Montegrando Quality One Mortgage	We pay enough fees as it is in our industry. As a business owner of my company not only do I pay for my broker side but for the loan originator side. Please do not raise fees!!!!!!
43	11/12/10	American Mortgage Services	Times are tough enough as is. A lot of fellow lo's have left the broker world to go and work for federal banks to avoid all of the new changes and fees. It seems unfair to those of us whom are left behind to pick up the tab for someone's miscalculation. These changes should be implemented across the board for ALL originators regardless if you're employed by a federal institution. The only thing that this has created is that those individuals that cannot pass the exam (and should not be in the business) go under the wing of a federal institution. This only changes the name in fine print. The originator is still the same person. Whoever drafted these new rules and regs is definitely not in the mortgage world. The smaller shops are having to pick up the tabs for the feds/banks mistakes. Enough is enough!!!!
44	11/12/10	Connie Bruggeman Republic Mortgage Ventures	The fees that NMLS is currently charging is adequate and should NOT be increased. Loan Officers have to also pay fees to the States and to increase the NMLS fees becomes an unacceptable burden. Right now everyone is fighting for every transaction and dollar they can earn and to increase the NMLS fees is not right. Go after the loan officers that have gone to the banks – they should have to register and go through the same scrutiny and education requirements as the loan officers that work for bankers and brokers AND be subject to same fees. Loan officers working for bankers and brokers are being penalized because they don't work for banks.
45	11/12/10	Scott Karosa Tri-Star Lending	Why do you only charge large financial institutions \$100 when they are sitting on tens or hundreds of billions of dollars and you charge the smaller brokers almost as much. It was after all, the large institutions that created the debacle that we are in with their unlicensed loan officers, their cheap and unaccountable money and their cozy relationship with the ratings agencies and congress. Why not charge the large institution \$10,000 and relax the pressure on the smaller mortgage brokers and keep the competition alive. Or is it that the bank lobbyists are still too powerful?
46	11/12/10	Mike Kunz All Money.com	Regarding the Fees, any one that does not work for a Federally or State Chartered Bank and/or Credit Union is dealing with a not just additional requirements that no other industry requires but fees that are creating unfair competition and Banking monopolies in the area of Lending. I know that S.R.R. has been chosen to administer the requirements and maintain the data base due to the S.A.F.E act that was passed but the fees that all the Mortgage Broker and Banker Companies and their Mortgage Loan Officers are dealing with layered fees from the NMLS and also the state regulatory agencies. It is basically is out of control. The Non-Profit agency that was created to administer this should be required to give an accounting of revenues and expenses along with projection based on all states coming on board before these fees are increased. There should be a minimum time line to allow all of this to settle out of at least 6-12 months more. I can only tell you that the Requirements/Fees are causing a lot of long term career individuals to either make a decision to go work for a Bank Chartered Company or to get out of the industry all together. This is due to this over control and unwarranted fee structure placed on the non-bank mortgage companies and

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			<p>individuals that have no choice to comply or get out of the business.</p> <p>This response is being written by someone that has 20+ years in the business and has been displaced like many others due to high risk loans that were securitized by wall street and the very banks that the SRR and NMLS is exempting from the S.A.F.E instituted compliance items and required fees.</p> <p>There needed to be some additional controls in place but very interesting the S.R.R is made up of majority of Banking representatives and that this whole regulatory arm was put together well before (couple of years) the housing collapse in 2008 and the S.A.F.E act was passed. Interestingly the very company the was nominated to Congress to administer this exempted the Banks and the Credit Unions that were linked directly into the Securities being created that actually played an active role in the Housing crisis/collapse.</p> <p>Their argument, the Banks are already regulated.</p> <p>I'm confident that one voice is not being heard, but I hope and pray that you receive thousands of reponses like mine.</p> <p>Recommendation: Put a hold on the Fee increases for minimum 6 months to allow for evaluation of revenues from the current Agent and Company base to file required licensing forms versus operating expenses and then make adjustment if necessary.</p>
47	11/12/10	Debbie Wood	<p>If you want to protect consumers, keep our fees down. We will have no choice but to pass these increases on to the consumer. It cost money to stay in business. Put the bad guys out of business and leave the good guys alone. Having trouble deciding who the bad guys are? Look at the execs in prison and the big bank board of directors.</p>
48	11/12/10	Marlene Ambar High Sierra Mortgage Co	<p>Increasing fees for individuals that are involved in an industry which has been depressed over the past several years is adding salt to the many wounds! Individuals in the mortgage industry are just trying to survive the economy! I, personally have spent over \$1,000.00 due to the NMLS transition, between the testing requirements, company and individual fees, background checks, credit checks, certifications, education, etc! It is unfair the bank LO's do not have to go through the same scrutiny as brokers - they still originate loans, don't they? They are still dealing with the public, don't they? So, why shouldn't they have to go through the same NMLS requirements?? If they did, then maybe, the cost of running NMLS would be spread over many more individuals, thus having less impact for each individual.</p> <p>The bottom line, is that with the "bigger government" instituting NMLS, more brokers are getting out of the business, therefore, competition is less, and that is bad for consumers!</p>
49	11/12/10	Jose Cortez	<p>HOW IS POSIBLE THAT YOU WANT TO INCREASE THE FEES WHEN THIS INDUSTRY IS IN VERY BAD CONDITIONS DUE TO THE REDUCCION ON THE SALE PRICES, AND THE BAD ECONOMY.OWER INCOME IS DOWN.</p> <p>ALL LOAN OFFICERS HAVE TO PAY FOR OWER ADVERTISING.OFFICE,CELLS, CAR EXPENSES TO DO OWER WORK ETC. AND WE CAN NOT DEDUCT THOSE EXPENCES BECAUSE WE ARE PAID WITH W2. WE DO NOT</p>

Nationwide Mortgage Licensing System and Registry

Proposed NMLS Federal Registry Proposed Fees Public Comments – October 14 to November 12, 2010

			RECEIVE NOTHING FROM THE BROKERS
50	11/12/10	Max Cook Missouri Bankers Association	<p>The Missouri Bankers Association is a state bankers association representing 360 banks and savings institutions in Missouri. State Regulatory Register LLC operates the Nationwide Mortgage Licensing System & Registry (NMLS) to register Mortgage Loan Originators (MLOs) employed by federally chartered or insured institutions and their owned and controlled subsidiaries that are federally registered. It is owned a wholly owned subsidiary of the Conference of Bank Supervisors. Section 1510 of the Safe Act (12 U.S.C. 5109) authorizes the Registry to “charge reasonable fees to cover the cost of maintaining and providing access to information from the [Registry], to the extent that such fees are not charged to consumers for access to such [Registry]”.</p> <p>The Safe Act is federal legislation designed to police Mortgage Loan Originators (MLOs), through a numbered system to protect consumers from criminal MLOs and insure the ability to trace the mortgage. However the NMLS has considerable fees and will impose new cost on bankers; this may be a vendor created profit making system. What appear to be reasonable fees in Washington D.C., may not be reasonable in much of the United States.</p> <p>Following the letter of Request and providing a short individual summary on what the fee will be, MBA reviews a series of paragraphs outlining proposed fees.</p> <ol style="list-style-type: none"> 1. Initial federal registration NMLS processing fee of \$30 per MLO’s initial registration between January 1 and June 30, 2011; and a proposed fee of \$60 for such registration between July 1 and December 30. Comment: This means starting January 1 and through June 30 etc. to be clear. <ul style="list-style-type: none"> <input type="checkbox"/> The Annual Renewal of federal registration will include a proposed NMLS processing fee of \$30 assessed on an annual basis, with no fee for the filers starting July 1 through December 30 in 2011. <input type="checkbox"/> Change in employment requires an NMLS processing fee to be assessed each time an MLO changes employment of \$30 regardless of when the registration was initially completed. 2. NMLS Initial filing and annual renewal fee for employing institutions An NMLS processing fee of \$100 will be assessed each time a federally chartered or insured institution initially files its MU1R through NMLS. <ul style="list-style-type: none"> <input type="checkbox"/> Annual renewal of filing A processing fee of \$100 will be assessed under 2. Above, for the annual renewal with NMLS 3. Criminal Background Check Fee SRR will charge a \$39 fee for submission of fingerprints electronically and an additional \$10 fee for scanning fingerprints from paper files. 4. Two factor authentication annual subscription fee SRR requires this for security for all institutions users who have access to more than one MLO personally identifying information. NMLS will assess all institution users an annual subscription fee of \$70. In addition, certain types of second authentication factors may require an annual additional fee.

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			<p>5. Other fees for institution-requested activities Other fees may be charged to implement institution-specific requests.</p> <p>There will be more details concerning additional payment at a later date.</p> <p>This means that an institution with two mortgage loan originators (MLOs) will pay effectively under 1. above \$60 per year; employment change of the MLOs will be \$30; 2. the initial and annual renewal fee will be \$100 per institution; 3. the fingerprint minimum charge will be \$39; 4. the two factor authentication system annual subscription will be \$70 plus unknown. This means the total will be \$269 plus perhaps other fees.</p> <p>The total cost per institution and MLOs is unknown; please take into consideration that the community banks in Missouri and across the nation are challenged with proposed regulations and internally increased compliance costs. Each time new fees are assessed be it for the Safe Act, or for the Dodd-Frank Act, new fees may be part of the issue. Certainly more internal compliance will be a burden on the bank.</p>
51	11/12/10	Christopher Funai Newmark Realty Capital, Inc	<p>Just a quick note to voice my opinion that the transition process should not include COMMERCIAL MORTGAGE BANKERS AND BROKERS.</p> <p>Of course, we are NOT subject to consumer lending laws and thus, do not have to meet all the regulatory requirements of HUD, the Fed, etc.</p> <p>Despite this glaring omission, the NMLS still required commercial brokers to take the same test as those who originate HOME LOANS.</p> <p>The regulations and the tests are not fair and have wasted my time and money.</p>



November 10, 2010

State Regulatory Registry
Attn: Tim Doyle
Federal Registration Fees-Public Comments
comments@stateregulatoryregistry.com

Dear Mr. Doyle:

The North Dakota Bankers Association ("NDBA") appreciates the opportunity to comment regarding the fees that will be charged for NMLS registration of bank employed mortgage loan originators. NDBA is a trade association for North Dakota banks and thrift institutions. NDBA members operate more than 300 facilities throughout North Dakota from which North Dakotans are served with a full range of mortgage origination and other commercial banking services.

As business persons, NDBA members realize fees charged by NMLS for registration must be sufficient to recover system development and operating costs. In this vein, the SAFE Act allows NMLS to assess "reasonable fees to cover the costs of maintaining and providing access to information". NDBA is not able to meaningfully evaluate whether the proposed fees meet the statutory standard because the request for comment provides no information whatsoever regarding costs or the amount of revenue anticipated to be raised by the proposed fee structure. Succinctly put, NDBA opposes any fee structure that, in effect, provides an operating profit from a registration process in which mortgage lender participation is mandatory. Nothing in the information provided addresses this issue or gives assurances that the fees are designed only to recover the costs of maintaining the Registry.

We also are concerned that many NDBA members are located hundreds of miles from approved vendor sites for electronic submission of fingerprints and are concerned that, for these members, the \$10 scanning fee is not actually cost based and, therefore, excessive and inappropriate. This charge will disproportionately affect small and very small banks.

Thank you.

Sincerely Yours,
NORTH DAKOTA BANKERS ASSOCIATION

A handwritten signature in blue ink that reads "Rick Clayburgh".

Rick Clayburgh
President

Commerce Bancshares, Inc.
Compliance Department, TB12-1
922 Walnut St., P.O. Box 13686
Kansas City, MO 64199-3686

November 12, 2010

State Regulatory Registry
Attn: Tim Doyle
Federal Registration Fees – Public Comments
1155 Connecticut Avenue, NW
Fifth Floor
Washington, DC 20036-4306

Delivered via email:
comments@stateregulatoryregistry.com

RE: NMLS Federal Registry Fees – Request for Public Comment

Dear Mr. Doyle:

Commerce Bancshares, Inc. (CBI) is a regional bank holding company with one bank subsidiary, Commerce Bank, N.A., and total assets of \$18.8 billion at September 30, 2010. The bank is a full-service bank, with approximately 370 banking locations in Missouri, Illinois, Kansas, Oklahoma, and Colorado and credit card operations in Nebraska. A full line of banking services, including investment management and securities brokerage are offered. CBI also has operating subsidiaries involved in mortgage banking, credit related insurance, and private equity activities.

We appreciate the opportunity to comment on the proposed fees to be assessed by the Nationwide Mortgage Licensing System & Registry (NMLS) in connection with the registration of federally regulated mortgage loan originators (MLOs) pursuant to the requirements of the SAFE Act.

SRR Support Services – Training

In its Request for Public Comment on the proposed NMLS Federal Registry Fees dated October 14, 2010 (Fee Proposal), the State Regulatory Registry LLC (SRR) states that it “is responsible for providing support services, including but not limited to: Developing and executing training for institutions and MLOs concerning the federal registration process.” We urge the SRR to publish its training as soon as possible, even in advance of the availability of the NMLS. CBI has identified approximately 700 employees who must be registered and who must learn the requirements of registration. In addition, there are other employees who will not be registered as MLOs, but who will be providing support services to the MLOs and will also need to be trained. We will be developing training for our employees, but until we see the SRR training materials, we do not know how extensive our own training should be, and we do not want to put time, money and effort into creating training if we can use the SRR training materials.

Criminal Background Check Fee

Currently, on or about the date of hire, all new Bank employees are fingerprinted, and their fingerprints are submitted to the FBI for the purpose of conducting a background check. It is not clear from the proposal whether we will have to pay the NMLS fee for the criminal background check in addition to the fee we pay now for criminal background checks of all new employees. Obviously we would like to avoid the payment of duplicate fees.

How soon after the fee is paid will we receive the criminal history? The Bank has hiring standards which go beyond the type of information which is publishable in the Registry. We understand from the final rules that as an employer, we will have access to information which is not published; however, some of that information may disqualify the individual from employment with us. In considering the issue of obtaining duplicate reports, we need to know how long we might have to wait to receive the background check.

Annual Subscription Fee

In the Fee Proposal, it is stated that all institution users will pay an annual subscription fee of \$70, and further noted that “if an individual has access to multiple individuals’ personally identifying information through different accounts (for example, a parent institution and its subsidiary), that individual will be assessed an authentication annual subscription fee for each account.” The example addresses a financial institution and its subsidiary. If the individual with access is employed by a bank holding company which controls a financial institution and an affiliated mortgage company (not a subsidiary of the bank), we assume that the user would pay two fees for access to both accounts, but would appreciate confirmation of our assumption.

Thank you for giving us the opportunity to comment.

Sincerely,

Elizabeth D. Reefer
Compliance Research Manager



November 12, 2010

State Regulatory Registry
Attn: Tim Doyle
Federal Registration Fees – Public Comments
1155 Connecticut Avenue, NW
Washington, DC 20036-4306

Re: Wells Fargo Bank, N.A.
Federal Registration Fee Comments

Dear Mr. Doyle,

Please accept the following feedback from Wells Fargo Bank, N.A.

1. **Criminal Background Check Fee** - the \$39.00 fee for the Criminal Background Check includes MLO fingerprinting, retention and processing of prints and the FBI background check. We propose a separate fee that would consist of the FBI background check when fingerprints are sent from the entity to the Registry's vendor. This fee would reflect the service of routing the fingerprints to the registry and the FBI background check, therefore representing actual services rendered.
2. **Two-Factor Authentication** - the two-factor authentication requirements as they are currently written result in an excessive number of annual subscriptions and corresponding fees for institutions with multiple entities. We propose an option that a single subscription is issued at the federal banking entity level that allows administrative team users to access the bank entity and all subsidiaries or joint ventures from that single subscription. Wells Fargo will register approximately 150 entities creating a burdensome and costly process.

Wells Fargo appreciates your consideration of the comments submitted regarding this matter. Please feel free to contact me should you have any questions.

Sincerely,

Catherine P. Houston
Vice President, SAFE Registration Operations
Compliance & Enterprise Risk Management
1100 Corporate Center Drive
Raleigh, NC 27607
919.852.8372
catherine.houston1@wellsfargo.com

cc: Dee Dutoit
Kathy Gray
Mike Dosedel
Betsy Fredrickson



Rod J. Alba
 Vice President, Mortgage Finance
 & Senior Regulatory Counsel
 202-663-5592
 ralba@aba.com

November 12, 2010

State Regulatory Registry
 Attn: Tim Doyle
 Federal Registration Fees-Public Comments
 1155 Connecticut Avenue, NW, Fifth Floor
 Washington, DC 20036-4306

Dear Mr. Doyle:

The American Bankers Association (ABA) welcomes the opportunity to provide comments on the State Regulatory Registry Board's (hereinafter "SRR" or "Registry") proposal to set fees in accordance with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (hereinafter "SAFE Act"), as published in the SRR's request for comments dated October 14, 2010. The American Bankers Association represents banks of all sizes and charters and is the voice for the nation's \$13 trillion banking industry and its two million employees. ABA's extensive resources enhance the success of the nation's banks and strengthen America's economy and communities.

Section 1510 of the SAFE Act provides that the "Federal banking agencies, the Farm Credit Administration, the Secretary, and the Nationwide Mortgage Licensing System may charge reasonable fees to cover the cost of *maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry...*"¹ The SRR receives its authority to assess the proposed licensing fees pursuant to the SAFE Act and 12 CFR Parts 208 and 211, et al.²

ABA offers four areas of concern regarding the published schedule:

- The first concern relates to the reasonableness of the fees. The SRR should ensure that any fee schedule is specifically limited to charges that are reasonable to the services authorized by statute and rule, and limited to those costs only and not to other operational centers, including those of the Registry. Also, ABA believes proposed charges should be documented and subject to review by appropriate federal regulators.
- ABA is further concerned about the non-predictability of any future fee schedules, and recommends that the SRR consider identifying a standard, system or index whereby fees can be raised or lowered based on actual costs. Doing this will provide insured banks the ability to appropriately plan and budget for these new costs, particularly in the present environment where regulatory requirements and costs are increasing at record rates.
- Additionally, ABA firmly believes that the fees established for non-banks, including Farm Credit System institutions, must remain consistent with the fees applied to insured banks. The proposed fees published on October 14, 2010, are similar and comparable to those presently experienced by

¹ Emphasis added.

² 12 CFR Parts 208 and 211 (Federal Reserve System). Also see 12 CFR Part 34 (Department of the Treasury-Office of the Comptroller of the Currency); 12 CFR Part 365 (Federal Deposit Insurance Corporation); 12 CFR Part 563 (Department of the Treasury- Office of Thrift Supervision); 12 CFR Part 610 (Farm Credit Administration); 12 CFR Parts 741 and 761 (National Credit Union Administration).

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non-insured mortgage originators, with one exception being the two-factor identification fee, which is specific to insured institutions and federal security requirements.

- Finally, many ABA members already incur costs associated with background checks and fingerprinting employees. To avoid duplicated efforts and excessive costs, banks should be able to utilize their existing protocols and supply resulting data to the Registry. ABA recommends that the SRR, Federal banking regulators, and covered insured institutions identify the necessary systems to satisfy SAFE Act requirements utilizing banks' existing background check practices.

In conclusion, imposition of fees related to the SAFE Act should be straightforward and subject to review and documentation. While ABA does not challenge this specific proposal, the process lacks important review and documentation elements. The integrity of these processes is likely to become increasingly important as insured depositories incur numerous other regulatory expenses, including those recently imposed by the Dodd-Frank Act. ABA requests that the SRR be mindful of the existing and growing regulatory cost burden on insured depository institutions and, wherever possible, seek to minimize those costs, particularly when there may be a duplication of efforts.

Thank you for the opportunity to comment on this important matter. Should you have any questions, please contact the undersigned at 202-663-5592 or ralba@aba.com, or Vincent Barnes at 202-663-5230 or vbarnes@aba.com.

Sincerely,

Rod Alba

Rod J. Alba



November 12, 2010

State Regulatory Registry
Attn: Tim Doyle
Federal Registration Fees – Public Comments
1155 Connecticut Avenue, NW
Fifth Floor
Washington, DC 20036-4306

RE: NMLS Federal Registry Fees Proposal

Dear Mr. Doyle:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions (FCU), I am writing to you regarding the proposed fees to be assessed by the Nationwide Mortgage Licensing System & Registry (NMLS) relative to registration of federally regulated mortgage loan originators (MLOs) pursuant to the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act). The NMLS is operated by State Regulatory Registry LLC (SRR), a wholly owned subsidiary of the Conference of State Bank Supervisors.

The proposal consists of a fee structure that involves separate fees for initial registration and renewal for MLOs, employing institutions, criminal background check, and a two-factor authentication annual subscription to access MLOs' personally identifying information. Under the proposal, the initial registration fee would be \$30 for each MLO if the registration is completed between January 1 and June 30, 2011, and \$60 if the registration is completed between July 1 and December 31, 2011. The annual renewal fee would be \$30. The criminal background check fee would be \$39 for electronic prints or \$49 for paper prints. In addition, the employing institution would be assessed a \$100 initial filing fee, a \$100 annual renewal fee and \$70 annual subscription fee to have access to their MLOs personally identifying information.

NAFCU is very concerned that each of the proposed fees is excessive. We are also concerned that SRR did not explain how it arrived to the proposed amounts.

Credit unions are uniquely affected by the proposed fees. Credit unions are not-for-profit cooperative institutions that are chartered to provide financial services to their

Tim Doyle, SRR
November 12, 2010
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members. By law, their capital consists of retained earnings and they are not permitted to raise capital outside their credit union. As such, each cost they incur must be passed down to their members, generally through lower returns on deposits or higher rates on loans. Consequently, the proposed fees will be costly to the 92 million Americans that count on their credit unions. With the financial predicament that Americans are facing today, we do not believe these costs are appropriate or warranted.

Based on the broad interpretation of the National Credit Union Administration and the other Federal Agencies regarding who must register under the SAFE Act, many credit unions are finding that they must register and maintain the registration of many employees, including many that are only tangentially connected to mortgage lending and, in some cases, even the volunteer directors that make up the credit union's Board of Directors. If the fees are finalized as proposed, the initial and annual costs will be in the thousands for most credit unions. For example, a credit union that must register 20 employees would incur a minimum of \$1,750 in initial cost (\$700 in MLO and institution registration, \$980 for paper prints, \$70 for the two-factor authentication annual subscription) and \$770 annually thereafter. One that must register 50 persons would pay a minimum of \$4,120 initially and \$1,670 annually thereafter. These are not insignificant amounts, especially for a not-for-profit institution such as a credit union.

Accordingly, we respectfully request that the SRR revises the proposed fees so that credit unions are charged substantially lower fees than proposed. In addition, SRR should institute a fee structure that considers the number of MLOs that an employing institution registers. Such structure should be developed following an "economies of scale" range in which the more MLOs an employing institution registers, the lower fee it would pay for initial registration and renewals, fingerprinting, and the two-factor authentication subscription.

Further, NAFCU would also like to emphasize that full disclosure on how SRR has arrived at the proposed fees is important. We find disconcerting the fact that SRR did not provide any information on how it arrived at any of the proposed amounts in its request for comments. Given that the costs for most employing institutions are substantial, we believe that full disclosure is warranted and appropriate and we respectfully ask that SRR provide justifications for each fee in full detail.

NAFCU appreciates the opportunity to provide our comments. Should you have any questions or would like to discuss these issues further, please feel free to contact me at (703) 842-2268 or ttefferi@nafcuh.org.

Sincerely,



Tessema Tefferi
Associate Director of Regulatory Affairs

Consumer Mortgage Coalition

November 12, 2010

State Regulatory Registry
Attn: Tim Doyle
Federal Registration Fees – Public Comments
1155 Connecticut Avenue N.W., Fifth Floor
Washington, D.C. 20036-4306

Dear Mr. Doyle:

The Consumer Mortgage Coalition (CMC), a trade association of national consumer mortgage lenders, servicers, and service providers, appreciates this opportunity to comment on the registration fees proposed to be charged by the National Mortgage Licensing System and Registry (NMLS).

The fees that mortgage lenders will pay will need to be passed through to consumers, so it is important that the fees not exceed a level that covers reasonable and necessary costs.

The proposal states:

The SRR [State Regulatory Registry] Board of Managers notes that the proposed NMLS fees for federal registration are consistent with those charged to apply for or maintain a state license. The SRR Board of Managers performs an annual evaluation of NMLS user fees and solicits public comment for any proposed changes. It is contemplated that the federal registration fees would become a part of this annual review process.¹

We are pleased that the fees will be subject to annual evaluation and review, and that they will be open to public comment. These steps will help avoid fees that are unnecessary or unreasonable, and will thereby hold down the cost of consumer mortgage credit.

Reasonableness of Fees Should be Verifiable

Congress requires that the fees be reasonable.² We suggest that whether the fees are reasonable depends on whether the fees are for services that are reasonably necessary, and what the reasonable cost is of providing those services. The proposal identifies some

¹ NMLS Federal Registry Fees – Request for Public Comment, p. 4 (October 14, 2010), available here: <http://mortgage.nationwidelicencingsystem.org/news/ProposalsForComment/Public%20Comment%20Request%20for%20Federal%20Registry%20Fees.pdf>

² 12 U.S.C. § 5109.

but not necessarily all services, so we are not able to verify that the fees are only for reasonably necessary services.

The proposal does not address the costs to the NMLS of any of the services. Without cost information, it is not possible to ascertain the reasonableness of the proposed fees.

We therefore suggest that the NMLS provide a detailed breakdown of what its costs are, or are expected to be, for maintaining the registry and for providing reasonably related services so that the public will have a meaningful opportunity to comment on the proposed fees.

Criminal Background Checks Differ for Licensees and Registrants

The proposed fee for a criminal background check is \$39 for electronic fingerprints, for both licensees and registrants. For licensees, this fee covers the services of scheduling and taking electronic fingerprints, submitting the fingerprints to the Federal Bureau of Investigation, and of entering the results of the background check into the NMLS system. Many registrants will not use the NMLS services of scheduling and taking electronic fingerprints. It is therefore reasonable to reduce the \$39 fee by the cost of those services for registrants who do not use them.

Two-Factor Authentication Annual Fee

The proposal includes fees of \$70 annually per user for two-factor authentication. The proposal describes these fees as not within the control of SSR. “These fees are set by the vendor SRR has contracted with to provide two-factor authentication and are not determined or controlled by SRR in any way.”

We suggest that the selection of a vendor influences the cost of the services provided. The proposal provides no explanation of steps taken to ensure the vendor’s fee is reasonable. Nor does it mention what the vendor actually charges.

Is the SRR including a mark-up to cover its administrative costs? If so, how much, for what administrative services, and how was the amount of any mark-up chosen?

The proposal also states that, in addition to the annual subscription fee, certain types of second authentication factors may require an initial acquisition fee. The proposal does not describe what these additional factors might be, why they are reasonably necessary, what their costs might be, or how fees for them will be set. Without this information, we believe it would be inappropriate to impose any such fee because the public has had no notice and opportunity to comment on the reasonableness of the fees.

Initial Costs Will Be Higher Than Maintenance Costs

The proposal states that among the services SRR will provide are developing and executing training for institutions and mortgage loan originators on the federal registration process, and providing call center support for federal registration.

At first, the registration process will be new for all, but shortly thereafter it will be familiar to almost all registrants. Developing and executing training for institutions and mortgage loan originators concerning the federal registration process, and providing call center support for federal registration, will be far more important initially than later. We suggest that this future reduction in needed services should be reflected in registration fees, and that fees should be lowered in the future.

We also wonder why equal fees are proposed for both initial registrations and annual renewals of registrations, for both individual mortgage loan originators and their employers. It would appear that initial registrations will put more burden on the NMLS than mere renewals, so that fees should be lower for renewals.

Similarly, processing a mere change in employment of a registered mortgage loan originator would apparently be a straightforward, automated process of updating a small amount of information. Only information about the change in employment must be updated, not the entire registration. But the proposed fee for updating an employer's identity is the same as that for an initial, full, registration.

The fact that the proposed fees are identical for initial registrations, renewals, and changes in employment, three very different filings, indicates that the fees are not reasonably related to the NMLS's costs.

Renewal Fees Should Not Be Charged Absent an Actual Renewal

The proposal would charge a fee for initial registration that varies depending on the time of year. Initial registration during the first half of a calendar year would cost \$30, while initial registration during the second half of the year would cost \$60, twice as much for the same registration event. Certainly at least one of these fees is unrelated to the associated registration cost. If the cost of an initial registration were actually \$30, then those who happen to register in the second half of a year would be charged twice what they should be charged. Double charging is inappropriate.

In addition, there is proposed a \$30 fee for each annual registration renewal. Renewal must take place at the end of each year, but renewal is not required at the end of a year for those who initially register in the second half of that same calendar year. The proposal states, "No annual renewal fee will be assessed on MLOs who initially register between July 1st and December 31st, but such annual renewal fees would be assessed in subsequent years for these individuals."

That is, the proposal states that those who initially register during the second half of the year do not need to pay a renewal fee until the end of the second calendar year. But what the proposal would do is the opposite. It would charge late-year registrants \$60 for their first fractional year, and \$30 for each subsequent year. Early-year registrants also would pay \$60 for their first year (\$30 for initial registration and \$30 to renew at the end of the first calendar year) and \$30 for each subsequent year. The proposal would, in effect, charge the same for all registrants regardless of when they register.

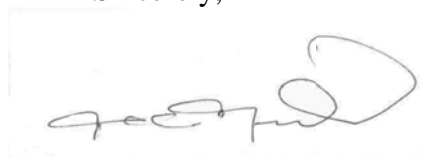
Late-year registrants would pay the same as early-year registrants, although the NMLS would process renewals at the end of the first year only for early-year registrants. Late-year registrants would pay for the cost of a renewal during the first year that is not required, does not occur, and for which the NMLS incurs no cost. This is inappropriate.

Conclusion

Congress has directed that the fees for registration of federally-regulated mortgage loan originators be reasonable. This is an important mandate because the fees are eventually passed on to consumers.

The proposal states what the fees would be, but does not explain how they were determined or why they are reasonable. We therefore suggest publication of sufficient information to permit meaningful public comment on these important questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne C. Canfield", enclosed within a thin black rectangular border.

Anne C. Canfield
Executive Director

November 12, 2010

State Regulatory Registry
Attn: Tim Doyle
Federal Registration Fees - Public Comments
1155 Connecticut Avenue, NW, Fifth Floor
Washington, DC 20036-4306

Sent by email to comments@stateregulatoryregistry.org

Dear Mr. Doyle,

Thank you on behalf of the American Financial Services Association (AFSA)¹ for the opportunity to comment publicly on proposed fees to be assessed by the Nationwide Mortgage Licensing System & Registry (NMLSR) in connection with the registration of federally regulated mortgage loan originators (MLOs). We have significant concerns related to the registration and background check fees, how frequently the fees are assessed, the transparency of arriving at fees, the apparent lack of cost-containment incentives and other issues.

Excessive Fees

As we have highlighted to you in the past, we are concerned that fees paid by registrants are at odds with the actual costs of the NMLSR. Our understanding of the costs involved lead us to the conclusion that the fees suggested in this proposal are excessive. The first year fees for individual registrants (including required renewals in the same calendar year for some) will be \$60 for every registrant. If, as estimates suggest, at least 500,000 MLOs are registered, the NMLSR stands to clear a minimum of \$30 million in 2011 in registration/renewal fees alone. Assuming fees are not raised in 2012, the NMLSR will take in \$15 million just in renewals. We believe this is excessive in aggregate, particularly when one considers this is for registration—establishing and storing a limited amount of information in a database. If the reason for this is parity between banks and state licensed financial institutions (and not actual costs), then the fees associated with the system should be decreased across the board. If the reason is actual costs, we seek a breakdown of costs and an opportunity for public review. This concern further reinforces the need for public transparency as relates to NMLSR finances – something AFSA has consistently called for some considerable time.

Registration and Renewals in the Same Calendar Year

On top of this, we continue to have concerns that the administrative burden on our member companies is excessively high. The requirement that a renewal fee be paid in the same calendar

¹ The American Financial Services Association is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members are important sources of credit to the American consumer, providing approximately 20 percent of all consumer credit. AFSA member companies offer vehicle financing, cards, personal installment loans and mortgage loans. The Association encourages and maintains ethical business practices and supports financial education for consumers of all ages.

year as an initial registration fee (for example, an individual registering for the first time on January 1, 2011 will pay a fee of \$30 and will be expected to renew and pay an additional \$30 on or about November 1, 2011) is principally troubling. This is particularly important when we consider that the proposal limits itself to saying,

“Annual renewal of federal registration: An NMLS processing fee of \$30 will be assessed on an annual basis in accordance with federal requirements that mortgage loan originators renew their registration once a year....”

We note that there is nothing in “federal requirements” that stipulates that the fee be \$30 or that registration and renewal should both occur within the same calendar year. There is a real danger that this could be misinterpreted as a “money grab” by the State Regulatory Registry, LLC (SRR). To avoid this appearance and to sensibly minimize the burden and first year costs for companies paying MLO registration fees, we urge that this be reviewed and revised.

Renewal Fee

We are also troubled that the renewal fee (\$30) is the same fee as initial registration. Our understanding is that the renewal will cost the system virtually nothing. If an MLO merely renews their registration annually with no changes, why should that cost the same amount as initial registration—and why should that cost at minimum \$15 million per year for the NMLSR to administer? We again assert that without public transparency as to costs and expenses to potentially explain it, this appears to our members outrageous.

Excessive Background Check Costs

It is essential that, within the context of the NMLSR, third party fees for services are kept as low as possible. We are concerned that in the absence of any incentive for the SRR to keep fees low (or any direct duty to licensees), the cost of background checks will be high and likely to get higher. Currently, companies are able to negotiate far lower rates for background checks while hiring employees than the \$39 currently stipulated by NMLSR. If larger entities are able to negotiate a much lower fee for a full background check including prints, why was the SRR / NMLSR not able to negotiate a lower fee too? Also, it is unclear whether this amount is solely attributable to the actual cost of the background check, or whether the NMLSR is collecting a processing fee as part of the \$39. If a fee is part of the \$39, we seek full transparency and a complete breakdown of the cost, including what portion of the criminal background check is payable to the third party fingerprint provider.

Related to this, as we have mentioned, many AFSA members already collect fingerprints and conduct criminal background checks on employees. In order to avoid duplicative printing (and fees), they have naturally sought to upload existing prints to the system. Unfortunately, alternative methods for fingerprinting options are slow to get approval for implementation. Companies are prevented from minimizing costs associated with duplicative fingerprint processing fees due to the fact that that company’s fingerprint vendor is not the vendor awarded the NMLSR contract. Additional solutions for the ability to allow companies using third party fingerprint providers have not been identified. One member company was told by their

fingerprint vendor that they are disadvantaged in the marketplace because that vendor is not the vendor awarded the NMLSR contract. This is very troubling to AFSA members because of the effects competition has of keeping costs down.

Vendor Transparency

Related to the concerns about fingerprint vendors detailed above, and in support of our call for the highest levels of transparency within the NMLSR, we request public access to details of NMLSR's system for choosing and renewing vendors. It is essential that information relating to third party engagements by SRR is available to MLOs and any other party that might wish to review it. This information should include details of how potential vendors are identified, who is invited to bid, how bids are submitted and how that is communicated. It should further detail the duration of engagements, the process by which vendors are actually engaged and should extend to existing vendor contracts. We feel it is essential for the NMLSR to manifest the highest levels of transparency to assure the confidence of licensees and registrants. We believe now is the time to introduce this to avoid a more difficult, costly, yet inevitable imposition of such requirements at some stage in the future.

Conclusion

AFSA members believe that the more that can be done to minimize the burden to registrants, both administrative and fiscal, the more effective the system will be. Containing registration costs or, indeed, any cost associated with the system, will minimize the impact on investors and consumers. Excessively high costs associated with the system do not merely punish banks and other financial institutions; in a free market economy, these costs are ultimately borne by consumers.

We respectfully request that you consider this input and adjust the proposal for proposed federal registry fees accordingly. We would be pleased to provide any further assistance that you should require in this matter.

Respectfully submitted,



Christopher Stinebert
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