Request for Public Comments
Proposed Changes to Uniform NMLS Licensing Forms and Mortgage Call Report

October 11, 2013

On behalf of the state regulatory agencies participating in NMLS,¹ the State Regulatory Registry LLC² (SRR) invites public comments on:

1. The proposed changes to the uniform NMLS Company, Branch, and Individual Licensing Forms (“Forms”) developed by state regulators and used by all states through NMLS; and

2. The proposed changes to the NMLS Mortgage Call Report (MCR).

Background

On April 12, 2013, SRR solicited public comments on the Uniform NMLS Licensing Forms and Mortgage Call Report. The comment period ended on June 11, 2013 and all public comments were posted on the NMLS Resource Center.

The Forms Working Group and Mortgage Call Report Working Group, comprised of state regulators, reviewed the comments and made recommendations to the NMLS Policy Committee for adoption.

During the initial comment period, SRR indicated that proposed changes would be put out for a 30-day comment period prior to finalization by the NMLS Policy Committee. Changes to the NMLS Licensing Forms and Phase I of changes to the NMLS Mortgage Call Report are expected to be implemented in NMLS in March 2014.

Given changes being made to HMDA reporting requirements and the need for more analysis and longer lead time in implementing significant changes to the MCR, SRR plans on proposing more substantive changes to the MCR in 2014 with an expected implementation timeframe in 2015.

Request for Public Comments

SRR is seeking comments from the public on the specific, proposed changes to the Forms and the Mortgage Call Report contained in this document.

Comments are requested to be limited to the content of the proposed Forms and Mortgage Call Report changes. Many of the comments submitted during the comment period were

¹ Information about NMLS can be found at http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx
² Information about the State Regulatory Registry LLC can be found at http://www.csbs.org/srr/Pages/default.aspx
determined to be broader policy issues that would not directly affect the Forms or the MCR at this time. A full response to all comments will be issued at the end of this 30 day comment period.

Persons submitting comments must include their contact information. Comments received, as well as the submitter’s name and company or organization (if applicable), will be posted on the NMLS Resource Center for public view. Comments submitted without contact information will not be considered.

All Form comments will be reviewed by the Forms Working Group comprised of state regulators and discussed with all state regulators. All Mortgage Call Report comments will be reviewed by the Mortgage Call Report Working Group comprised of state regulators and will be reviewed with all state regulators. The recommendations for proposed changes from the regulator groups will be sent to the NMLS Policy Committee for evaluation and approval or rejection. All approved changes are expected to be implemented in NMLS in the 1st quarter of 2014 and will be posted on the NMLS Resource Center in November 2013.

Persons submitting comments are encouraged to provide these comments electronically via email to: comments@stateregulatoryregistry.org

Comments may also be submitted in physical form to:

State Regulatory Registry
Conference of State Bank Supervisors
Attn: Tim Doyle, Senior Vice President
1129 20th St NW, 9th Floor
Washington, DC 20036

Comment submission deadline: November 11, 2013
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NMLS LICENSING FORMS – PROPOSED CHANGES
Overview of Form Changes

- Revise Business Activity on Company and Branch Forms
- Collect Other Trade Names on Company and Branch Forms by Agency and not by State
- Amend one disclosure question on Company Form
- Allow more than one branch manager per industry on Branch Form
- Add ability to collect high school or equivalent information on Individual Form
Revise Business Activity on Company and Branch Forms

- Revise “Reverse Mortgage Originations” to “Reverse Mortgage Activities” on the Business Activity section of the Company and Branch Forms to better capture the activities of certain companies. The accompanying definition has been expanded to include reverse mortgage servicing.
Revised activity
Collect Other Trade Names on Company and Branch Forms by Agency and not by State. This will allow states to better approve, track and identify trade names within their jurisdiction and permit companies to better comply with specific requirements of a particular licensing authority.
Associated to Jurisdictions, not States.

Selection:

Add Other Trade Name

Provide your other trade name below, including the effective date, industry type(s), and state(s) where the name is used to conduct business.

Name: 
Effective Date:  

Industry Type
- Mortgage
- Consumer Finance
- Debt
- Money Services

State Agency Forced Name?
- Alabama
- Alaska
- Arizona
- Arkansas
- California BRE
- California DBO
- Colorado
- Connecticut

was: California
Form Changes: Other Trade Names

Associated to Jurisdictions, not States.

Display:
Allow more than one branch manager per industry on the Branch Form. This will enable a branch to designate multiple branch managers within a certain industry type and indicate where each branch manager operates. Only one branch manager may be designated per industry per state.
Currently, only one allowed per Industry Type:

### Branch Managers


The following completeness check issues exist on this page:
- Only one Branch Manager can be associated to Consumer Finance.
- Only one Branch Manager can be associated to Debt.
- Only one Branch Manager can be associated to Money Services.
- Only one Branch Manager can be associated to Mortgage.

<table>
<thead>
<tr>
<th>Entity ID</th>
<th>Name</th>
<th>Industry Type(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jesse Smith</td>
<td>Mortgage, Consumer Finance, Debt</td>
</tr>
<tr>
<td></td>
<td>Cindy Johnson</td>
<td>Consumer Finance, Debt, Money Services</td>
</tr>
<tr>
<td></td>
<td>Mark Davis</td>
<td>Debt, Money Services</td>
</tr>
<tr>
<td></td>
<td>Brian Johnson</td>
<td>Mortgage, Debt, Money Services</td>
</tr>
<tr>
<td></td>
<td>Sarah Brown</td>
<td>Mortgage, Consumer Finance, Money Services</td>
</tr>
</tbody>
</table>

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

Each branch must have a branch manager with a completed Form MU2. If desired, a separate branch manager can be identified for each industry type in which the branch conducts business activities. To add a branch manager, search the NMLS to determine if the person already has a record in the NMLS. If not, you will need to create a new record for the individual. Click the Add button to perform the search.
Add ability to collect high school or equivalent information on Individual Form

- Add the ability to collect high school or equivalent information on the Identifying Information Section of the Individual Form. This will alleviate the need for mortgage loan originators operating in states where this information is required to supply this information outside NMLS.
High School Graduation Information added:

Identifying Information:

- Full Name:
- Gender: ○ Female ○ Male
- State of Birth: New Jersey
- Country / Province of Birth: United States
- US Citizen: ○ Yes ○ No
- State of Government Issued Identification: New Jersey
- Government Issued Identification Number:
- Passport Issuing Country:
- Passport Number:

High School Information is only required for loan originators in Florida.

○ High School Graduate ○ GED

- Graduation/GED Year:
- High School Name:
- High School City:
- High School State: New Jersey
- High School Country: United States
Amend one disclosure question on Company Form

• Add the word “proceeding” to disclosure question E on the Company Form to provide greater clarity to the question and to make the terminology the same as that contained in the Individual disclosure form.
Disclosure Question text update to match Individual form:

<table>
<thead>
<tr>
<th>Regulatory Action Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever:</td>
</tr>
<tr>
<td>(1) found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?</td>
</tr>
<tr>
<td>(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)?</td>
</tr>
<tr>
<td>(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?</td>
</tr>
<tr>
<td>(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity?</td>
</tr>
<tr>
<td>(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?</td>
</tr>
<tr>
<td>(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?</td>
</tr>
<tr>
<td>(E) Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation described in (C) through (D)?</td>
</tr>
</tbody>
</table>
Request for Public Comments

NMLS MORTGAGE CALL REPORT – PROPOSED CHANGES
Updates to form formatting

- The assets and liabilities sections on the FC should be split into short-term and long-term.
- Before row D200 on the FC (standard and expanded), add the header: Other Non-Interest Expenses. This header corresponds to the calculations in D300.
- Update the way that the MCR information is displayed for regulators (e.g. sub-totals and totals bolded, etc.) (see outstanding questions).
Updates to specific fields on the FC

• Lines A050 and A190 should be displayed next to each other on the form.
• Lines B230 and B240 should be placed with in the equity section, not between total liabilities and owners’ equity. (see outstanding questions)
• A provision is actually an expense, it is not income. Line C700 needs to go into the non-interest expense side, and it should remain as its own line.
  – The same is true for C710.
• The title for C710 should be updated: Other Than Temporary Permanent Impairment (not MSR-Related) & Other Credit Related Losses
• Line D320 should be moved after D440.
New and updated fields and calculations on the FC

- A030 – Make field a calculation: Equal to A030T (Column 1)
- A032 – Make field a calculation: Equal to A030T (Column 2)
- A034 – Make field a calculation: Equal to A030T (Column 3)
- A036 – Make field a calculation: Equal to A030T (Column 4)
- A060 – Make field a calculation: Equal to A060T (Column 1)
- A062 – Make field a calculation: Equal to A060T (Column 2)
- A064 – Make field a calculation: Equal to A060T (Column 3)
- A066 – Make field a calculation: Equal to A060T (Column 4)
- A090 – Make field a calculation: Equal to A090T
- A160 – Make field a calculation: Equal to A160T
- A220 – Make field a calculation: Equal to A220T (Column 1)
- A230 – Make field a calculation: Equal to A230T
New and updated fields and calculations on the FC (cont.)

- A060AF – Allow users to provide a value in column 2
- A090T – Make field a calculation: Equal to the sum of A090A and A090B
- B180 – Make field a calculation: Equal to A220T (Column 2)
- B350 – Make field a calculation: Equal to B350T
- B360 – The calculation for this field may need to be updated based on the placement of B230 and B240 and the answers to the outstanding questions.
- D320 – Make field a calculation: C800-C160-D310
- D510 – Make field a calculation: C800-C160-D500
- D600 – Update calculation: D550+D560
- New note fields related to the following: A060AH, A060AI, A220G, A22H, B250N
New and updated fields and calculations on the RMLA

• Add new data entry field after AC064: Changes in Application Amount
  – This field can allow for a positive or negative number

• Add new calculated field after the new field notes above. Equal to AC010 through the new field.

• Add new calculated field after AC080. Equal to the sum of AC070 through AC080.
### Q3 APPLICATION DATA

**DIRECTLY RECEIVED FROM BORROWER**

<table>
<thead>
<tr>
<th>Type of Action Taken</th>
<th>Amount ($)</th>
<th>Count (#)</th>
<th>Average Size ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC010 Applications In Process at the Beginning of the Period</td>
<td>$500,000</td>
<td>5</td>
<td>$100,000</td>
</tr>
<tr>
<td>AC020 Applications Received</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC030 Applications Approved but not Accepted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC040 Applications Denied</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC050 Applications Withdrawn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC060 File Closed for Incompleteness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC062 Pre-Approval Requests Denied</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC064 Pre-Approval Requests Approved but not Accepted</td>
<td></td>
<td></td>
<td>$90,000</td>
</tr>
<tr>
<td>AC?? Changes in Application Amount</td>
<td>$50,000</td>
<td></td>
<td>$90,000</td>
</tr>
<tr>
<td>AC?? Total (Field Label TBD)</td>
<td>$450,000</td>
<td>5</td>
<td>$90,000</td>
</tr>
<tr>
<td>AC070 Loans Closed and Funded</td>
<td>$250,000</td>
<td>3</td>
<td>$83,333</td>
</tr>
<tr>
<td>AC080 Applications in Process at the End of the Period</td>
<td>$200,000</td>
<td>2</td>
<td>$100,000</td>
</tr>
<tr>
<td>AC?? Total (Field Label TBD)</td>
<td>$450,000</td>
<td>5</td>
<td>$90,000</td>
</tr>
</tbody>
</table>
Updates to completeness checks and data validation warnings

- Update the dollar values and numeric items (not NMLS IDs) displayed in completeness checks and data validation warnings to include commas. The rules for the comma formatting should follow those used for the entry fields.
- Update Completeness Checks and/or data validation warnings so that out of balance or incomplete conditions prevent a filing submission.