

NMLS

Request for Comments on Proposed PE Expiration Policy

Request for Public Comments

CSBS invited comment on a proposed Pre-Licensure Education Expiration Policy. Implementation of this policy would provide a uniform timeframe related to expiration of pre-licensure education when an MLO does not hold a valid state license or active federal registration for a period of more than three years. Comments were due by August 22, 2014. A total of 11 comments were received in response to the proposed policy. Many of the commenters took this opportunity to express their general views on the testing and education requirements for mortgage loan originators. Other comments included opinions that the fees for testing and education are too high (as are license fees); continuing education is too onerous; and several comments relating to the fact that the testing and education requirements do not apply to bank MLOs which serves to place a much higher burden on state-licensed originators.

With regard to the actual proposal that would require PE expiration in certain cases where an MLO has not been active in the mortgage business for at least three years, two commenters thought the time period should be extended to five years and one believed that it should be set at one year. Other commenters thought that the policy had merit but several stated that the limit just added to cost and time issues that MLOs are subject to.

One commenter wanted clarification that the policy would not apply to an active MLO who was simply applying for a license in an additional jurisdiction, and another wanted to know if all states will adopt this policy.

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#	Date	Name & Company	Comments
1	7/23/2014	Linda Gaskill Treonet	<p>I admit these laws are necessary – but they are SO hard on people. I have licensing for my job and to do deals as they come up. I never like being told that the education I took is final as long as you take continuing ed every year. So I did that and it costs a fortune! Then you added 25 more questions and I had to take that. I have lost an agent to being inactive just because of the rules by the Realtors Association. It seems you at the management and governing levels are really just trying hard to put us out of business altogether. Cancelling out education you took in good faith and maintained – for any reason means you lied and the damages are to us.</p> <p>I don't approve of this horrible new proposal. If it entails more red tape, more cost to us agents – I have a real hard time thinking it's a great idea. This endorsement should be permanent as you made law in the first place, with continuing ed. Nothing else. We are not all idiots that have to take the same classes over and over and over and over</p>
2	7/24/2014	Curtis Hilty	<p>The Proposed Pre-Licensure Education Expiration Policy is easy to understand and simple to inform licensees about.</p> <p>However, three years is too long. Suggest that you consider a shorter time frame for acceptance, perhaps one year.</p> <p>If a license is not applied for within a year, then the courses are expired. If a license is surrendered then one year later they must retake course work. Three years is too long.</p>
3	7/24/2014	Samantha Newman Homestead Funding Corp.	<p>Would the proposed PE compliance expiration apply to any new state license applications? For example - An LO completed their PE (and became PE compliant) on 4/6/2012 and holds licensure in multiple states which are kept current and active. After 4/6/2015, he decides to apply for another state. Does he need to complete the PE requirements again?</p>
4	7/24/2014	Jordon G. Hetmanski JGH Mortgage Consultants, Inc	<p>I'm under the impression that if you haven't re-newed your license by the December 31st and completed 8 hour's of continued education you would have to pay all fee's and complete the entire process again. The only thing you would haven't to complete again would be the 20 hours of education and then past the test, correct?</p> <p>I believe 3 years would be a sufficient time frame to require 20 hour mandate but I would like to see changes involving the renewal process. If you renew your license but it happens to be January of the next year, I don't think you should have to complete a background check and pay all those fee's again! I think your back ground check and finger prints shouldn't be required, please consider my request as it personal put a financial hardship on me the previous year.</p>
5	7/24/2014	Mary Shoane	<p>The requirements of 20 hours SAFE course may be well intentioned in theory, but in reality, the proposed 3-</p>

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		REL: Real Estate & Loan School	<p>year window can drive more MLOs out of the loan origination market. Here is my feedback:</p> <ol style="list-style-type: none"> (1) It is bad enough that banks are exempt from the course requirements, now you are adding more restrictions on the MLOs, who will leave the market. (2) The 3-year window is too short. Extend this time to 5 years. (3) But once someone completes the 20-hour SAFE, it should be good for life. (4) The 5-year window should only apply to CE courses.
6	7/24/2014	Heather Headley American Pacific Mortgage Company	<p>I would like to comment on continuing education. Yes a LO looking to be licensed in other states would need to learn those state laws, I agree. Continuing every single year to have to pay fees, have 8 hours of education with quizzes and tests to keep our NMLS # is unbelievable. When we were first licensed, we were told, there would be no more testing. Every single year we are quizzed and tested to 'pass' our NMLS class. No one at the banks has to do this. It's not across the board to everyone. Why can't this be once every 5 or 10 years like our Driver's Licenses or something?</p> <p>MOST of the unethical LO's are out of business, thank goodness. I know that I work and will only work for an ethical company and I can tell you, we would be out the door if we practiced any unethical behavior. Why aren't we being thanked for our business practices? We are being treated like we are all bad, that without Washington DC, we would all take advantage of our clients.</p> <p>Many LO's such as myself, love what we do and helping clients realize their dream of homeownership. I think it's time that someone stood up for all of us that care very much.</p>
7	7/25/2014	Dick Miller Money Marketing	<p>After talking with several small brokers the problem that we have with the NMLS is the fees that the NMLS are charging us for seminars that the NMLS says is important to our functioning in the mortgage industry. Each seminar is \$75.00. This way too much for the small broker. We already have to pay a State license fee, accountant fee for audited financial statement, NMLS License renewal fee and LOS annual license fee.</p> <p>You would get a larger participation in your seminars if they were free to the brokers. Think about it.</p>
8	7/25/2014	Michael Smith American Pacific Mortgage	<p>I agree, in part, with the Expiration Policy.</p> <p>My issue is as follows: We licensees are held to a standard of professionalism with the PE/CE requirements</p>

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		Company	and are time sensitive for completion. Yet, the federal and state regulators are not held to a time sensitive standard whatsoever. These "regulators" or politically charged government entities are not required to act in "a timely or reasonable" time frame wherein we (licensee's) are subject to bureaucratic quagmires without oversight. From federal and state testing to the actual issuance of the actual certificate and/or license, the time period is 4-8 weeks. YOUR approval and oversight system needs an overhaul and top-to-bottom accountability
9	7/28/2014	Paula Frost Mortgage Master, Inc.	I do not have an issue at all with the proposal but was wondering if the state were going to adopt this as well. There are a couple of states that require the MLO to retake the 20 hour class, even if actively licensed in other states, if the 20 hour class was taken more than 3 years ago. It would be nice if all of the PE rules were uniform.
10	7/31/2014	Barbara Werth Mortgage Training and Compliance LLC	I am in favor of making the rule for pre-license expiration the same throughout the States at 3 years. As a provider of education, I see way to many changes to allow for late CE course that are years old being a basis to allow for reinstatement or a license. Even having someone that is a Registered versus a Licensed Loan Originator makes a difference. Many Registered LO's are not being provided with mortgage specific education and having to take an updated course and re-test after 3 years makes sense.
11	8/22/2014	Marve Stockert Falcon Innovations	After reviewing the proposal, we feel the idea has some merit, but we do have reservations about the three year trigger. If a person does not follow up and complete their licensing process, yes that should be three years as they are fairly new to the mortgage business and should be required to keep their education level at a higher level before they are granted their license. If a loan officer has obtained their license and then leave, I think the period of time before they have to take the course, should be four or five years. I have tutored over 180 loan officers and I can assure you rookies and bank loan officers need as much help as they can to learn the information to pass the test. I am absolutely amazed at the lack of understanding and knowledge that the Bank Loan Officers has. The amount of tutoring time is 30% higher than a rookie.