



# Proposal: 2025 NMLS Fee Changes



Comment Period: May 20 – July 22, 2024



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## Regulator & Public Comment on Proposed 2025 NMLS Fee Changes

On behalf of the State Regulatory Registry LLC (“SRR”) Board of Managers<sup>1</sup> and the NMLS Policy Committee,<sup>2</sup> the Conference of State Bank Supervisors<sup>3</sup> (“CSBS”) invites comments and feedback on proposed changes to the Nationwide Multistate Licensing System and Registry (“NMLS” or “System”) fee structure.

### Goals

NMLS is supported by user processing fees,<sup>4</sup> which have not increased since the System launched in 2008 despite rising operational and technology costs. The SRR Board of Managers has been deliberating fee adjustments for the past several years as part of their annual fee review. With recent increases in inflation, rising vendor fees, and ongoing NMLS modernization and operations costs, the SRR Board of Managers has decided the current fee structure must be updated to ensure sufficient resources to sustain the System over the long term.

The goal of the new fee structure is to provide support for ongoing NMLS modernization efforts and to allow for continual system operations and development in support of SRR Board of Managers-approved plans for future years. The SRR Board of Managers reviews fees annually, and the results of this review will be shared each year.

### Background

NMLS has created tremendous value for consumers, financial services companies and professionals, and the U.S. economy.

- NMLS’s facilitation of the licensing requirements under Title V of P.L. 110-289, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“[SAFE Act](#)”),<sup>5</sup> and uniform state adoption of those licensing standards have increased professionalism, accountability, and integrity in mortgage lending.
- Since its initial launch, states have expanded their use of NMLS beyond the mortgage industry to cover a broad range of licensed financial services industries. Congress has correspondingly amended the SAFE Act to support this expansion.
- NMLS has significantly reduced the administrative burden on industry professionals and state regulators, leading to more efficient license approvals and renewals.
- NMLS Consumer Access empowers consumers to make informed decisions about the financial companies and professionals they choose to trust.

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<sup>1</sup> Information about NMLS Governance and the SRR Board of Managers can be found [here](#).

<sup>2</sup> Information about the NMLS Policy Committee can be found [here](#).

<sup>3</sup> Information about CSBS and NMLS can be found [here](#).

<sup>4</sup> Information about NMLS Processing fees can be found [here](#).

<sup>5</sup> 12 U.S.C. § 5101 *et seq.*



- NMLS provides a regulatory framework that helps developing industries mature responsibly, increasing consumer choice and supporting economic growth.
- NMLS provides a supervisory framework and underlying technology – the State Examination System (SES) – to promote more efficient and effective multistate supervision and enforcement of safety and soundness requirements and consumer protections.

The SAFE Act states “the Nationwide Mortgage Licensing System and Registry may charge reasonable fees to cover the costs of maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry.”<sup>6</sup> The scope of NMLS has expanded since its creation to capture other state licensed financial services, and Congress has acknowledged this expansion in SAFE Act amendments. The SRR Board of Managers reviews NMLS fees annually to determine if the fee structure is properly aligned with the costs of efficiently operating NMLS for the 600,000<sup>7</sup> industry users who rely on the System to maintain their licensing or registration.

NMLS fees support NMLS operations and development, including:

- Maintaining and developing all system functionality;
- Providing system availability;
- Retaining all records and ensuring system data security;
- Operating the NMLS Call Center;
- Updating and developing the [NMLS Resource Center](#);
- Updating and developing [NMLS Consumer Access](#);<sup>8</sup>
- Developing and maintaining the [State Examination System \(SES\)](#); and
- Developing common policies and practice among the states.

Many of the capabilities available through NMLS are mandated under the SAFE Act, including mortgage loan originator (MLO) testing and education enrollment<sup>9</sup> and the ability to obtain criminal background checks and credit reports.<sup>10</sup> For 16 years, CSBS has continually enhanced the System to improve the efficiency of the licensing process and the effectiveness of oversight and consumer protection. Historical enhancements include:

- Adding an electronic surety bond feature, significantly reducing the time, costs, and inaccuracies related to paper bonds;
- Adding a standard call report for the mortgage and money services businesses industries;
- Developing and launching SES;
- Moving from an on-premises data center to a cloud environment, improving security and flexibility for system enhancements; and

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<sup>6</sup> 12 U.S.C. § 5109.

<sup>7</sup> As of 2023. See [2023 CSBS Annual Report](#) for more information.

<sup>8</sup> In 2023, more than 7.4 million people visited the NMLS Consumer Access website.

<sup>9</sup> 12 U.S.C. § 5104(d).

<sup>10</sup> 12 U.S.C. § 5104(a).

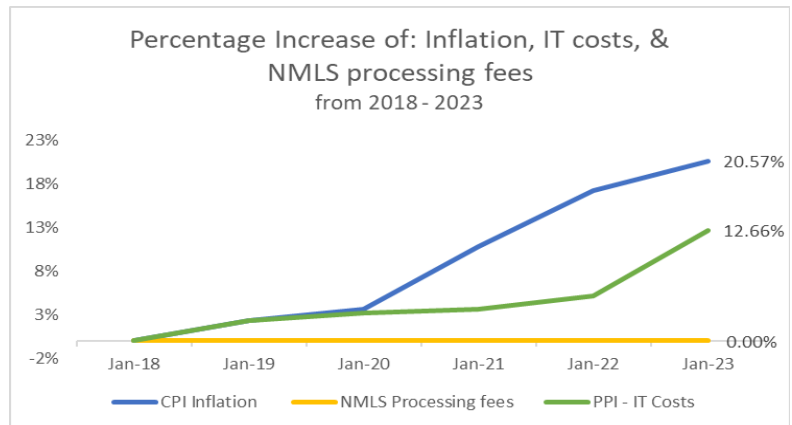


- Executing a multi-year development plan to address challenges that undermine and complicate the user experience.

Since NMLS launched in 2008, NMLS processing fees have not changed despite various system enhancements and the addition of numerous new license types<sup>11</sup> to the System. However, a few ancillary NMLS fees have been adjusted, both up and down.

- 2013:
  - Fingerprint Processing Fee reduced: \$39 to \$36.25;
  - SAFE MLO Test with Uniform State Content (UST) Testing Enrollment Fee implementation: \$110;
  - Stand-alone UST added (paid by MLO test takers as applicable): \$33;
  - National Test Enrollment Fee eliminated: \$92; and,
  - Credit card service fee added: 2.5% per transaction.
- 2014:
  - Stand-alone UST fee eliminated: \$33.
- 2018:
  - All State Test Component(s) eliminated: \$69 per State Test.

In February 2024, the SRR Board of Managers and CSBS initiated a review of NMLS fees. The review considered several factors, including the impacts of inflation, costs of ongoing NMLS enhancements, and rising vendor fees – costs that NMLS has absorbed over the past 16 years and that show no signs of abating in the future. In addition, since NMLS inception, inflation has increased by 46%,<sup>12</sup> and over 20% within the past five years. This chart reflects the percentage increase in inflation and information technology costs over just the last five years.<sup>13</sup>



<sup>11</sup> Between 2008 and 2023, 850 license types have been added to NMLS (Mortgage: 393, Consumer finance: 264, MSB: 114, Debt: 79).

<sup>12</sup> Bureau of Labor Statistics, *Consumer Price Index*, Series ID = CUSR0000SA0 (December 2008 – December 2023).

<sup>13</sup> Source for IT costs: U.S. Bureau of Labor Statistics, *Producer Price Index by Commodity: Professional Services (Partial): Information Technology (IT) Technical Support and Consulting Services (Partial)*, Series ID WPU45610101, retrieved from FRED, Federal Reserve Bank of St. Louis (December 2008 – March 2024). Source for CPI Inflation: Summation of the Bureau of Labor Statistics, *Consumer Price Index*, Series ID CUSR0000SA0 (January 2018 – January 2024).



## Comment Process

The SRR Board of Managers has approved the proposed NMLS fee changes set out in this document. The proposal was also reviewed and authorized<sup>14</sup> for a regulator and public comment period by the NMLS Policy Committee.

CSBS invites comments from all members of the public and state agencies. The NMLS Policy Committee will review and evaluate any recommended changes or additions to the proposal and refer them to the SRR Board of Managers for consideration. The CSBS Board of Directors will provide final decisions regarding any recommended fee changes.

When providing feedback, state agencies, companies, and other organizations should submit one response that represents an entity's comments, feedback, and views on the proposal. Submissions must include the submitter's contact information.

Comments from industry members, trade associations, or the public, including the submitter's name and organization's name, will be posted on the NMLS Resource Center. Comments received from a state agency will be posted on the [Regulator-only section](#) of the NMLS Resource Center.

Comments should be emailed to [comments@csbs.org](mailto:comments@csbs.org).

**Comment submission deadline:** July 22, 2024

CSBS is particularly interested in receiving input on the following questions from the industry.

1. Do you anticipate these fee changes affecting staffing plans for your company?
2. Does your company pay licensing-related fees on behalf of MLOs?
  - a. If yes, will this fee change affect whether you pay licensing-related fees for your company's MLOs?
3. Does your company pay licensing-related fees on behalf of non-MLO employees/contractors?
  - a. If yes, will this fee change affect whether you pay licensing-related fees for your company's non-MLO employees or contractors (e.g., branch fees, etc.)?

Optional Industry Questions: To better understand your company's comments on the proposal, please include the following information in your response.

4. Which industry category describes your organization? List all that apply: mortgage, consumer finance, debt, and/or money services businesses
5. In how many states is your company licensed or registered?
6. Does your company employ ten or fewer employees?
7. Does your company employ 10 or fewer MLOs?

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<sup>14</sup> [NMLS Public Comment Policy](#).



## Proposed 2025 NMLS Fee Changes

The following NMLS fee changes are proposed for implementation in March 2025 and would be implemented for all mortgage, consumer finance, debt, and money services businesses applicants and licensees in NMLS. As proposed, NMLS initial set-up and annual processing fees would increase \$20 for companies/institutions and \$5 for branches or individuals. The total proposed increase is well below the rate of inflation since 2008 (46%).<sup>15</sup> The SRR Board of Managers and CSBS believe this level of fee increase:

- Helps support the recurring costs of NMLS operations and future enhancements;
- Reflects a commitment to keep fees as low as possible, consistent with a responsible budget to enhance and sustain NMLS;
- Is well within the SAFE Act’s “reasonable fees” requirement – the proposal is less than half of the rate of inflation (approximately 46%) since fees were initially established at NMLS inception (2008);<sup>16</sup> and
- Reflects a commitment by CSBS to share the costs of NMLS modernization with industry – even with the fee increase, CSBS projects an annual net negative asset position for the next decade (other than 2025 and 2034).

### NMLS Processing Fees for State Licensure

Fee changes are proposed for the Initial Set-Up or Application Processing Fee,<sup>17</sup> the Annual Processing Fee,<sup>18</sup> and the MLO Change of Sponsorship<sup>19</sup> for State Licensure.

Fee Type	Current Fee Amount	Proposed Fee Amount
<ul style="list-style-type: none"> <li>• Company Initial Set-Up and Application Processing Fee</li> <li>• Annual Processing Fee</li> </ul>	\$100	\$120
<ul style="list-style-type: none"> <li>• Branch Initial Set-Up and Application Processing Fee</li> <li>• Annual Processing Fee</li> </ul>	\$20	\$25
<ul style="list-style-type: none"> <li>• Individual Initial Set-Up and Application Processing Fee</li> <li>• Annual Processing Fee</li> </ul>	\$30	\$35
<ul style="list-style-type: none"> <li>• MLO Change of Sponsorship</li> </ul>	\$30	\$35

<sup>15</sup> See Bureau of Labor Statistics, *supra* note 12.

<sup>16</sup> See *id.*

<sup>17</sup> The Initial Set-Up or Application Processing Fee is incurred each time a Mortgage, Consumer Finance, Debt, and Money Services Businesses company (Form MU1), branch (Form MU3), or individual (Form MU4) uses the NMLS to apply for a new license in a participating state. The Initial Set-up Fee is a “per agency/per license” fee and is not charged for license authorities that do not include the ability to originate, fund, or service mortgages.

<sup>18</sup> The Annual Processing Fee is incurred each year during the annual renewal period when a Mortgage, Consumer Finance, Debt, and Money Services Businesses company, branch, or mortgage loan originator (MLO) submits a renewal request in a participating state. This fee is a “per agency/per license” fee.

<sup>19</sup> The MLO Change of Sponsorship Fee is incurred each time a company requests to sponsor a MLO’s license. This fee is a “per agency/per license” fee.



## NMLS Processing Fees for Federal Registration

Fee changes are proposed for the Initial Set-Up or Application Processing Fee,<sup>20</sup> the Annual Processing Fee,<sup>21</sup> and the MLO Change of Employment Fee<sup>22</sup> for Federal Registration.

Fee Type	Current Fee Amount	Proposed Fee Amount
<ul style="list-style-type: none"><li>Institution Initial Set-Up and Application Processing Fee</li><li>Annual Processing Fee</li></ul>	\$100	\$120
<ul style="list-style-type: none"><li>Individual Initial Set-Up and Application Processing Fee</li><li>Annual Processing Fee if registration occurs between January and June</li></ul>	\$30	\$35
<ul style="list-style-type: none"><li>Individual Initial Set-Up and Application Processing Fee</li><li>Annual Processing Fee if registration occurs between July and December</li></ul>	\$60 initial / \$0 annual	\$65 initial / \$0 annual
<ul style="list-style-type: none"><li>MLO Change of Employment Fee</li></ul>	\$30	\$35

<sup>20</sup> The Initial Set-Up or Application Processing Fee is incurred when an institution (Form MU1R) or MLO (Form MU4R) initial registration is made in NMLS.

<sup>21</sup> The Annual Processing Fee is incurred each year during the annual renewal period for institutions (Form MU1R) and MLOs (Form MU4R).

<sup>22</sup> The MLO Change of Employment Fee is incurred each time an institution requests to have a registered MLO associated with their institution.