



NMLS Federal Registry Fees – *Request for Public Comment*

October 14, 2010

The State Regulatory Registry LLC¹ (SRR) invites public comments on 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).

Background

Section 1507 of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“SAFE Act”)² requires the federal banking agencies³ jointly through the Federal Financial Institutions Examination Council and together with the Farm Credit Administration (“Federal Agencies”) to develop and maintain a system for registering MLOs employed by:

- federally chartered or insured institutions; and
- their owned and controlled subsidiaries that are federally regulated.

On July 28, 2010, the Federal Agencies published the “Registration of Mortgage Loan Originators Final Rule” (“Final Rule”) implementing the SAFE Act⁴. The Federal Agencies have contracted with SRR to modify NMLS to accommodate the federal registration process. SRR has been working at the direction of the Federal Agencies to modify NMLS for the purposes of accepting and maintaining the registration of MLOs.

The SAFE Act and/or the Final Rule require federally registered MLOs and their employing institutions to:

- Register with NMLS and obtain a unique identification number (MLO);
- Submit fingerprints to NMLS for a criminal background check (MLO);
- Submit certain information regarding personal history and experience to NMLS (MLO);
- Update and annually certify an MLO registration (MLO); and
- File, maintain and annually certify information through NMLS (Institution).

The Federal Agencies indicate in the Final Rule that they “anticipate that the Registry will charge fees for registration, change in employment, renewal, and fingerprint

¹ SRR operates NMLS and is a wholly owned subsidiary of the Conference of State Bank Supervisors. Information about the State Regulatory Registry LLC can be found at: <http://www.stateregulatoryregistry.org>

² The SAFE Act is Public Law 110-289 (PL 110-289) and information can be found at: <http://mortgage.nationwidelicencingsystem.org/SAFE/Pages/default.aspx>

³ The Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the National Credit Union Administration.

⁴ The Final Rule can be found in Federal Register at 75 FR 44656 (July 28, 2010); the Final Rule’s Supplementary Information section was reprinted at 75 CFR 51623 (August 23, 2010) with corrected footnote numbering.

processing and background checks,⁵ and that registration through NMLS is expected to be available in January 2011⁶.

In addition to modifying NMLS to accommodate federal registration, SRR is responsible for providing support services, including but not limited to:

- Developing and executing training for institutions and MLOs concerning the federal registration process;
- Providing NMLS Call Center support for federal registration;
- Maintaining active and inactive MLO registrations and institution records in NMLS;
- Developing defined reporting capabilities for institutions in NMLS to track MLO registration;
- Adhering to federal government data security requirements;
- Implementing a two-factor authentication protocol for all institution users; and
- Making registered MLO information publically available at no cost to consumers.

Request for Public Comment

SRR is seeking comment from the public, including institutions and subsidiaries subject to the SAFE Act's and the Final Rule's registration requirement, on the proposed fees outlined below and in Appendix A.

1. NMLS initial registration and annual renewal fees for MLOs

- **Initial federal registration:** An NMLS processing fee of \$30 will be assessed when an MLO initially registers in NMLS between January 1st and June 30th. An individual NMLS processing fee of \$60 will be assessed when an MLO initially registers in NMLS between July 1st and December 30th.
- **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
- **Change in employment:** An NMLS processing fee of \$30 will be assessed each time an MLO associates his or her registration with a new employer regardless of when the registration was initially completed.⁸

2. NMLS Initial filing and annual renewal fee for employing institutions

⁵ 75 FR 51636. Section 1510 of the SAFE Act (12 U.S.C. 5109) expressly authorizes the Registry to "charge reasonable fees to cover the costs 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]."

⁶ 75 FR 51633.

⁷ Federal regulations implementing the SAFE Act do not require an MLO who initially registers within six months of the end of the annual renewal period to renew his or her registration in that initial year.

⁸ Changes in employment resulting from mergers and acquisitions will be managed through a separate process without a per MLO 'change in employment' fee being assessed; see item # 5, "Other fees for institution-requested activities".

- **Initial filing:** An NMLS processing fee of \$100 will be assessed each time a federally chartered or insured institution initially files its MU1R through NMLS in accordance with federal regulations.
 - **Annual renewal of filing:** A processing fee of \$100 will be assessed on an annual basis in accordance with federal regulations that require institutions with registered MLOs to annually renew their institution record in NMLS.
3. **Criminal Background Check fee:** The SAFE Act requires mortgage loan originators to submit fingerprints to NMLS for the purpose of conducting a criminal background check. The Final Rule requires SRR to submit these fingerprints to the FBI and return any information resulting from that background check to the appropriate federally chartered or insured institution through NMLS. SRR will charge a \$39 fee for this service when the fingerprints are submitted electronically through an NMLS-approved vendor. An additional \$10 scanning fee is charged for fingerprint files submitted on paper cards.⁹
 4. **Two-factor authentication annual subscription fee:** In order to satisfy federal security requirements for online government services, SRR has been directed to institute a [two-factor authentication](#) system for all institution users who have access to more than one MLO's personally identifying information. In addition to the standard user name and password, SRR has contracted with a third party to provide independent authentication of these NMLS users. NMLS will assess all institution users an annual subscription fee of \$70 to cover the cost of this service. In addition to the annual subscription fee, certain types of second authentication factors may require an initial acquisition fee. 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. 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. Individual MLOs will not require a second authentication factor to access NMLS and will not be subject to this fee.
 5. **Other fees for institution-requested activities:** Other fees may be charged to implement institution-specific requests, such as facilitating the transfer of MLO records after a merger and acquisition or producing specific reports not typically made available by NMLS. Those fees will be determined at the time of request and will be consistent with similar fees charged to companies that are state licensed.

The NMLS processing, two-factor authentication annual subscription and NMLS criminal background check fees will all be paid electronically through NMLS. Either the MLO or his or her employing institution can pay the MLO's NMLS processing and criminal background check fees. The two-factor authentication annual subscription fee is required prior to gaining access to NMLS.

⁹ Police or other approved entities that acquire fingerprints on paper cards may charge a fee for their service. Additional information regarding NMLS' existing processes for conducting criminal background checks can be found at: <http://mortgage.nationwidelicencingsystem.org/profreq/background/Pages/default.aspx>.

More details concerning payment processing will be available at a later date.

The SRR 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.

SRR requests that comments be limited to the proposed NMLS federal registration fees described above. All comments will be reviewed by SRR and a final decision as to the fees charged for the NMLS federal registration process will be decided by the SRR Board of Managers and posted on the NMLS Resource Center¹⁰.

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 received without contact information will not be posted or considered.

Comments can be submitted by email to: comments@stateregulatoryregistry.org

Comments may also be submitted in physical form to:

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

Comment submission deadline: **November 12, 2010**

¹⁰ The NMLS Resource Center is available at <http://mortgage.nationwidelicencingsystem.org>

**Appendix A
NMLS Federal Registry Fees**

Registered Mortgage Loan Originator Fees		
	Completed between January 1 and June 30	Completed between July 1 and December 31
Initial registration (MU4R)	\$30	\$60
Annual registration (MU4R) renewal	\$30	Not applicable in initial calendar year; \$30 thereafter
Change in employment	\$30 (subject to \$30 annual renewal fee in the same calendar year)	
Criminal background check		
• Electronic prints	\$39	
• Paper prints	\$49	
Employing Institution Fees		
Initial Institution Base Record (MU1R) filing	\$100	
Annual Institution Base Record (MU1R) renewal	\$100	
Two-factor authentication annual subscription (per user)	\$70	