NMLS Release 2012.2 – Release Notes Summary
Release Date: April 16, 2012

These release notes summarize the major enhancements for Release 2012.2 on April 16, 2012. Release 2012.2 is mainly comprised of enhancements to accommodate the licensing and/or registration of non-depository, financial services beyond the mortgage industry. In addition, there are general enhancements that also make up the 2012.2 Release.

The summary includes three sections, the first covers changes that affect State Licensees, the second Federal Registrants and the third changes to NMLS Consumer Access.
To view a complete list of 2012.2 enhancements, please refer to the full 2012.2 Release Notes

I. State Licensees

NMLS Expansion

NMLS is being modified to accommodate the licensing and/or registration of non-depository, financial services beyond the mortgage industry. NMLS Company, Branch and Individual Forms will be updated to accommodate other industry requirements as well. In support of expansion, most jurisdiction listings in NMLS are being converted to state listings.

Biennial Form Version Change:

Updates to “MU Forms” as part of the NMLS biennial form review process have been made transforming the “MU Forms” to universal non-depository licensing forms (NMLS Company Form, NMLS Branch Form, and NMLS Individual Form) able to be used across a wide range of activities that fall under state supervision. In addition to various text changes, some of the enhancements include:

NMLS Company Form (formerly MU1)

A “landing page” in the MU1 will allow users to choose to:

- Manage License (navigate to License/Registration section)
- Request New License (navigate to new Business Activity section)
- Amend their record (navigate to Identifying info)
- Combine the selection of licenses and entry of transitions numbers into one step.
- Introduce new navigation items onto the License/Registrations page to accommodate the licensing and/or registration of non-depository, financial services beyond the mortgage industry.

NMLS Branch Form (formerly MU3)

Provides additional/revised sections for capturing

- Mailing address
- Business Activities at the Branch Level
- Multiple branch managers per Branch where each branch manager can be associated to one or more Industries

NMLS Individual Form (formerly MU2/MU4)

Provides additional/revised sections for capturing

- Mailing address
- Citizenship and identification information

Disclosure Explanations

State-licensed companies and individuals will be required to provide explanations to 'Yes' responses to disclosure questions. A new Disclosure Explanations section will be added to the Company Form and Individual Form to allow for the addition and management of Disclosure Explanations ("Explanations"). Explanations will be enforced for state-licensed companies and individuals via a completeness check. State-licensed companies and individuals that have "yes" responses to disclosure questions as of the release date will be required to provide Explanations prior to submitting their next filing. Explanations will not be permitted for "no" responses.

A new Explanation Detail screen will be created to allow for the entry of Explanations, including the following fields:

- Brief Description of Explanation
- State licensees only: Disposition (Pending, On Appeal, Final, Open, Closed, Other)
- State licensees only: Disposition Description – Optional text field. Only used if Disposition of "Other" is selected.
- Explanation for Regulatory Authority
- Associated Questions – Allows users to select one or more Yes responses to associate with the Explanation.
- File Upload – (Optional). To be used for supporting documentation. Only one file per Explanation is allowed.

Document Upload

The Document Upload will allow licensees to upload documents that are currently collected outside NMLS. This will allow state-licensed companies and branches to provide specific types of documents to regulators via a Document Upload feature.

A new Document Upload Detail screen has been created to allow for the upload of documents and related information, including the following fields:

- Document Type –The user will select from a pre-defined list of document types.
- A comment field has been provided to capture a detailed comment for regulators.

Criminal Background Check for associated Individuals

NMLS will allow Criminal Background Checks (CBCs) for individuals listed on the Company Form and/or Branch Form for states having the legal authority and approval to perform a CBC on control persons, qualifying individuals and branch managers. Individuals listed on the Company Form and/or Branch Form (association types: executive officers/direct owners, indirect owners, qualifying individuals, and branch managers) will be permitted to authorize a Criminal Background Check. A CBC will not be enforced for control persons at this time. Regulators are expected to update their state licensing requirements checklist to indicate if/when required and the system will then enforce through a completeness check.

Additional Enhancements

NMLS Industry Terms of Use - The NMLS Industry Terms of Use will be updated to include the removal of the term "mortgage" from various sections in order to make the NMLS Industry Terms of Use applicable to a broad range of non-depository, financial services industries that state regulators will begin managing on the system. Additionally, the Consumer Financial Protection Bureau (CFPB) is identified as a federal regulatory user of NMLS; and regulatory actions posted by state regulators have been added to the list of data that can be made publicly available (Section 4F). A redlined version of the changes to the Agreement can be found at: Industry Terms of Use.

Update Attestation Language - Company, Branch and Individual Attestation language in NMLS will be updated to replace the term Oath with swear (or affirm) and make update display of the name to include middle name and suffix.

Individual User Account and Base Record Name Change
NMLS is being modified to allow certain individual users to reconcile how their name appears on their base record and user account. Since the company can create the base record for an individual and the individual users create their own user account, NMLS could have two different names for the same person. This discrepancy can cause an issue when the individual user arrives at a testing center and wants to take their State or National Test, but the testing center has the name captured in the base record which may be different from the name reflected on the individual's identification.

Individual users without a filing, test scores, education or state regulatory actions posted to their records to update their name through the User Profile. Otherwise, users will need to change their name through a filing or by contacting the NMLS Call Center.

Instructional text for Individual Filings/Pending Filings - Information about filings in an 'Unsubmitted' status will be incorporated into the instructional text on the Individual Filings page. Currently the text only refers to the attested status.

View Latest Filing Option - A View Latest Filing button will be available on the Company Filing page (company users) and Individual Filing page (individual users) to allow users to access a view only version of their last filing submission.

MU2 Association Data - MU2 association type information (Branch Manager, Qualifying Individual, Direct Owner, etc.) will now capture the association history (start/end date) for each association type. Company Composite will display separate MU2 association records by association type for each current association with the corresponding start dates. Individual Composite and Individual Snapshot will display separate MU2 association records by association type for current and terminated associations. Full historical information for MU2 Associations by association type prior to the release will be available through Historical Filings.

Informational message when an MU2 person has removed access rights - The message displayed to a user when they attempt to create a new MU1 or MU3 filing where one or more of the associated MU2s have removed access rights from the Company will be updated to more clearly identify what actions are available to the user.

Completeness Check for MU2 Individuals Who Have Removed Access - When a Company user edits an existing MU1 or MU3 Filing, the Completeness Check will show the names and NMLS ID of the MU2 Individuals the Company no longer has access to.

Removal of Indirect Owners - When one or more individuals are removed from the latest MU1 filing submission, their name should be removed from the corresponding MU1 section. Previously, this only worked for Direct Owners and Qualifying Individuals. The system has been updated to show when the Indirect Owners are also removed.

NMLS System Notifications - System notifications have been expanded to include notifications to companies and/or individuals regarding branch license items, regulatory actions and the new disclosure question explanation functionality, as follows:

Companies:

- Notification when a regulator creates or clears a license item associated to a branch license.
- Notification when the company is associated as a respondent to a Public regulatory action.
- Notification when a Public regulatory action the company is associated to as a respondent is updated (nightly notification).
- Notification when an individual the company has an active company relationship with is associated as a respondent to a Public regulatory action.
- Notification when a Public regulatory action an individual is associated to as a respondent is updated if the company has an active company relationship with the individual (nightly notification).
- Notification when new or updated Disclosure Explanations are included in a filing submitted by an individual with an active company relationship with the company or by another company on behalf of the individual.

Individuals:

- Notification when the individual is associated as a respondent to a Public regulatory action.
- Notification when a Public regulatory action the individual is associated to as a respondent is updated (nightly notification).

MU3 Ammended Branch Address - An amendment to the branch address is now reflected in the address displayed in the sandbar.

Payment confirmation Summary - NMLS charges will appear on bank/credit card statements as "NMLS PMT".

Invoice Search Feature - The “Entity ID” filter will now return a list of invoices that contain a charge where the specified Entity Id is in the charge subject of the invoice.

Reports - Industry Type columns have been added to several reports. The Industry Type column will indicate which non-depository, financial services industries the company is licensed/seeking licensure in. The report criteria can be filtered by the Industry Type. The reports affected are:

- **Company/Branch Roster**
  The Qualifying individual will display in the Branch Manager column for main office locations. The report criteria can be filtered by the Industry Type and Branch Manager Industry Type.
- **Individual Roster**
- **Company/Branch Active License Items**
- **Criminal Background Check Compliance** –
- **Individual Active License Items**

Composite View, Branch Search Result - The search results will display in ascending order as follows:

1. Company Name
2. Company NMLS ID
3. Branch Office City
4. Branch Office

The search results will allow a user to sort by the Branch Manager column. Users will have the ability to perform a search on current Other Trade Names (OTNs) associated to the branch.

Test Enrollment Post-submission Landing Page - Text Amendments will be made to the Test Enrollment Cart post-submission landing page to more clearly identify next steps.

II. Federal Registrants

Disclosure Explanations

Federally-registered Mortgage Loan Originators will have the option of providing explanations to 'Yes' responses to disclosure questions.

A new Disclosure Explanations section will be added to the MU4R to allow for addition and management of Disclosure Explanations (“Explanations”). Explanations will be optional for federally-registered mortgage loan originators. Explanations will not be permitted for “no” responses.

A new Explanation Detail screen will be created to allow for the entry of Explanations, including the following fields:

- Brief Description of Explanation
- State licensees only: Disposition (Pending, On Appeal, Final, Open, Closed, Other)

- State licensees only: Disposition Description – Optional text field. Only used if Disposition of “Other” is selected.
- Explanation for Regulatory Authority
- Associated Questions – Allows users to select one or more Yes responses to associate with the Explanation.
- File Upload – (Optional). To be used for supporting documentation. Only one file per Explanation is allowed.

Additional Enhancements

Batch Upload - Currently the batch upload requires the values provided for the ‘Payment Responsibility’ column and the ‘MLO Completes First’ column to be capitalized. If the values are not capitalized, the rows will error out. The system will now accept the values provided regardless of case.

Institution-submitted MU4R - Filings Institution users will now be able to see all institution-submitted MU4R filings submitted by them regardless of access rights.

MU4R - Currently, when an Employment which has not yet been confirmed is withdrawn on an MU4R filing, the historical filing does not indicate that the Employment was affected on the filing. Also, the “To Date” for the Employment remains as “PRESENT” which is not accurate. Withdrawn employments will now that an action (“Withdrawn”) was taken on the Employment in the historical filing. Employments that have been rejected will show as being changed in a historical filing with a “To Date” of NULL rather than “PRESENT”. In addition, employments which have been withdrawn will no longer being displayed in Composite view.

NMLS System Notifications - System notifications have been expanded to include a notification to the employing institution regarding the new disclosure question explanation functionality, as follows:

- Notification when new or updated Disclosure Explanations are included in a filing submitted by an individual with a pending or confirmed employment with the institution or by another institution on behalf of the individual.

Institution Tasks - The individual name order will now display last name, first name for Terminated Employment records Instead of first name and last name.

III. Consumer Access

Consumer Access will be enhanced to support data changes resulting from the Expansion effort. Other Trade Names will be displayed with license types based on the industry type associated to the name and the license. All branch managers will be displayed for companies that identify different branch managers by industry type.