CHECKLIST SECTIONS

- General Information
- Prerequisites
- License Fees
- Requirements Completed in NMLS
- Requirements/Documents Uploaded In NMLS
- Requirements Submitted Outside of NMLS

GENERAL INFORMATION

Who Is Required To Have This License?

Pursuant to Section 599-b(7) of Article 12-E, "Mortgage Loan Originator" ("MLO") means an individual who for compensation or gain or in the expectation of compensation or gain:

- •Takes a residential mortgage loan application; or
- •Offers or negotiates terms of a residential mortgage loan

All Independent Contractor Processors and Independent Contractor Underwriters must obtain an MLO License in order to facilitate processing or underwriting activities for 1-4 family residential property located in New York.

Section 599-b(8) of Article 12-E defines "Residential Mortgage Loan" as a loan to a natural person made primarily for personal, family or household use, secured by either a mortgage, deed of trust or other equivalent consensual security interest on a dwelling (as defined in section 1203(v) of the Truth in Lending Act) or residential real property or any certificate of stock or other evidence of ownership in, and proprietary lease from, a corporation or partnership formed for the purpose of cooperative ownership of residential real property and shall include any refinance or modification of any such existing loan.

Pursuant to the provisions of the federal banking agencies final rule issued on July 28, 2010, implementing the SAFE Act, employees of Credit Union Service Organizations (CUSOs) that engage in mortgage loan origination activities must submit an application for licensing under Article 12-E. Also, MLOs of non-federally insured credit unions, whose states have not executed a supervisory agreement with the NCUA, must submit an application for licensing under Article 12-E.

New York Department of Financial Services ("the Department") issues paper licenses for this license type.

Submitting an Application

The checklist below provides instructions and requirements for submitting an application, including which items must be entered or uploaded to the NMLS, as well as those documents for which originals must be mailed to the Department. Note: For applicants that have not submitted evidence of completion of the New York criminal background check within five (5) days of the electronic submission of the MU4 through NMLS, the Department will issue a Notice of Intent to Deny.

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Weekly Bulletin Publication

The Department publishes applications deemed complete in the Department's Weekly Bulletin every Friday. The publication of an application in the Department's Weekly Bulletin does not limit the agency's ability to request additional documents or information to facilitate final processing of an application. The Weekly Bulletin can be accessed via the following link: https://www.dfs.ny.gov/reports and publications/weekly-bulletins.

Incomplete Applications

If an application is determined to be incomplete, the applicant will receive a written notice identifying the items and matters that must be addressed for the Department to continue the application review process.

If a complete response fully addressing all such items and matters to the satisfaction of the Department is not received within 30 days of such notice, the application will be considered withdrawn. Any applicant seeking a license following the withdrawal of an application must submit a new application that must include all required information, documents, and fees. Note: Applicants that fail to complete the New York State jurisdiction specific criminal background check process have not completed the application process.

Approval or Denial

After the application has been processed, the applicants NMLS record will be updated to reflect the approval or denial of the application.

If the application is approved, the NMLS status will be updated to "Approved-Conditional." All Licensed MLOs must be covered by a surety bond in accordance with requirements of Section 420.15 of the Superintendent's Regulations. If the Department does not receive proof of Surety bond coverage within ten (10) days of licensing, the license status will be changed to "Approved-Inactive."

If the application is denied, the MLO will receive written notification of denial and the NMLS status will be updated to "Denied." A notification of denial will also be mailed to the sponsoring entity.

Note: Approvals and Denials are published in the Department's Weekly Bulletin on the Friday immediately following the approval or denial of the application.

Helpful Resources

- Individual Form (MU4) Filing Quick Guide
- License Status Definitions Quick Guide
- Disclosure Explanations Document Upload Quick Guide
- State-Specific Education Chart
- Individual Test Enrollment Quick Guide
- Course Enrollment Quick Guide

Agency Contact Information

Contact <u>New York State Department of Financial Services</u> licensing staff via email to <u>MLO@dfs.ny.gov</u> for additional assistance.

For U.S. Postal Service & Overnight Delivery:

New York State Department of Financial Services
Attention: Mortgage Banking – MLO Application
Processing Unit
One State Street
New York, NY 10004

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

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DO NOT SEND THIS CHECKLIST TO THE DEPARTMENT

PREREQUISITES - These items must be completed prior to the submission of your Individual Form (MU4).		
Complete	NY Mortgage Loan Originator License	Submitted via
	Pre-licensure Education: Prior to submission of the application, complete at least 20 hours of NMLS-approved pre-licensure education (PE) courses which must include 3 hours of New York content. Note: New York Jurisdiction specific education taken as part of Pre-licensure education (PE), cannot be older than three (3) years from the date of application. The Department reserves the right to verify that PE course work taken by applicants complied with the requirements of 3 NYCRR 420.11 Follow the instructions in the Course Completion Records Quick Guide to confirm that PE has been posted to your record and the PE Total indicates "Compliant."	NMLS
	 Testing: Must satisfy one of the following three conditions: Passing results on both the National and New York State components of the SAFE Test, or Passing results on both the National and Stand-alone UST components of the SAFE Test, or Passing results on the National Test Component with Uniform State Content Follow the instructions in the View Testing Information Quick Guide to confirm test results have been posted to your record and indicate "Pass." 	NMLS

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.		
Complete	NY Mortgage Loan Originator License	Submitted via
	NMLS Initial Processing Fee: \$30 NY Application Fee: \$379 This fee includes the \$125 Investigation Fee & the \$254 License Fee Credit Report: \$15 FBI Criminal Background Check: \$36.25	NMLS (Filing submission)
	State Criminal Background Check: - Fee payable to IdentoGo	See the State Criminal Background Check

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REQUIREMENTS COMPLETED IN NMLS - These items must be completed during or after the submission of your Individual Form (MU4).		
Complete	NY Mortgage Loan Originator License	Submitted via
	Submission of Individual Form (MU4): Complete and submit the Individual Form (MU4) in NMLS. This form serves as the application for the license through NMLS.	NMLS
	Criminal Background Check: Authorization for an FBI criminal history background check to be completed in NMLS. After you authorize the FBI criminal history background check through the Individual Form (MU4), you must schedule an appointment to be fingerprinted. See the Completing the Criminal Background Check Process Quick Guide for information. Note: If you are able to 'Use Existing Prints' to process the FBI criminal history background check, you DO NOT have to schedule an appointment. NMLS will submit the fingerprints already on file and the background check will begin to process automatically.	See State Criminal Background Check for additional information on New York Criminal Background Check Requirement.
	Credit Report: Authorization for a credit report must be completed. Upon initial authorization, you are required to complete an Identity Verification Process (IDV) within the Individual Form (MU4). See the Individual (MU4) Credit Report Quick Guide for instructions on completing the IDV. Note: An applicant with a credit report that includes derogatory information will be required to provide an explanation, including, but not limited to: (1) relevant payoff or satisfaction letters from creditors and/or collection agencies evidencing payment of outstanding obligations or an existing repayment plan, (2) relevant tax lien releases or satisfaction notices or an existing repayment plan, (3) a lender short sale approval letter, (4) lender's acknowledgement of the receipt of a loan modification application or loan modification approval, (5) bankruptcy discharge documents, (6) court order(s) vacating outstanding judgments, (7) documentation supporting a medical condition and its financial impact on the individual, (8) documentation demonstrating identity theft and its financial impact on the individual, and (9) a child support enforcement balance and arrears statement or letter. Note: The Department grants new applicants 90 days to provide supporting credit related documentation.	Note: The same credit report can be used for any existing or additional licenses for up to 30 days.
	Disclosure Questions: Provide an explanation and, if applicable, a supporting document for each "Yes" response. See the <u>Individual Disclosure Explanations</u> <u>Quick Guide</u> and the <u>Disclosure Explanations - Document Upload Quick Guide</u> for instructions.	Upload in NMLS in the Disclosure Explanations section of the Individual Form (MU4).

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Company Sponsorship: A sponsorship request must be submitted by your employer. New York Banking Law requires all applicants for a Mortgage Loan Originator License to be affiliated through an employment or independent contractor relationship with a New York regulated entity.	NMLS
Applicants can submit an application for licensing prior to establishing an affiliation with a New York regulated entity. The Department will process applications without sponsorship. However, as part of the processing of the application, the Department will notify each applicant of the requirement to be sponsored by a New York regulated entity. The applicant will be required to become affiliated with a New York regulated entity within 30 days of the date of such notification.	
The applicant must also update the MU4 application form with the date of employment and the name and address of the sponsoring entity and specific work location within the 30 days. The sponsoring entity is required to process a sponsorship request through the NMLS within 30 days of the date of the notification.	
Note: Work location must be licensed by the Department and within commutable distance of the applicant's primary residence.	
Temporary Authority: Temporary Authority will not be granted to applicants assigned to work at locations which are not licensed by the Department. A Notice of Intent to Deny will be issued by the Department to such applicants.	
Note: MLO applications without sponsorship are deemed incomplete. Such applications will not be published in the Department's Weekly Bulletin until the MLO becomes affiliated with a New York regulated entity.	
Employment History: The business address listed in the <i>Employment History</i> section of the Individual Form (MU4) must match the address of the registered location in the Company Relationship. Employment date for current sponsors must accurately reflect the date you were hired by the sponsoring company, irrespective of whether you function as a mortgage loan originator.	NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	NY Mortgage Loan Originator License	Submitted via
No individual (MU4) documents are required to be uploaded into NMLS for this license/registration at this time.		

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REQUIREMENTS SUBMITTED OUTSIDE OF NMLS- These items must be completed outside of NMLS and submitted directly to the regulator.

Please note that an applicant's NMLS Identification Number must be included on every document submitted to the Department. Items must be received by the Department within five (5) business days of the submission of your application through the NMLS

Complete	NY Mortgage Loan Originator License	Submitted via
	State Criminal Background Check: Each applicant must submit fingerprints for State criminal background check. Note: Applicants that fail to complete the New York State jurisdiction specific criminal background check process have not completed the application process. For applicants that fail to demonstrate compliance with New York Criminal Background check requirements within five (5) day of filing the MU4, the Department will Issue and Intent to Deny.	DFS Fingerprinting Procedure
	Detailed instructions regarding the State fingerprint process, including procedures and forms, are posted on the Department's website	
	Note: Rolled fingerprints will only be accepted from law enforcement and government agencies.	
	Originating entities are encouraged to submit email requests for blank fingerprint cards to: fingerprint equests for blank	
	Failure to complete the State criminal background check and submit the original receipt documenting compliance within 30 days of filing your application will result in the withdrawal of your application.	
	Applicant Notification and Acknowledgement – NYDFS Privacy Act Statement: Effective March 9, 2020, every individual submitting fingerprints for processing using Live Scan or fingerprint cards must review and acknowledge receipt of the FBI Privacy Act Statement, Noncriminal Justice Applicant's Privacy Rights and Applicant Notification and Acknowledgement-NYDFS Privacy Act Statement.	Mail to NY Department of Financial Services
	The completed Applicant Notification and Acknowledgement – NYDFS Privacy Act Statement must be signed, dated and submitted to the Department. Note: the form must be submitted within 10 days of filing the application through NMLS. Click here for Privacy Act Statement	
	Proof of Identification: Each applicant must submit proof of identification. The following types of unexpired photo identification are acceptable:	Mail to NY Department of Financial Services
	 Driver's License issued by a State or U.S. territory 	
	 Photo ID Card issued by a Federal, State or local government agency or by a Territory of the United States. The ID must bear the seal or logo of the state or federal agency. 	
	U.S. Passport or Passport Card	
	Certificate of Naturalization or Alien Registration Card	
	Photocopies of identification must be in black and white on standard $8.5^{\prime\prime}$ x $11^{\prime\prime}$ white paper. All information including the photograph must be clear enough to see and read (legible).	

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	Affirmation: Within five (5) days of the submission of the MU4, provide an original, signed affirmation form certifying that the application does not contain any untrue statement or omission of material facts and that the applicant will immediately notify the Superintendent of any changes to the information furnished in the application. Click here to access the MLO Affirmation Form	Mail to NY Department of Financial Services
	Evidence of Authorization to Work in U.S.: Individuals born outside of the United States must provide evidence of authority to work in the U.S. (e.g., permanent resident alien card, naturalization certificate, U.S. passport, or appropriate immigration authorization).	Mail to NY Department of Financial Services
	Other License Information: If you have a license to practice any profession, please provide details regarding the nature of license, date issued, license number, and licensing agency. Lawyers must submit an original certificate of good standing. Also, provide details regarding any refusal to issue license(s) or the revocation or suspension of license(s), registration(s), or authorization(s) in this or any other state.	Mail to NY Department of Financial Services
	Garnishment of Wages: Provide information relating to any garnishment of wages or salary.	Mail to NY Department of Financial Services
	Surety Bond and Surety Bond Certification Form: Upon approval of the application, submit an original (i.e., with raised seal) surety bond furnished by a surety company authorized to conduct business in New York along with an original Surety Bond Certification Form. If the applicant is not covered by a surety bond within 10 days of licensing the license status will be changed to "Approved -Inactive."	Mail to NY Department of Financial Services
	Note: Applicants eligible to operate under Temporary Authority must be covered by an Originating Entity Surety Bond on the first day Temporary Authority is granted. If the Originating Entity Surety Bond is insufficient to cover the applicant, the Department will issue a Notice of Intent to Deny.	
	MLOs who will not be covered by an Originating Entity surety bond must submit an Individual Mortgage Loan Originator surety bond	
	Click here to access Surety Bond forms and Instructions	
	Note: For an "Individual Mortgage Loan Originator" surety bond, the name of the principal insured on the bond must match exactly the full legal name of the applicant as listed on the MU4 form filed through NMLS.	

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