DISCLOSURE EXPLANATIONS

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Policy

If a "Yes" response to a disclosure question has been provided, then a disclosure explanation is required to be submitted. Explanations require a description, explanation for regulatory authority, and the option to upload a single PDF file. A separate explanation should be provided for each response to a event resulting in a 'Yes' disclosure question. A single explanation can be associated to multiple 'Yes' responses and each explanation allows a single PDF to be uploaded in support of the explanation. It is expected that this the PDF will contain relevant official documentation related to the explanation (e.g., finding issued by a state regulatory agency, a court order, civil judgment). Multiple explanations may also be provided if multiple events are related to a single question. In addition, clarification and an explanation can be provided for a 'No' response.

These explanations are to be submitted through NMLS. Consult the <u>disclosure explanation</u> reference guide for additional information.

- How to Add Explanations for "No" Response
- <u>Additional Resources</u>



Figure 1: Disclosure Explanations

Definitions and Charts

N/A

Help Document

How to Add Explanation for "Yes" Response

1. Click the Add Explanation for "Yes" Responses button (see Figure 2).

Disclosure Explanations							
O ML (<u>39432</u>) MU4 filing created 11/23/2015 by MLO.							
						Total Charges: \$1,480.00	
If you answered "Yes" to one or more disclosure questions, you must provide an explanation for each event that resulted in a "Yes" response.							
You should provide an Explanation for a "No" Response only if you answer "No" to a disclosure question and have information to provide to the regulator to clarify the response.							
AVAILAB	BLE ACTIONS	FUNCTION					
Add Explanation For "Yes" Responses Add Explanation for "No" Responses		Add a new explanation for an event that resulted in a "Yes" response. Add a new explanation to clarify a "No" response. Amend or delete an explanation. Undo the changes made to an existing explanation.		-			
Explanations for "Yes" Responses							
	Description	Applicable Question(s)	Date Updated	Supporting File	Date Uploaded	Explanation Status	
	Financial Disclosure	<u>A(1)</u>	12/2/2014 3:15:19 PM			Existing	
Explanations for "No" Responses							
	Description	Applicable Categories	Date Updated	Supporting File	Date Uploaded	Explanation Status	
1	Civil Judicial	Civil Judicial Disclosure	12/2/2014 3:15:40 PM			Existing	
		1 Add Explanation for "Yes" Re	esponses Add Explanation for	"No" Responses			

Figure 2: Disclosure Explanations – Add Explanation for "Yes" Responses

- 2. Complete the required fields.
- 3. Use the selection boxes to indicate the "Applicable Question(s)" the explanation pertains to.
- 4. Click the **Save** button.

Disclosure Explanation for "Yes" Response(s)							
O ML (39432) MU4 filing created 11/23/2015 by MLO.							
	Total Charges: \$1,480.00						
Provide the requested information regarding the event resulting in a 'Yes' response to one or more disclosure questions below. The explanation for a single event can be associated to more than one disclosure question, if applicable. Do not provide details for more than one disclosable event in the Explanation fields below, including the Supporting File Upload. View the <u>Disclosure Explanation Reference Guide</u> for more information about entering, amending, or deleting disclosure explanations.							
Event Explanation Detail							
Brief Description of Explanation:							
Provide Description only if							
Disposition: Disposition is 'Other':							
2 Event Explanation Detail (Required):							
Applicable Questions Check the box(es) next to the appropriate disclosure question(s) that apply to the explanation you are providing.							
orecis de coste y resci to de exployence decisione questiones dans appy to de exploration you are promoting. Exploration							
Provided Current For Response Question(s)							
Financial Disclosure							
(A)							
3 Yes (1) Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition years?	within the past 10						
Supporting File							
You can include a supporting PDF file (not exceeding & MB) with this explanation by clicking Browse, selecting the file, and clicking Save. Only one file is allowed per explanation. If you have multiple documents they must be combined in a single file. Only documents related to the event described above should be included in the file.							
File: Browse. No file selected							
4 Save Cancel							

Figure 3: Disclosure Explanations – "Yes" Responses

MS Help Document

How to Add Explanation for "No" Response

1. Click the Add Explanation for "No" Responses button (see Figure 4).



Figure 4: Disclosure Explanation Explanations – Add Explanation for "No" Responses

- 2. Complete the required fields.
- 3. Use the selection boxes to indicate the "Applicable Disclosure Question Category" the explanation pertains to.
- 4. Click the **Save** button.

Additional Resources

- Information Viewable in NMLS Consumer Access
- <u>Company Disclosure Explanations</u>
- Disclosure Explanations Document Upload