

# BOSTON

## Licensing Hot Topics

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29<sup>th</sup> Annual  
Regulatory  
Conference  
& Training



American  
Association of  
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Regulators

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**July 31-August 2, 2018**

Boston Park Plaza Hotel | Boston, MA

# MSB Licensing Compact

- \* What is it?
- \* Who is participating?
- \* Lessons learned so far
- \* Replicate for mortgage?

# Fraud in Licensing

- \* Fraudulent financial statements
- \* False mortgage call report information
- \* Mortgage fraud showing up in MLO applications

# Transitional Authority – S.2155

- \* From bank to non-depository:
  - \* No MLO license denied, revoked or suspended
  - \* No C&D order
  - \* No misdemeanor or felony that precludes licensing
  - \* Has submitted state application
  - \* Was registered during the 1 year period prior to application

# Transitional Authority – S.2155

- \* From one state to another:
  - \* No MLO license denied, revoked or suspended
  - \* No C&D order
  - \* No misdemeanor or felony that precludes licensing
  - \* Has submitted state application
  - \* Employed by state-licensed mortgage company in state where applying
  - \* Was licensed in another state during the 30 days prior to application

# Transitional Authority – S.2155

- \* Does not alter state licensing criteria so state license applications will be reviewed under existing state statutes/rules.
  - \* Financial responsibility
  - \* Other character, reputation, integrity or general fitness
    - \* Adverse civil judgments
  - \* Testing
  - \* Education

# Transitional Authority – S.2155

- \* Temporary authority ends upon license issuance, application withdrawal, denial/notice of intent to deny, or end of 120 days if application is incomplete.
- \* Effective November 24, 2019
- \* Does not alter state licensing criteria so state license applications will be reviewed under existing state statutes/rules.
  - \* Financial responsibility, character and fitness

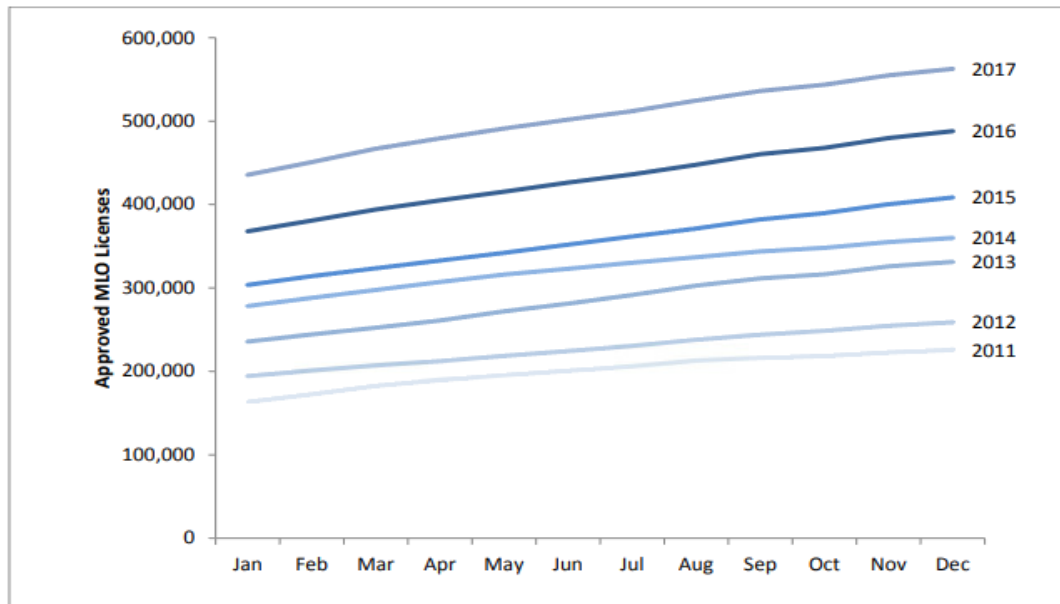
# NMLS 2.0

- \* State regulators are encouraged to
  - \* Automate renewal
  - \* Adopt electronic surety bonds
  - \* Complete transitions of license types onto NMLS
  - \* Reduce/eliminate internal systems
  - \* Participate in Yammer/development/testing



# Trends in Licensing

- \* Increase in MLOs, companies and branches



# Trends in Licensing

- \* Business plans and loan reporting showing signs of a return of subprime lending
  - \* “non-QM lending”
- \* Increased scrutiny of financial statements
  - \* Consolidated financial statements

# Licensing Do's

- \* Applicant/licensee is responsible for what is submitted in NMLS
  - \* Keep passwords/logins secure (do not share)
- \* Read what is sent in the emails
- \* Maintain current information in NMLS
  - \* Email is critical as communication is through email
    - \* Watch for emails going to junk/spam
- \* When amending uploaded documents, it is helpful to note what's been amended.

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## Questions?

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