# STATE OF MAINE BUREAU OF CONSUMER CREDIT PROTECTION

**KENNEBEC, SS.**

**IN RE:**

# MORTGAGE LOAN ORIGINATORS/ ) UPDATED AUGUST 23, 2011

**NATIONWIDE MORTGAGE LICENSING ) ORDER GOVERNING M.L.O.**

**SYSTEM ) LICENSING** **PROCEDURES**

On September 18, 2010 and again on February 28, 2011, the Bureau of Consumer Credit Protection issued “Orders Governing Interim Procedures” to provide guidance to applicants transitioning from Maine’s previous loan officer registration program, to the Nationwide Mortgage Licensing System (NMLS)-based “mortgage loan originator” licensing program. As the Bureau continues the transition to the NMLS, it is appropriate to update our guidance based on the Bureau’s experiences gained in the process to date.

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**1) Initial education requirements**. New applicants for a Mortgage Loan Originator (MLO) license must complete 20 hours of NMLS-approved courses to satisfy the pre-licensing educational requirement. Of the total hours, three hours must focus on federal laws and regulations; three hours on ethics; and two hours on non-traditional mortgage products. Current law does not require any minimum number of hours of Maine-law-specific courses.

**2) Tests**. New applicants must also pass the national test and the Maine test in order to qualify for a license.

**3) Felony convictions, bankruptcies and other changed circumstances**. If an event occurs during the licensed term of an MLO that would have required a “Yes” response on the initial application (bankruptcy; judgment or bond claim against the MLO; institution of any felony criminal charges; felony charges against any company with which the MLO is associated; regulatory action by any state against the MLO or a related company; financial-related civil action; etc.), the MLO must notify the Bureau in writing within 21 calendar days of the event, by letter, fax or scanned document delivered to [LoanOfficerReg@Maine.gov](mailto:LoanOfficerReg@Maine.gov). Loan originators may continue their work unless otherwise notified by the Bureau. Upon the occurrence of any event that would disqualify an MLO from initially applying (e.g., felony conviction; MLO license revoked in any other state), the MLO’s Maine license is automatically revoked and all origination activity must cease immediately.

**4)**  **Changes in licensing information**. If a mortgage loan originator (MLO) changes employers, that MLO must take quick action, since he or she is not qualified to originate loans from the time of leaving the prior employer, to the time the Bureau approves the MLO with the new employer. This strict rule is designed to prevent an individual from originating loans during such time as the Bureau does not have proof that the new employer’s surety bond on file with the state will cover damages caused by, or losses incurred as the result of actions by, the new employee.

The required process is as follows: 1) the MLO must make changes to his or her NMLS record; 2) the new employer (supervised lender or loan broker) must submit a “Verification of Employment” to the Bureau (included with this Order as Exhibit #1), with the copy of the applicable surety bond; and 3) the Bureau must approve the change. A $25 “change fee,” payable to “Treasurer, State of Maine,” be remitted to the Bureau to effectuate this approval process.

**5) Call reports**. As of the date of this order, NMLS has not developed a call report designed for individual MLOs. Therefore, Maine’s short-form Call Report (attached hereto as Exhibit #2 and also electronically at [MLO Annual Report](http://www.maine.gov/pfr/consumercredit/MNLS/AnnualReportForm.rtf).) remains in effect. If an MLO changes employment during a calendar year, the MLO must complete two Call Reports, one for each employer. MLOs should keep track of all loans made during the year, including during their first year of licensure, since an accurate Call Report must be submitted at the end of each year as part of the application for renewal of the MLO’s license for the following calendar year. Failure to submit the call report on or before December 31st will mean the renewal application is incomplete, leading to a $100 late application penalty and an inability to originate loans until all requirements are satisfied. If MLOs have closings scheduled for late December near the deadline for filing call reports, they can include those loans in the report under the assumption they will close on the planned date. No penalties will be assessed for errors resulting from good faith predictions of scheduled closings.

**6) Renewals:** In order to be eligible for renewal, MLOs must continue to meet all licensing standards established by the state. In addition to completing the Renewal checklist and attestation, MLOs must complete and submit an Annual Residential Mortgage Loan Origination Report (“Call Report”) to the Bureau no later than December 31, 2011. The form is attached to this order, or may be accessed electronically at [MLO Annual Report](http://www.maine.gov/pfr/consumercredit/MNLS/AnnualReportForm.rtf). In addition, renewal applicants must complete 8 hours of continuing education. For information on available courses, MLOs should refer to the [Professional Standards](http://mortgage.nationwidelicensingsystem.org/profreq/education/Pages/default.aspx) section of the NMLS Resource Center.

Renewal requests must be submitted by prior to December 31, 2011. **NMLS WILL NOT ACCEPT RENEWAL SUBMISSIONS AFTER MIDNIGHT (12:00AM) EST on December 31, 2011**.

Dated at Gardiner, Maine this 23rd day of August, 2011.

Signature of Superintendent William N. Lund \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

William N. Lund, Superintendent

Bureau of Consumer Credit Protection

Attachments: A) Verification of Employment Form

B) Annual MLO (Call) Report

Exhibit #1

MLO’s NMLS Unique ID Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

MLO Applicant Legal Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**MAINE MORTGAGE LOAN ORIGINATOR (MLO)**

**EMPLOYMENT VERFICATION FORM**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ here by certify to the best of my

(Name of certifying officer)

knowledge, information and belief, that: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Applicant)

🞏 Is a bona fide W-2 employee **OR** 🞏 Is an exclusive agent

(Only select one)

of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Name of Company or Organization)

and is covered under surety bond number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (copy enclosed) on file with the Maine Bureau of Consumer Credit Protection.

Furthermore, I certify that the employer:

* Holds a Maine Supervised Lender or Loan Broker license number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Enter Maine license number)

* Has a pending application for a Maine supervised lender and or loan broker license.

🞏 Other (explain)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name Print Title Signature Date

STATE OF: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

COUNTY OF: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to wit:

Sworn and subscribed before me this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public

My commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exhibit #2

**State of Maine**

**Mortgage Loan Originator**

**Due on or before *December 31, 2011***

**Annual Residential Mortgage Loan Origination (“Call”) Report**

Name of Originator: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ NMLS Unique ID #\_\_\_\_\_\_\_\_\_\_\_\_

Enter the number and dollar amounts of all residential mortgage transactions you originated in Maine in calendar year 2011, separating those in which you represented a supervised lender from those in which you represented a loan broker. . (If you changed employment during the year, complete a separate form reporting loans originated for each employer.)

|  |  |  |
| --- | --- | --- |
| **Type** | **Number of loans** | **Dollar amount of loans** |
| First mortgage loans | |  | | --- | | As lender: | | As broker: | |  | | |  | | --- | | As lender: $ | | As broker: $ | |
| Second mortgages (fixed term) | |  | | --- | | As lender: | | As broker: | | |  | | --- | | As lender: $ | | As broker: $ | |
| Construction loans | |  | | --- | | As lender: | | As broker: | |  | | |  | | --- | | As lender: $ | | As broker: $ | |
| Home equity lines of credit | |  | | --- | | As lender: | | As broker: | | |  | | --- | | As lender: $ | | As broker: $ | |
| Reverse mortgages | |  | | --- | | As lender: | | As broker: | |  | | |  | | --- | | As lender: $ | | As broker: $ | |
| Other (describe) | |  | | --- | | As lender: | | As broker: | |  | | |  | | --- | | As lender: $ | | As broker: $ | |
| **Totals:** | |  | | --- | | As lender: | | As broker: | | |  | | --- | | As lender: $ | | As broker: $ | |

I hereby certify that the statements in the foregoing report are true and correct to the

best of my knowledge and belief.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_

MLO Signature MLO Name (printed) Employer Date