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OFFICE OF THE STATE BANK COMMISSIONER  
*J. THOMAS THULL, Bank Commissioner*

## IMPORTANT NOTICE

**TO: All Kansas Mortgage Companies and Supervised Loan Licensees Conducting Mortgage Activity**

**FROM: Kansas Office of the State Bank Commissioner**

**DATE: December 8, 2009**

**RE: Nationwide Mortgage Licensing System**

Senate Bill 240 was enacted into law on July 1, 2009, in order to bring the mortgage licensing laws of the State of Kansas into compliance with the federal *Secure and Fair Enforcement for Mortgage Lending Act of 2008* ("SAFE Act"). The SAFE Act requires all states to pass mortgage licensing laws and regulations that meet or exceed certain national standards.

The Kansas Office of the State Bank Commissioner (OSBC) is scheduled to begin using the Nationwide Mortgage Licensing System (NMLS) starting on **January 4, 2010**. The Nationwide Mortgage Licensing System can be accessed at: [www.stateregulatoryregistry.org/NMLS](http://www.stateregulatoryregistry.org/NMLS)

The following information describes actions required for all companies and loan originators presently licensed in Kansas, as well as important dates to remember. If your company is not engaged in Kansas mortgage activities, you may disregard this notice.

### **CURRENT COMPANY LICENSEES:**

As part of the implementation of NMLS, each company conducting Kansas mortgage activity and holding a Mortgage Company License or a Supervised Loan License must create a record (Forms MU1 and MU2) in NMLS for the company and a record for each branch location (Form MU3) and electronically submit those records to the OSBC between **January 4, 2010 and July 1, 2010**.

It is important that current licensees have all of their Kansas license numbers available when completing and submitting Forms MU1, MU2 and MU3. License numbers are available on the OSBC website at [www.osbckansas.org](http://www.osbckansas.org) on the list of approved licensees.

Any licensee engaged in mortgage related activities that needs to amend or surrender a license, establish or terminate a sponsorship of a mortgage loan originator license, or other action previously completed in paper form will complete these tasks electronically after initially registering in the NMLS system.

*Note:* If you have submitted these forms in another state, then *you do not need to re-enter your company record* into NMLS. You will only need to identify the appropriate license in Kansas and complete a few state specific fields.

### How to Access NMLS

In order to gain access to NMLS for the first time you must complete a **Company Account Request Form** and identify a *Primary Account Administrator* and a *Secondary Account Administrator*. This form can be submitted electronically through the NMLS website in the “Getting Started” section. This form needs only to be submitted once per company, regardless of the number of NMLS participating states in which you are licensed. **IF YOUR COMPANY ALREADY HAS ACCESS TO NMLS, YOU DO NOT NEED TO DO THIS STEP.**

Once you complete and submit this form, the *Primary Account Administrator* will receive NMLS login information within 3 business days. The *Primary Account Administrator* for your company will have full rights to (1) access the System, (2) submit information to this Agency and other participating state mortgage regulators, and (3) set-up other company users in the System. Instructions and tutorials on how to access and use the System are also available on the NMLS website.

### Forms to Complete

Once you are able to access NMLS, you will need to submit the following MU Forms through NMLS to the OSBC by **July 1, 2010**. Instructions and tutorials on how to complete these forms are available on the NMLS website.

1. **Companies** submit a **Form MU1**
2. Companies submit a **Form MU2** for each **Control Person**<sup>1</sup> (such as an owner, executive officer or partner) as part of their Form MU1 filing.
3. Companies submit a **Form MU3** for each **Branch** location.
4. Companies submit a **Form MU4** for all Mortgage **Loan Originators**<sup>1</sup> or request mortgage loan originators submit the filing themselves and have the company “sponsor” their license. See separate instructions below for loan originators.

You may begin completing these forms prior to January 4, 2010, but will not be able to submit them to the OSBC until that date.

### **CURRENT LICENSED MORTGAGE LOAN ORIGINATORS:**

All individuals meeting the definition of a mortgage loan originator (MLO) have specific requirements which must be met in order to meet SAFE Act requirements for licensure. Current licensed Kansas Mortgage Loan Originators will receive an “Approved – Conditional” status while additional requirements are being satisfied. Full “Approval” will be issued once all additional requirements have been met.

<sup>1</sup> Before a Control Person’s Form MU2 and/or Mortgage Loan Originator’s Form MU4 is submitted to the Kansas Office of the State Bank Commissioner, the subject individual must first attest to the information contained in the form.

Mortgage Loan originators or their companies have until **July 1, 2010** to complete and submit a Form MU4 through the NMLS.

Mortgage Loan Originators should consult with their employer before logging into the NMLS and completing a Form MU4.

Companies employing loan originators are required to Sponsor their license in NMLS. Be advised that the Company MU1, the Branch Location MU3 (when the Loan originator works from a branch) and the Loan originator MU4 must all be submitted prior to the company sponsoring the loan originator's license.

It is important that current licensees have their Kansas license number available when completing and submitting their Form MU4. License numbers are available on the OSBC website at [www.osbckansas.org](http://www.osbckansas.org) on the list of approved loan originators.

Loan originators can complete and submit Form MU4 themselves or their company can complete Form MU4 and have the loan originator log in to the NMLS and electronically attest to its accuracy.

*Note:* If you have submitted a Form MU4 in another state, then you *do not need to re-enter your record* into NMLS. You will only need to identify the appropriate license in Kansas and complete a few state specific fields.

**In addition to filing the Form MU4, all individuals acting as mortgage loan originators must meet certain additional requirements to obtain full "approved" status.**

Those requirements are:

- *Pre-licensure certification*
- *A Passing Score on a National and State Mortgage Test*
- *Satisfactory criminal background check including finger prints*
- *License Sponsorship in NMLS by your company*

Specific instructions for each requirement are detailed below.

#### **SAFE Pre-Licensure Education Requirements**

**Kansas licensed mortgage loan originators who have previously completed 20 or more hours of OSBC approved continuing education and submitted proof of education to the OSBC prior to September 1, 2010 will be certified by the OSBC as having fulfilled NMLS pre-licensure education requirements. The OSBC will submit the certification to NMLS.**

**IMPORTANT - In order to participate in the OSBC certification process, a Mortgage Loan Originator must file a Form MU4 through NMLS with the OSBC and provide proof of education to the OSBC before September 1, 2010. There will be no grace period.**

Any Individuals not certified by the OSBC prior to September 1, 2010 will be required to complete 20 new hours of NMLS approved pre-licensure education.

*Note:* If you have already completed 20 hours of NMLS approved pre-licensure education or have had your education certified to NMLS by another state, your pre-licensure education requirements have been satisfied.

### **SAFE Mortgage Loan Originator Test**

All mortgage loan originators must pass the SAFE Mortgage Loan Originator Test, which is comprised of two components: a National Component and a State Component. MLOs must pass each Component with a score of 75% or higher.

The State Component test is scheduled to be available on the NMLS website on and after **August 16, 2010**.

You are strongly encouraged to review the MLO Testing Handbook on the NMLS website and begin the testing process as soon as possible to allow enough time for enrollment and the retesting procedures, if necessary.

*Note:* If you have already passed the National Component of the SAFE Mortgage Loan Originator Test and your passing score is part of your MLO record in NMLS, you do not need to take the National Component again.

### **SAFE Criminal Background Check**

All individuals acting as Mortgage Loan Originators must authorize a fingerprint background check through NMLS for the purpose of conducting a national criminal history background check through the Federal Bureau of Investigation. This requirement applies to all individuals, regardless of whether you are currently licensed in Kansas or if you have previously submitted fingerprints for licensure.

### **Continuing Education Requirements**

All mortgage loan originators will be required to complete 8 hours of NMLS approved continuing education in the license year following their transition year onto NMLS. MLOs who would otherwise be required to complete both the 20 hour pre-licensure requirement and the initial 8 hour continuing education requirement in the same calendar year will instead be able to satisfy their initial continuing education requirement by meeting their 20 hour pre-licensure education requirement.

### **Review of Important Dates**

**Before July 1, 2010** – Companies must transition their current information onto NMLS by submitting **Forms MU1, MU2, MU3 and MU4** in NMLS and electronically submitting them to the OSBC.

**Before September 1, 2010** – Mortgage loan originators must complete and provide proof of any additional approved continuing education to the OSBC in order to participate in the NMLS pre-licensure certification process. There will be no grace period.

### **NMLS Website and Call Center**

The NMLS website, [www.stateregulatoryregistry.org/nmls](http://www.stateregulatoryregistry.org/nmls), provides step-by-step instructions on how to access the system, guides on how to complete the MU Forms, each state's transition plans and requirements, tutorials, current and future participating states, system alerts, system processing fees, information on NMLS training and general background information.

Contact the **NMLS Call Center** at **240-386-4444** if you have questions about completing any NMLS forms.