

REMINDER UPDATE

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

FROM: Kansas Office of the State Bank Commissioner

DATE: March 15, 2010

RE: Nationwide Mortgage Licensing System

This REMINDER UPDATE contains **important new dates** and is being sent to you as a follow up to the December 8, 2009 "Important Notice" mailing which is available on our agency website at www.osbckansas.org. Please review that notice for additional information referenced in this mailing.

The Kansas Office of the State Bank Commissioner (OSBC) began using the Nationwide Mortgage Licensing System (NMLS) on January 4, 2010. The Nationwide Mortgage Licensing System can be accessed at: www.stateregulatoryregistry.org/NMLS The NMLS Call Center number is 240-386-4444 if you have questions about completing any NMLS forms.

The following information describes actions required for all companies and loan originators 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:

Each company conducting Kansas mortgage activity and holding a Mortgage Company License or a Supervised Loan License must log on to NMLS, create a record (Forms MU1 and MU2) for the company and a record for each branch location (Form MU3) and electronically submit those records to the OSBC **prior to July 1, 2010.**

Licensees must have 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 – "List of Approved Licensees". Company and branch license numbers begin with either an **MC** for Mortgage Company License or **SL** for Supervised Loan License. You must enter the complete license number including punctuation.

Be sure to select “transition” company or branch rather than new applicant. If a current licensed company or branch creates their NMLS record as a new applicant rather than a transition, they will be assessed new application fees which are not refundable. Please use caution when creating your NMLS records.

When transitioning information onto NMLS, some companies are identifying new officers not previously reported to the OSBC. Any new officers, owners or partners completing a Form MU2 must submit a completed fingerprint card and \$50 processing fee to the OSBC to add this individual to your company record.

In addition, any officers, owners or partners that answer “Yes” to any disclosure questions on the Form MU1 for the company or Form MU2 for the individual must mail to the OSBC complete written details of all events or proceedings including copies of supporting legal documentation. See the Mortgage Company License or Supervised Loan License Transition Checklist on NMLS for more details.

Note: Merely creating a record in NMLS does not initiate a transition request to the Kansas OSBC. You must select a Kansas transition request for the OSBC to receive your information electronically through NMLS.

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.

MLOs or their companies must complete and submit a Form MU4 through NMLS **prior to July 1, 2010**. MLOs should consult with their employer before logging into the NMLS and completing a Form MU4.

In addition, any loan originator who answers “Yes” to any disclosure questions on the Form MU4 must mail to the OSBC complete written details of all events or proceedings including copies of supporting legal documentation.

It is important 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 – “List of Approved Loan Originators”. Loan originator license numbers begin with an **LO** and you must enter the complete license number including punctuation.

Be sure to select “transition” loan originator rather than new applicant. If a current licensed loan originator creates their NMLS record as a new applicant rather than a transition, they will be assessed new application fees which are not refundable. Please use caution when creating your NMLS record.

Note: Merely creating a record in NMLS does not initiate a transition request to the Kansas OSBC. You must select a Kansas transition request for the OSBC to receive your information electronically through NMLS.

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 that education to the OSBC will be certified by the OSBC as having fulfilled NMLS pre-licensure education requirements. **The OSBC will submit an early certification to NMLS on July 1, 2010 with a final follow up submission on September 1, 2010.**

IMPORTANT - MLOs are responsible for reviewing the total Kansas approved education hours credited to them on the OSBC website at www.osckansas.org to verify the accuracy of their information and advise the OSBC of any discrepancies prior to the final certification submission date of September 1, 2010.

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

NOTE: Once NMLS uploads the pre-licensure education certification from the OSBC, each mortgage loan originator should be notified by e-mail from NMLS and must access that system to complete their certification process. For some MLOs, certification of pre-license education may be reported by multiple states. You should verify whether a state is certifying as of 2009 or 2010 (Kansas) as 2009 certifications may require you to obtain an additional 8 hours of continuing education this year. Kansas will certify as of 2010 and no additional continuing education will be required until the 2011 license year.

SAFE Mortgage Loan Originator Test

All mortgage loan originators must pass the SAFE Mortgage Loan Originator Test, comprised of two components - National and State, prior to the renewal of their loan originator license. The Kansas State Component test is scheduled to be available on NMLS after **August 16, 2010.**

Test preparation information is available on the NMLS website. Information on test prep classes may be obtained from the Kansas Association of Mortgage Professionals (KAMP) at director@ksamp.org or 913-764-5600.

Continuing Education Requirements

All Kansas MLOs will be required to complete 8 hours of NMLS approved continuing education in 2011 in order to renew their license for 2012.

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 submit them to the OSBC.

Before July 1, 2010 (Early) or September 1, 2010 (Final) – MLOs must complete and provide proof of any additional Kansas approved continuing education to the OSBC in order to participate in the pre-licensure education certification process. **There will be no grace period.**