Good morning, everyone! And, Happy Mardi Gras. Oh, wrong city. Well, welcome to the annual NMLS conference, which has now spanned three different decades. Show of hands: how many of you were at the first NMLS conference in New Orleans? Thank you for continuing your involvement in the NMLS. And welcome to everyone else. We are glad you could join us here in San Francisco, a city almost as fun as New Orleans. We have a great conference in store for you.

As chairman of the SRR Board of Managers, yesterday I presided over our regular Board meeting. We covered a number of issues. And we made one big decision. That is: as of today, we are going nationwide with the new State Examination System, or SES.

We are expanding the system from the current seven beta states using SES for mortgage and money transmission examinations and, now, are offering SES to every state regulatory department in the country. We have field-tested our system and we are ready to roll it out nationwide.

For state regulators, this is a really big deal. Nationwide deployment of SES is the single biggest technology initiative that CSBS has implemented since we rolled out NMLS more than a decade ago. Indeed, I fully expect SES to do for examinations what NMLS has done for licensing. So, how can SES live up to that
At the heart of the Vision 2020 strategy is utilizing technology the fullest extent possible. For industry, we will address unnecessary pain points from the multistate experience and identify where states can better harmonize their practices. For regulators, it’s about improving the quality and efficiency of state supervision...building a more effective network of supervision...and continuing to protect consumers.

SES does all this by providing a single technology platform to collect information from fintechs and other nonbanks...tap into data analytics to analyze cases based on risk...and electronically share the information nationwide so each state doesn’t have to collect the same routine data.

Because of SES, regulators will be able to make better supervisory decisions with less time invested. Given that we oversee roughly 25,000 nonbank entities, I cannot emphasize enough what we expect SES to accomplish. At a higher level, we see SES as the platform through which the state system becomes a more powerful supervisory network, one that empowers state agencies to work more closely together.

Now, a lot of people are responsible for getting us to this point. Credit goes to the CSBS and SRR Boards...a terrific staff...a strong technology vendor...and dedicated regulators. Together, they put together a sound business plan...funded the initiative...built a development roadmap...received feedback from other regulators and industry...and deployed this one-of-a-kind system. And all this in less than 18 months! Really amazing work.

In the coming months, staff will be crisscrossing the country. We already have more than 30 states committed to using the SES. Staff will be meeting with state agencies who will be new to the SES... briefing them on how SES can fit into and enhance their supervisory practices...getting them up and running on the system...working with industry on what they can expect....and supporting regulator needs on an on-going basis.
You will soon see the SES being used by many different regulators across the country...maybe even on your next exam. Our goal is for there to be more multistate exams and fewer single-state efforts. So, I encourage you to participate in the SES sessions here at this conference. Learn about it. Try it out. Ask questions about it.

I predict that you will come away convinced that state regulators have taken a big step forward...for efficiency...for multistate harmonization... and for even better supervisory decisions...ones that can support business growth, protect consumers, and instill confidence with those using your products and services.

Again, thanks for coming this week and I hope you enjoy the rest of the conference.