



NMLS Enhancement: Improving the License Application Process for Individuals and Companies

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Applying for a license in NMLS and knowing your application status, regardless of how many states in which you are seeking licensure should be easy. Finding out if there are additional steps you may need to take to move your application forward should also be simple.

CSBS is focused on enhancing NMLS to make applying for a license more intuitive. System improvements for license application include creating a more streamlined process that will rely on a task-driven workflow instead of the form-based approach used today.

Fast fact

In 2022, there were more than 200,000 state-licensed individuals in NMLS. These individuals included mortgage loans originators (MLOs), company control persons, branch managers and other qualifying Individuals (i.e., other professionals responsible for financial services-related activities conducted by a company). In addition, there were more than 30,000 state-licensed companies in NMLS.

How the licensing process works today

NMLS helped transform the state licensing process from a state-specific, paper-based record keeping process to a more digital approach that has also enabled standardization across state agencies. However, users have informed us that applying for a license could be more intuitive and workflow-driven.

The license application process can be confusing for MLOs because:

- They must refer to multiple sources to determine outstanding requirements related to their license application, which vary by state agency

- State agencies do not identify license application statuses consistently, making it challenging for a MLO to know their application status in a given state after they have applied for a license
- Navigating through NMLS to find information on stages of the license application process is challenging, leading users to contact the NMLS Call Center for additional support

Future licensing process

NMLS will be a workflow-based system. The solution will make it easier for individuals and companies to follow their application status and find out if there are outstanding tasks they may need to complete to move forward in the application process. Specifically, individuals and companies will be able to:

- Determine their license application and determine if action is required
- Navigate through the NMLS to complete outstanding license application requirements – reducing the need to contact the NMLS Call Center and the amount of time spent on a task

Incorporating all license application requirements within NMLS will provide a more intuitive experience for individuals and companies. In addition, NMLS will be able to anticipate an individual and company user's purpose for logging into the system, identify outstanding tasks and routine activities users perform.

NMLS user benefits

- Save time when completing license application tasks
- Experience a more intuitive system with easier navigation points
- Access license requirements within NMLS instead of having to rely on external checklists

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