[NMLS Enhancements Improve License Management and Communication for State Agencies]

BLOG POST

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Managing individual licensing requests is not a one-size-fits-all for the 67 state agencies that use the Nationwide Multistate Licensing System (NMLS). However, NMLS enhancements introduced in August are making it easier for all state agencies to fulfill their tasks and communicate with individual licensees.

The NMLS updates include two key components that have changed how state agencies manage day-to-day tasks and engagement:

- A new regular workspace within NMLS Connect designed to improve licensing workflow management.
- The ability to communicate with licensees directly within NMLS, allowing state agencies and individual licensees to resolve issues quicker and experience greater transparency.

Exploring the new enhancements

Beth Henderson, who has served as a non-depository mortgage licensing team supervisor with the North Carolina Office of the Commissioner of Banks (NCCOB) for almost nine years, finds the recent NMLS enhancements have helped her perform her job.

“As with any new process or system, it takes a while to get the muscle-memory set. However, at the start of the second week using NMLS Connect, I knew what to do and was able to explore the system further,” said Henderson.

New efficiencies Henderson appreciates most include reduced clicking in NMLS Connect and having pop-up windows to access NMLS Classic — allowing her to save time when needed. Henderson said she also likes the ability for industry to respond to information requests directly in the system and having a record of these conversation exchanges.

For Henderson, ongoing NMLS modernization is key. The recent NMLS enhancements, which provide greater automation, mean she and her NCCOB colleagues can focus more on risk-based tasks and less manual processing.

Advice for other state agencies

Henderson offers advice for other state agencies that may be experiencing adapting to the new enhancements in NMLS. She encourages agency staff to review resources (regulator login required) and contact the NMLS Regulator User Group with any questions they may have or send screenshots of recommended changes for improvements. The quarterly open forum meeting is another opportunity for agency staff to ask questions and hear from other agencies about their best practices.

License supervision – a key to consumer protection

What drives Henderson in her role each day is being able to ensure licensees meet requirements and maintain compliance under the North Carolina SAFE Act. That is one of Henderson's highest goals. She also enjoys providing great service to North Carolina's licensees and responding quickly to inquiries.

Henderson also wants consumers to know that the licensing process is one component of NCCOB's overall role in enhancing protection for them. Licenses are not issued just because a request is made. Each state follows the SAFE Act enacted by its legislature to review employment status, credit and criminal history, disclosure responses, regulatory issues, pre-licensing education, and test history. An individual's license status in other states is also reviewed.

In addition to reviewing license eligibility for individual mortgage loan originators, NCCOB reviews license eligibility for broker and lender companies that employ them. Further, NCCOB reviews registration for those company's branch locations and origination support companies according to additional criteria, and mortgage loan servicing companies that service consumer loans after loans have closed.

NCCOB also has a consumer complaint process to facilitate communication between consumers and licensees if issues arise that consumers cannot resolve through direct contact with licensees.

Lastly, NCCOB's examination team reviews licensed companies periodically. Consumer complaints are reviewed during the examination process along with other regulatory criteria including fees that were charged to consumers. Any enforcement actions taken against licensees are posted in NMLS and are viewable on NMLS Consumer Access and NCCOB website.

NMLS enhancements made in August improve state agencies' experience with the system, making it easier for agencies to support licensees and continue fostering consumer protection.

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