

**Prepared Remarks for Charles G. Cooper
Chairman, Conference of State Bank Supervisors
Commissioner, Texas Department of Banking
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Welcome to Texas, and welcome to Austin, our state capitol. Austin is the 11th most populated city in the U.S. Travelers love our city, and ranked it number two in destination experience, according to a 2016 J.D. Power survey. We are mostly known as the Live Music Capitol of the World. And our motto is Keep Austin Weird. Knowing some of you in the audience, the motto is in good hands.

We have a record number of attendees at this conference. This is the ninth time we have gathered together, and it is a privilege to have all of you join us. We have a terrific agenda in which you will have the opportunity to participate in a wide range of sessions, and hear the latest on NMLS. Bill Matthews and Tim Doyle will explain the agenda here shortly.

I hope the takeaway from this conference is that NMLS is one of the great developments in financial regulation and business innovation. From my perspective as a regulator, NMLS has become an important tool.

First, in order to communicate together and coordinate activity, state regulators need a common platform to license and regulate non-depository companies. NMLS enables us to fulfill this need. Today, NMLS is the system of record for 62 agencies operating at the state level. Together, we use the system to analyze and supervise the important industries of mortgages, money services, debt and consumer finance. Mortgage companies licensed through NMLS originated \$900 billion in loans last year, and service almost \$3.9 trillion worth of loans. Those are big numbers.

Second, as a state regulator, it is important to support a healthy business environment. The states are doing precisely that through innovative and responsive supervision. Look at the mortgage lending business. Over the past five years, the number of mortgage loan officers in NMLS has grown by almost 25 percent to almost 150,000. And the number of state licenses they hold has jumped by 116 percent to almost half a million. This translates into more loan officers operating in more states. Clearly, ours is a system that enables the financial sector to bring its ideas and services to market.

Third, as a state regulator, it is our job to make the licensing process as efficient as possible. The trend line is going in the right direction. Once states began to use NMLS, approval times improved dramatically. For instance, on average before states first transitioned onto NMLS, it took up to 32 days to approve a new license for MLOs. It is now down to 16 days. On renewals, many states are down to as few as two days. To make the licensing process go even faster, NMLS recently introduced an important process innovation – electronic surety bond issuance,

which does away with the old manual process. And we now can process criminal background checks for all individuals in NMLS who require one. As you can see, we have embraced what we call “reg-tech” to take state regulation to the next level.

Fourth, as a state regulator, it is important to make it easy for companies to operate across state lines and for regulators to share information. And, again, the states are taking action. Over the past five years, NMLS has supported almost 70-percent growth in the number of mortgage companies operating nationwide – from 154 conducting business in 25 or more states, to 264 as of today. NMLS has proven to be a flexible platform supporting local and national companies alike.

Fifth, NMLS operates with transparency to the consumer. NMLS Consumer Access is the website where consumers can see which companies are licensed to operate in their state, giving them confidence that they are working with a credible entity. In 2016, Consumer Access was used by 3.7 million people who viewed more than 100 million pages. I imagine you have heard the radio commercial by a well-known online lender. The ad ends with a promotion for Consumer Access and their NMLS number. That is transparency. That is accountability.

I hope you can see how central NMLS is to state regulators. States operate more efficiently with NMLS. Because of NMLS, there is a robust, vibrant regulatory system for non-depository companies operating in the United States. It is a system that has made the licensing process more efficient, including for those operating on a national basis, all while ensuring transparency to the consumer. We are continuing to make improvements so users have a better experience. Later in the program, you will hear about our 2.0 initiative to modernize NMLS with an entirely new version and even greater capabilities.

Now, much of the credit for NMLS goes to you, our users. Each of you has helped us improve our system and have made it what it is today. Moreover, you have given us the experience and feedback to make both NMLS and state regulation more effective. CSBS thanks you for working in conjunction with us to make the system what it is today. We want to make your experience as easy, comprehensive, and error-free as possible. The NMLS team has great plans to deliver on this promise.

Again, welcome to Austin. Welcome to our conference. I hope you find the next couple days a valuable experience.

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