



April 17, 2012

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street NW.
Washington, DC 20006

Dear Ms. Jackson,

The Conference of State Bank Supervisors (“CSBS”) and American Association of Residential Mortgage Regulators (“AARMR”) appreciate the opportunity to comment on the Bureau of Consumer Financial Protection’s (“CFPB” or “Bureau”) proposed rule, Defining Larger Participants in Certain Consumer Financial Product and Service Markets, Docket No. CFPB-2012-0005, RIN 3170-AA00. CSBS and AARMR find the proposed thresholds straight forward and reasonable. Going forward, a process should be implemented to determine larger participants for designated markets, including debt collection and consumer reporting. NMLS¹ can support the ongoing collection and management of information required to determine whether a consumer financial product or services provider is a larger participant for CFPB jurisdictional purposes. Accordingly, CSBS and AARMR recommend utilizing NMLS for any requisite registration program.

Footnote 37 of the proposed rule states, “[t]he Bureau is contemplating a future rulemaking to establish a nonbank registration program, which could be used to gather data to support subsequent larger participant rulemakings and their implementations.” Some States already utilize NMLS for registration of nonbank entities, including debt collectors. As of April 16th, Massachusetts is requiring debt collectors active in the Commonwealth to register on NMLS. This functionality now exists in NMLS for any State looking to license or register a consumer financial product or services provider and can easily be adapted for the CFPB.

Importantly, the data inputs required by a State can inform the larger participant process. NMLS currently has the functionality to electronically receive and manage the quarterly NMLS Mortgage Call Report, which collects financial and activity information on mortgage companies. This functionality can be easily expanded to other industries. For instance, the NMLS Mortgage Call Report currently requires mortgage companies to report Total Gross Income (as well as other income breakdowns), which is analogous to the CFPB’s proposed gross receipts for use in determining whether an institution is a larger participant for jurisdictional purposes. If CFPB utilized NMLS for this purpose, it could have current industry data to determine larger participant

¹ NMLS (Nationwide Mortgage Licensing System and Registry) is a secure, online licensing and registration system used by 58 state agencies for the regulatory oversight of the nondepository mortgage industry. Further, five State banking agencies now utilize the System for the licensing and supervision of other non-depository financial service industries. Six more agencies plan to expand their use of the System this year with an additional nine expected to do so in 2013.

status. Industry trends can easily be analyzed through NMLS's functionality, informing the larger participant designation process.

At this crucial juncture in non-depository supervision, CSBS and AARMR strongly encourage the CFPB to work with the States to utilize NMLS as the system of registry for all participants in markets for consumer financial products or services. The States and mortgage industry have had tremendous success utilizing the System, which can be shaped to inform the jurisdictional decision structure required under Title X of the Dodd-Frank Act. Doing so would eliminate potential redundancies, enhance cooperation, and create a uniform approach to monitoring industry developments in a manner that best informs federal and State regulators alike.

Sincerely,



John W. Ryan
President & CEO
CSBS



Darin Domingue
President
AARMR