The 2011 Annual Report of the State Regulatory Registry LLC was printed on Chorus Art 55% recycled paper. Additionally, it was printed at Goetz Printing, a carbon neutral facility, utilizing 100% renewable electricity in the form of wind and solar RECs with non-petroleum, vegetable-based inks.

The use of these environmentally responsible papers conserves the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trees</td>
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</tr>
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<td>Energy</td>
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</tr>
<tr>
<td>Greenhouse gases</td>
<td>346 pounds CO₂</td>
</tr>
<tr>
<td>Wastewater</td>
<td>1,561 gallons</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>99 pounds</td>
</tr>
</tbody>
</table>
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LETTER FROM THE SRR BOARD OF MANAGERS

May 1, 2012

The Board of Managers presents the fourth annual report of the State Regulatory Registry LLC (SRR) and the Nationwide Mortgage Licensing System and Registry (NMLS or the System) operations and performance.

Since NMLS launched in 2008, each year of operations has been extraordinary as the System has grown and expanded in terms of participation and functionality. NMLS operations in 2011 proved to be no exception.

By the end of 2010, 58 state mortgage regulatory agencies had transitioned all state-licensed individual mortgage loan originators (MLOs) onto NMLS. From late January to July 2011, approximately 350,000 MLOs and 10,000 employing depository institutions and subsidiaries successfully registered in NMLS. So, for the first time in history, all (almost 500,000) individual MLOs, along with their license or registrations status, NMLS Unique Identifier, and employment history were made available to the general public on NMLS Consumer Access. Another significant event in 2011 was the implementation of the NMLS quarterly mortgage call report (MCR) for all state-licensed mortgage companies. Each of these events was required under the SAFE Act.

By the end of 2011, NMLS data show that there were:

- 17,121 companies holding 33,124 active state licenses
- 11,081 registered depository institutions and subsidiaries
- 116,991 individual MLOs holding 226,010 active state licenses
- 375,654 federally registered MLOs

NMLS provides a Unique Identifier to each individual and company in the System including state-licensed or federally registered MLOs, and non-depository, farm credit and depository institutions. The Federal Housing Administration (FHA), Freddie Mac and Fannie Mae (GSEs) began requiring the NMLS Unique Identifier to be included on every consumer mortgage loan application for the originating company and individual MLO. This requirement provides industry, for the first time, with (a) a mechanism to track or connect each FHA and conventional residential mortgage loan from origination to investment and (b) the opportunity to calculate the loan performance of companies, institutions and individual MLOs over time and by loan type.

The 2011 accomplishments discussed in this report continue to be part of a multi-year coordinated state effort through the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to increase consumer protection, enhance state supervision and streamline the licensing process in the residential mortgage industry.

Figure 1. SRR Board of Managers (As of December 31, 2011)

Left to right: Darin Domingue, Charles Dolezal, Gavin Gee, Charles Vice, Douglas Foster, David Cotney, Robert Entringer, John Ryan, Bill Matthews, John Ducrest
LETTER FROM THE SRR BOARD OF MANAGERS

NMLS is a web-based application which (a) enables state-licensed mortgage lenders, mortgage brokers, and loan originators to apply for, amend, update or renew licenses online using a single set of uniform applications; and (b) allows federally regulated depository institutions and subsidiaries to register their MLOs as required by the final rule promulgated by the federal banking agencies which is now administered by the Consumer Finance Protection Bureau (CFPB). The System benefits industry and regulatory users by providing efficiency, uniformity and enhanced supervision. More information about NMLS can be found on the NMLS Resource Center website.

We acknowledge the countless hours and other resources provided by regulators and industry that made possible new NMLS functionality and enhancements. We would like to express our sincere appreciation to the numerous groups that made this possible, including the NMLS Ombudsman, Mortgage Licensing Policy Committee (MLPC), Mortgage Testing and Education Board (MTEB), SRR Lawyers Committee, and Mortgage Advisory Council (MAC). In 2011, states contributed $5.1 million to develop NMLS, for total state contributions since NMLS inception of $16.4 million.

We are looking forward to 2012 and subsequent years where SRR will focus on coordinating with state and federal regulators and industry to enhance NMLS functionality, increase efficiency of operations and services, expand NMLS into other non-depository industries, and continue compliance with the SAFE Act.

Sincerely,
The Board of Managers
State Regulatory Registry LLC

David Cotney
Chairman and Commissioner, Massachusetts Division of Banks

Doug Foster
Vice Chairman and Commissioner, Texas Department of Savings and Mortgage Lending

Charles Vice
Treasurer and Commissioner, Kentucky Department of Financial Institutions

Gavin Gee
Immediate Past Chairman and Director of Finance, Idaho Department of Finance

Darin Domingue
Manager, AARMR Representative and Deputy Chief Examiner, Louisiana Office of Financial Institutions

Robert Entringer
Manager and Commissioner, North Dakota Department of Financial Institutions

Charles Dolezal
Manager and Superintendent, Division of Financial Institutions, Ohio Department of Commerce

Deborah Bortner
Manager and Director of Consumer Services, Washington Department of Financial Institutions

John Ducrest*
Manager, CSBS Chairman and Commissioner, Louisiana Office of Financial Institutions

John Ryan*
Secretary and CSBS President and CEO

William Matthews*
Manager and SRR President and CEO

*Non-voting ex-officio members of the SRR Board of Managers
2011 MILESTONES

In 2011, SRR spent significant resources to implement the NMLS Federal Registry, improve NMLS functionality and operations for industry and state regulators, and increase System functionality to meet SAFE Act requirements. Major milestones achieved by the states, SRR and NMLS during the year include:

1. The NMLS Federal Registry (Federal Registry) became fully operational on January 31, 2011, and by year-end contained registrations for 11,081 institutions and 375,654 registered MLOs.

2. Major functionality was added to NMLS; including the submission of quarterly mortgage call reports, ability for state regulators to post public regulatory actions in NMLS, credit check capability for control persons, qualifying individuals and branch managers, and the ability to require the completion of testing and education requirements prior to submission of a license application.

3. NMLS administered more than 130,000 tests (national and state test components) in 2011, bringing the total administered since July 2009 to more than 525,000 tests.

4. NMLS continued to manage existing and approve new course providers. By the end of 2011, 170 course providers and 1,200 pre-licensure and continuing education courses were approved by NMLS, and close to 1.5 million hours of education were delivered through NMLS-approved courses.

5. The Mortgage Testing and Education Board (MTEB) conducted numerous investigations concerning MLO testing and education matters, courses and providers. The MTEB also completed the groundwork for the development of a uniform state test component.

6. SRR held two public industry meetings with the NMLS Ombudsman.

7. NMLS managed 152,903 unique entities (companies, branches and MLOs) which held 288,170 state licenses from the 58 participating state agencies.

8. Five additional state mortgage regulatory agencies received certificates of accreditation by the CSBS/AARMR Mortgage Accreditation Program. Such agencies are considered compliant with the SAFE Act supervisory performance standards under the final SAFE Act rule.

9. NMLS collected and disbursed approximately $71 million in state license and registration fees.

10. NMLS Call Center answered more than 936,000 inquiries from users.

11. NMLS Resource Center was viewed by over 2 million unique visitors.

12. NMLS Consumer Access received over 1 million visitors who viewed over 56 million pages of information on licensed and registered companies and individuals.

13. SRR conducted more than 76 live industry and regulator user training sessions, instructing more than 11,600 professionals.

14. NMLS processing fees remain unchanged for the fourth straight year of System operations.¹

¹ http://mortgage.nationwidelicensingsystem.org/about/Pages/SystemFees.aspx
As evidenced by the list of state participants below, the guiding principles and policy decisions that drive the existence and continuing evolution of the State Regulatory Registry’s operations originate and are developed through the involvement and leadership of the state financial services regulatory agencies. Staff members from those agencies spend countless hours leading and participating on committees and ad hoc working groups, planning and attending meetings and conferences, and contributing their expertise and views with the common goal of continuing to make NMLS an effective regulatory tool. SRR also benefits from the input of industry members who spend time to give their perspective as System users.

**State Regulatory Registry LLC**

State Regulatory Registry LLC (SRR) is a nonprofit entity that operates NMLS on behalf of state financial services regulatory agencies. SRR is governed by an eight-member Board of Managers comprised of state banking and financial regulators and a representative of the American Association of Residential Mortgage Regulators (AARMR). SRR Board of Managers is responsible for all development, operations and policy matters concerning NMLS. SRR operates as a subsidiary of the Conference of State Bank Supervisors (CSBS).

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2 The American Association of Residential Mortgage Regulators (AARMR) is the national organization representing state residential mortgage regulators. AARMR’s mission is to promote the exchange of information between and among the executives and employees of the various states who are charged with responsibility for the administration and regulation of residential mortgage lending, servicing and brokering.

3 The Conference of State Bank Supervisors (CSBS) is the nationwide organization of banking regulators from all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. State banking regulators supervise over 5,400 state-chartered financial institutions. Further, most state banking departments also regulate a variety of non-bank financial services providers, including mortgage lenders. For more than a century, CSBS has given state supervisors a national forum to coordinate supervision of their regulated entities and to develop regulatory policy. CSBS also provides training to state banking and financial regulators and represents its members before Congress and the federal financial regulatory agencies.
At the end of 2011, SRR employed 32 full-time equivalent professionals in Washington, DC, who work under the direction of the SRR Board of Managers to develop, enhance and operate NMLS, oversee SAFE Act compliance, administer the testing and education programs, and facilitate the working groups of state and federal regulators and industry related to state licensing, federal registration, supervision and NMLS policy. Additionally, SRR contracts with the Consumer Financial Protection Bureau (CFPB) to manage the NMLS Federal Registry as required by the SAFE Act, as well as with other firms to deliver various portions of NMLS functionality and program oversight.

**NMLS Ombudsman**

The position of NMLS Ombudsman was created in 2009 by the SRR Board of Managers to provide the mortgage industry and other interested parties with a neutral venue to discuss issues or concerns regarding NMLS and/or mortgage licensing. The objective of the NMLS Ombudsman is to foster constructive dialogue between industry users of NMLS and state regulators to work mutually toward the goal of modern and efficient mortgage regulation.

The NMLS Ombudsman is a member of the Mortgage Licensing Policy Committee (MLPC) and reports directly to the SRR Board of Managers. The current NMLS Ombudsman is Deborah Bortner, Director of Consumer Services, Washington Department of Financial Institutions.

**Mortgage Licensing Policy Committee**

The Mortgage Licensing Policy Committee (MLPC) is instrumental in the decision making process for operational and policy matters related to NMLS operations and development. All other committees and working groups generally report recommendations and findings to the MLPC which makes final decisions or recommends specific policy to the SRR Board of Managers as appropriate. The MLPC is comprised of 11 state mortgage regulators representing each of the CSBS Districts who are nominated by the state agencies and appointed by the SRR Board of Managers.

**Mortgage Testing and Education Board**

The Mortgage Testing and Education Board (MTEB) has both oversight and advisory roles in connection with a wide array of issues affecting the continued development and operation of SAFE Act testing and education requirements. MTEB is comprised of nine state regulators representing each of the CSBS Districts and at least one AARMR representative.

**Mortgage Advisory Council**

The Mortgage Advisory Council (MAC) provides industry input on System policies and operations. MAC members consist of mortgage lenders and brokers and industry trade associations, and the group meets periodically with the MLPC.

**SRR Lawyers Committee**

The SRR Lawyers Committee consists of attorneys from state mortgage regulatory agencies. The Committee typically meets bi-weekly to identify and analyze legal issues related to NMLS operations with the intent of helping SRR spot potential legal issues from a state agency perspective and help shape solutions before they are incorporated into the System. The SRR Lawyers Committee also helps provide a multi-state perspective on issues of interpretation and offers recommendations in order to facilitate a more uniform application of law on a nationwide basis. The SRR Lawyers Committee, however, does not provide SRR with legal advice.

**Residential Mortgage Regulatory Taskforce**

In 2005, the Residential Mortgage Regulatory Taskforce (RMRT) was created and included representation from every state mortgage regulatory agency. RMRT typically met monthly to guide and discuss NMLS policy, process and development.
With the substantial completion of the SAFE Act licensing and System mandates, the RMRT was disbanded in 2011 as a formal working group and replaced with the NMLS Participating States Committee which consists of representatives from each state agency participating in NMLS.

**Regulator Development Working Group**

The Regulator Development Working Group (RDWG) is comprised of mortgage regulators representing a minimum of five states. RDWG typically meets weekly and serves as regulatory subject matter experts on NMLS detailed requirements and development processes.

**Industry Development Working Group**

The Industry Development Working Group (IDWG) is comprised of NMLS industry users. IDWG typically meets monthly to discuss NMLS operations, enhancements and development issues.

**Ad Hoc Working Groups**

SRR convenes state regulator and industry working groups and committees as needed to determine System policy and development and to set the direction for operational needs. In 2011, the NMLS Prioritization Task Force was formed to review the NMLS prioritization process and to develop a more formal ongoing process to ensure that the views and suggestions of all System users are gathered and considered. Other working groups that were convened during the year include:

- Mortgage Call Report Committee
- Reporting of State Regulatory Actions Working Group
- Large Institutions Working Group
- Uniform State Test Feasibility Working Group
- MU Forms Working Group

As SRR began to revise the licensing forms to encompass non-mortgage financial services industries, the following three working groups were appointed to identify specific needs and practices of those other industries: Money Services Business, Debt Management Companies, and the Consumer Finance Lending Working Groups.

Membership of MLPC, MTEB, MAC, SRR Lawyers Committee, RDWG, and IDWG can be found in Appendix B.
Overview

2011 marked the first year that all state mortgage regulatory agencies utilized NMLS to manage all MLO licenses on the System. In addition, in January 2011, the NMLS Federal Registry became fully operational and by year-end contained active registrations for 11,081 institutions and 375,654 registered MLOs. SAFE Act requirements were also met by the addition of functionality for the submission of mortgage call reports by state-licensed companies and for state regulators to add regulatory and enforcement actions in the System. As these major SAFE Act mandates were met, SRR was able to focus on improving NMLS functionality for regulator and industry users, and to begin development to expand the System to allow states to manage non-mortgage financial service licensees in NMLS.

Federally regulated depository institutions and subsidiaries are required by federal rule to register both the institution and their MLOs in NMLS. These institutions and individuals, however, are not required to separately register in each state (as are state-licensed companies and MLOs). Consequently, federal registration data does not provide any insight as to where these entities are engaging in mortgage loan originations comparable to that provided by an analysis of state-licensed entities.

Figure 4 illustrates the total number of licenses and entities in NMLS as of year end 2011.

(Unless otherwise noted, all figures contain data as of December 31, 2011.)

State Mortgage Licensing

In 2011, all states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands participated in NMLS to license mortgage companies, branches and MLOs. This full representation of state licensees provides, for the first time, comprehensive information about the status of state mortgage supervision, as well as industry activity and trends. As the System of record for state mortgage regulatory agencies, NMLS is able to identify the number of unique companies and individuals, as well as the number of licenses they hold in participating states. For example, a company licensed in three states would count as one unique entity holding three licenses.

As of year-end 2011, with regard to state licensees, NMLS managed 17,121 unique companies, 18,791

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4 Five state agencies do not currently manage company licenses on NMLS: DE, ME, MO, TX-OCCC, & UT-DFI.
NMLS OPERATING HIGHLIGHTS

Figure 8 shows that under state supervision, mortgage loan origination is still very much a local small business activity, with the vast majority of MLOs (77 percent) holding just one license. The MLO population, though, is diverse:

- More than 24,000 MLOs are licensed in 2 or more states.
- More than 3,100 MLOs are licensed in 11 or more states.
- 1,123 MLOs are licensed in 21 or more states.

In many states, an MLO cannot conduct loan origination activities without being employed by a company. Also, many states require an MLO to be covered by the company bond, or else obtain an individual bond. “Sponsorship” is how the company indicates this employment relationship to the regulator.

Companies within the state-supervised mortgage industry are involved in a wide range of activities (Figure 9). Consistent with the findings above, the vast majority of state-licensed companies reported in NMLS that they employ a relatively small number of MLOs, are licensed in one state, and are primarily involved in first mortgage loan brokering.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>COMPANIES</th>
<th>% IN NMLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>First mortgage loan brokering</td>
<td>13,303</td>
<td>78%</td>
</tr>
<tr>
<td>Second mortgage loan brokering</td>
<td>10,886</td>
<td>64%</td>
</tr>
<tr>
<td>First mortgage lending</td>
<td>3,340</td>
<td>20%</td>
</tr>
<tr>
<td>Second mortgage lending</td>
<td>2,429</td>
<td>14%</td>
</tr>
<tr>
<td>First mortgage servicing</td>
<td>1,409</td>
<td>8%</td>
</tr>
<tr>
<td>Second mortgage servicing</td>
<td>1,091</td>
<td>6%</td>
</tr>
<tr>
<td>Home equity loans, including lines of credit</td>
<td>6,858</td>
<td>40%</td>
</tr>
<tr>
<td>Federal Housing Administration (FHA) insured loans as an approved Loan</td>
<td>4,450</td>
<td>26%</td>
</tr>
<tr>
<td>Correspondent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Housing Administration (FHA) insured loans as an approved Direct</td>
<td>1,394</td>
<td>8%</td>
</tr>
<tr>
<td>Endorsement mortgagee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ginnie Mae approved Issuer/Servicer</td>
<td>295</td>
<td>2%</td>
</tr>
<tr>
<td>Fannie Mae approved Seller/Servicer</td>
<td>736</td>
<td>4%</td>
</tr>
<tr>
<td>Freddie Mac approved Seller/Servicer</td>
<td>645</td>
<td>4%</td>
</tr>
<tr>
<td>Loans guaranteed by the Veterans Administration (VA)</td>
<td>5,249</td>
<td>31%</td>
</tr>
<tr>
<td>Reverse mortgage loans</td>
<td>3,642</td>
<td>21%</td>
</tr>
<tr>
<td>High cost home loans (refer to various state definitions of covered</td>
<td>1,379</td>
<td>8%</td>
</tr>
<tr>
<td>transactions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other mortgage products and settlement services</td>
<td>1,196</td>
<td>7%</td>
</tr>
<tr>
<td>Credit Insurance</td>
<td>183</td>
<td>1%</td>
</tr>
<tr>
<td>Other Mortgage-related business</td>
<td>641</td>
<td>4%</td>
</tr>
<tr>
<td>Engaged in Non-mortgage-related business</td>
<td>3,563</td>
<td>21%</td>
</tr>
</tbody>
</table>

Figure 9. Company Activities
NMLS OPERATING HIGHLIGHTS

Notwithstanding the smaller size of state-licensed companies, they are crucial in providing product diversity to consumers: 40 percent provide home equity lines, 31 percent provide loans guaranteed by the Veterans Administration (VA), and 21 percent provide reverse mortgages.

Federal Mortgage Registration

Pursuant to the SAFE Act, the federal banking regulators and the Farm Credit Administration\(^5\) issued final rules that require the registration of individual MLOs and their employers that consist of banks, thrifts, credit unions and other federally regulated depository institutions and their regulated subsidiaries. The NMLS Federal Registry opened January 31, 2011.

In 2010, the federal regulators contracted\(^6\) with SRR to modify NMLS for federal registration purposes. These modifications included the implementation of a two-factor authentication protocol to meet federal data security requirements; a batch upload functionality for the creation of individual accounts to assist institutions employing large numbers of mortgage loan originators; and functionality that allows depository institutions to review the results of criminal background check results of MLOs employed by the institution or its subsidiaries.

Under the federal rule, institutions had an initial transition period of 180 days, beginning January 31, 2011, to register all existing MLOs. To support institutions’ transition onto the Federal Registry, SRR implemented a comprehensive training and communication plan. This plan included the development of Federal Registry-specific instructions and guides available on the NMLS Resource Center; conducting over 20 widely attended webinars and five in-person training sessions across the country for industry; and participating in events hosted by the American Bankers Association, Independent Community Bankers of America, Credit Union National Association, and numerous state banking associations. Additionally, SRR tasked a dedicated team of experienced NMLS Call Center representatives to act as liaisons to institutions attempting to complete the registration process.

Over the course of the initial federal registration transition period, which lasted until July 28, 2011, almost 350,000 individuals and over 10,000 institutions completed the registration process. The number of active federally registered MLOs grew to 375,654 by the end of 2011. Figure 10 contains a breakdown of NMLS-registered institutions by specific federal regulator. Information on federally registered MLOs was made publicly available on NMLS Consumer Access on August 1, 2011. This publicly available information was also made available to NMLS B2B ACCESS subscribers.

Additionally, SRR developed an annual renewal process for registered mortgage loan originators at the direction of federal regulators. SRR hosted a series of webinars focusing on the renewal process in advance of the renewal period and participated in additional events hosted by industry to raise awareness of the federal registration renewal process. Approximately 97 percent of those registrants required to renew did so successfully prior to the end of 2011.

NMLS Activities

By the end of 2010, 58 state mortgage regulatory agencies had transitioned all state-licensed MLOs onto NMLS and 53 agencies were managing company licensing and registration through NMLS. From late January to July 2011, approximately 350,000 MLOs and 10,000 employing depository institutions and subsidiaries successfully

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\(^5\) The Office of the Comptroller of the Currency, (former) Office of Thrift Supervision, Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the National Credit Union Administration, along with the Farm Credit Administration, published rules implementing the SAFE Act’s federal registration requirement in July, 2010. Additionally, state chartered, privately insured credit unions which are not directly federally regulated are also required to comply with the SAFE Act’s federal registration requirement.

\(^6\) This contract was transferred to the Consumer Financial Protection Bureau, which under §1061 of the Dodd-Frank Act, received the SAFE Act’s rulemaking authority regarding the federal registration of mortgage loan originators as of July 21, 2011.
NMLS OPERATING HIGHLIGHTS

registered in NMLS. So, for the first time in history, all (almost 500,000) individual MLOs, along with their license or registrations status, NMLS Unique Identifier, and employment history were made available to the general public on NMLS Consumer Access.

Figures 11 and 12 provide license and registration count trends for companies, institutions and MLOs in NMLS from December 2010 through January 2012. License and registrations trends show that the number of active companies, institutions and MLOs in NMLS gradually increased throughout 2011 but decreased significantly in January 2011 and 2012, as entities surrendered or failed to renew by the year-end deadline. For example, the number of MLO state licenses achieved a high of 226,023 licenses on December 31, 2011 and declined 18.4 percent to 184,345 licenses on January 31, 2012.

NMLS processes a variety of transactions for System users. NMLS assists state regulators in supervising their licensed entities, enables

Figure 11. License and Registration Trends for Companies, Institutions and Branches (From December 2010 to January 2012)

Figure 12. License and Registration Trends for MLOs (From December 2010 to January 2012)
NMLS OPERATING HIGHLIGHTS

licensees to apply for and/or maintain a license, and allows federally regulated depository institutions and subsidiaries to manage their registered MLOs through one system. The most common transactions performed through NMLS are amendments and renewals. An amendment occurs each time a licensee or registrant’s record is updated, whereas renewals are submitted annually. NMLS also serves as the vehicle for testing and education scheduling and maintains all state-licensed MLO test and course completion records. Figure 13 highlights registration, licensing and professional standards activity that took place on the System in 2010 and 2011 for licensed or registered companies, institutions, branches and MLOs.

Activity data in 2010 and 2011 is not necessarily comparable by category. For example, categories such as New License Requests, Sponsorship Requests, and National and State Test Components Taken were much higher in 2010 largely due to the number of MLOs transitioning onto NMLS during the year. Renewal requests were higher in 2011 due to the increased number of licensed and registered entities in NMLS.

The characteristics of licensed and registered MLOs employed by non-depository and depository institutions, respectively, are starkly different. As shown in Figure 14, the trend line (in red) for the number of registered MLOs employed by depository institutions (red bars) is a standard bell curve with the highest percentage of institutions (18 percent) employing 3 to 5 registered MLOs.

The trend line (in blue) for the number of state-licensed MLOs is more akin to a ski slope with highest percentages of companies employing only one (42 percent) or two (15 percent) MLOs. The high number of sole proprietorship companies employing only one MLO is influenced by regulations in several states that require individuals that are exclusive agents (contractors) of a company to be licensed as a sole proprietorship.

On average, each company licensed through NMLS employs 5.8 MLOs, with the largest number of companies sponsoring just one MLO, likely indicating that the “company” is a sole proprietor. Again, there is great diversity in the state-supervised mortgage industry as 42 companies each sponsor between 200 and 500 MLOs, and 13 companies each sponsor more than 500 MLOs (Figure 15).

In 2011, 227,069 company, branch, and individual renewal requests were submitted through NMLS for company, branch, and individual MLO licenses in 58 state agencies. As of December 31, 2011, 85 percent of the renewal requests were approved, and by the end of January 2012, 95 percent of all submitted requests had been approved by the state agencies.

<table>
<thead>
<tr>
<th>STATE LICENSING ACTIVITY</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>New (and Transition) License Requests</td>
<td>240,929</td>
<td>88,105</td>
</tr>
<tr>
<td>Amendment Requests</td>
<td>454,969</td>
<td>342,578</td>
</tr>
<tr>
<td>Renewal Requests</td>
<td>156,893</td>
<td>227,069</td>
</tr>
<tr>
<td>Surrender Requests</td>
<td>7,796</td>
<td>9,516</td>
</tr>
<tr>
<td>Sponsorship Requests</td>
<td>116,326</td>
<td>72,953</td>
</tr>
<tr>
<td>Sponsorship Removal Requests</td>
<td>51,750</td>
<td>61,221</td>
</tr>
<tr>
<td>Other Requests</td>
<td>4,373</td>
<td>3,173</td>
</tr>
<tr>
<td>FEDERAL REGISTRATION ACTIVITY</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>New Registration Requests</td>
<td>-</td>
<td>432,720</td>
</tr>
<tr>
<td>Change of Employment Requests</td>
<td>-</td>
<td>12,888</td>
</tr>
<tr>
<td>PROFESSIONAL STANDARDS</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>National Test Components Taken</td>
<td>164,448</td>
<td>46,247</td>
</tr>
<tr>
<td>State Test Components Taken</td>
<td>204,119</td>
<td>83,937</td>
</tr>
<tr>
<td>Classroom Hours of Education Completed</td>
<td>1,913,903</td>
<td>1,478,367</td>
</tr>
<tr>
<td>Credit Reports Requested</td>
<td>108,132</td>
<td>73,050</td>
</tr>
<tr>
<td>Criminal Background Checks Requested</td>
<td>192,049</td>
<td>508,774</td>
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</tbody>
</table>

Figure 13. 2010-2011 Licensing, Registration and Professional Standards Activity
NMLS OPERATING HIGHLIGHTS

Figure 14. MLOs per Company and Institution
(As of March 31, 2012)

Figure 15. MLOs Sponsored per Company
NMLS RESOURCES

NMLS Resource Center

The NMLS Resource Center website serves as the gateway to NMLS. It provides NMLS users with state licensing and federal registration information and deadlines, training materials, and tools and tips to assist companies and individuals with their use of NMLS. In addition to being the best initial source for finding licensing and registration information, the NMLS Resource Center is continually updated with news and events items for industry and state agency news that affects licensees.

In 2011, the NMLS Resource Center (Figure 16) had over 2 million unique visitors who viewed over 17 million pages.

NMLS Call Center

The NMLS Call Center, located in Rockville, Maryland, was established in January 2008 and gives both regulatory and industry users a live support system available to answer questions and provide real time help in navigating the System. Call center representatives are well trained in all aspects of System use and policies and, as needed, teams are assigned to provide more specialized support in specific areas such as implementation of the mortgage call reports, or Federal Registry issues. The call center responds directly to queries regarding any System use issues, and directs all specific regulatory, registration or licensing questions to the appropriate state or federal agency. The call center staff is available to NMLS users Monday through Friday from 9:00 am to 7:00 pm (EST). Figure 18 compares the call volume history by month for 2010 and 2011. While both years show increased call volume during the year-end renewal period, additional spikes in 2011 call volume correspond with: (a) the NMLS Federal Registry deadlines for initial registrations from February through July; and (b) due dates for the quarterly mortgage call reports which were instituted in 2011. The call center received a total of 936,028 calls in 2011 compared to 739,865 call in 2010.

The staffing levels for the call center are closely monitored to

Figure 16. NMLS Resource Center Home Page

Figure 17. NMLS Call Center
NMLS RESOURCES

Figure 18. 2010 – 2011 NMLS Call Center Volume (Calls per month)

Figure 19. NMLS Consumer Access Home Page

ensure adequate coverage, and can be ramped up or down to meet demand. The NMLS Call Center began 2011 with 98 full-time professional staff, and ended the year with 94. The NMLS Call Center is funded through the NMLS processing fees and operates at no additional charge to System users.

NMLS Consumer Access

NMLS Consumer Access is a fully searchable website that allows consumers to view information concerning companies, branches and individuals state-licensed or federally registered in NMLS. This free service is an invaluable consumer resource containing information on virtually all mortgage loan originators operating in the United States. By year-end 2011, 1,054,728 visitors had viewed over 56 million pages on the NMLS Consumer Access website. SRR launched NMLS Consumer Access in 2010.7

NMLS B2B ACCESS

SRR offers a subscription service that provides a subset of NMLS Consumer Access data in a business-to-business (B2B) format. This service gives compliance firms, government agencies, lenders, investors, and other eligible parties the ability to check a license or registration status in an automated manner. NMLS B2B ACCESS will drive greater compliance and fight fraud by allowing industry to integrate license and registration compliance checks into their origination and quality control systems.

The B2B service provides subscribers with access to a daily download of files containing the NMLS Consumer Access data. Future enhancements to the service are being considered.

7 Five state agencies do not currently manage company licenses on NMLS: DE, ME, MO, TX-OCCC, & UT-DFI
NMLS RESOURCES

NMLS Annual Conference & Training
The fourth annual NMLS Conference & Training was held February 6-9, 2012, in Scottsdale, Arizona, with over 450 in attendance (Figure 20). State and federal regulators, industry, System users, education providers, consultants, and other interested parties came together to engage a variety of topics on NMLS and mortgage regulation. The 2012 NMLS Conference was particularly noteworthy as it presented industry with the revised license forms that have been revamped to, among other things, accommodate the state licensing of non-mortgage financial services industries. In addition to System expansion, sessions included discussions on CFPB oversight of NMLS, mortgage call reports, testing and education, Federal Registry implementation, numerous System enhancements, and many more topics.

Nationwide View of State Licensed-Mortgage Entities Report
Commencing with the first quarter of 2011, SRR began publishing the Nationwide View of State-Licensed Mortgage Entities Report which compiles

![Figure 20. NMLS Annual Conference Participants](image)

![Figure 21. New License Applications by Quarter](image)
NMLS RESOURCES

NMLS data on state-licensed companies, branches, and MLOs. The Report includes numerous charts and graphs detailing information about the business activities of licensed companies, locations and numbers of licenses obtained, and a state-by-state breakdown of license application activity such as number of new license applications, approvals, denials, revocations, and suspensions. The Report is published every quarter and is posted on the NMLS Resource Center. A good example of the type of information being collected is illustrated in Figure 21 which compares the numbers of new company, branch and individual MLO license applications by quarter.

NMLS Unique Identifier

As required by Section 1503 of the SAFE Act, an NMLS Unique Identifier is permanently assigned by NMLS to each state-licensed or federally registered MLO. NMLS also assigns an NMLS Unique Identifier to each company, branch, and control person that maintains a single account in NMLS. Once assigned, an entity’s NMLS Unique Identifier cannot be changed. The unique identifier granted to residential mortgage loan originators and companies allows regulators to monitor mortgage providers across state lines to ensure a provider will not escape regulatory supervision in one state, simply by crossing into another state. The unique identifier also allows consumers and the industry to easily identify and research specific originators’ histories and qualifications through NMLS Consumer Access.

When a company or individual creates an account in NMLS, NMLS Unique Identifier is automatically assigned and reserved for use by the applying entity. However, the NMLS Unique Identifier is not valid until either: (a) a state license (or the denial of a state license); or (b) a federal registration has been issued. The NMLS Unique Identifier can be verified for a state-licensed company, branch or MLO, or a registered institution or MLO through NMLS Consumer Access.8

The benefit of the NMLS Unique Identifier has been recognized by the Federal Housing Finance Agency (FHFA) and the U.S. Department of Housing and Urban Development (HUD). Both federal agencies require that any loan purchased or securitized by Fannie Mae and Freddie Mac or submitted for insurance by the Federal Housing Administration (FHA)9 must include the NMLS Unique Identifier for the company and individual MLO that originated the mortgage loan.

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8 Five state agencies do not currently manage company licenses on NMLS: DE, ME, MO, TX-OCCC, & UT-DFI
Regulator Open Forum

Bi-weekly Regulator Open Forum calls are conducted with all state regulators using NMLS. The calls are designed to provide regulators with an opportunity to present and discuss System-related topics with other regulators to obtain feedback on work processes, supervisory policies and best practices. The Regulator Open Forum calls allow for participating state agencies to develop more uniform practices and policies related to NMLS and also serve as a spring board to identify and prioritize proposed System enhancements and changes.

In 2011, topics discussed included: continuing to manage SAFE Act compliance for all MLOs, requirements for mortgage call reports, reporting of state regulatory actions, and enforcement of continuing education requirements prior to licensure renewal.

NMLS Ombudsman

The NMLS Ombudsman held two public meetings in 2011 in conjunction with the NMLS Annual Conference & Training in February and the AARMR Annual Regulatory Conference in August (Figures 22 and 23). The NMLS Ombudsman will continue to hold at least two public meetings each year. Additionally, the NMLS Ombudsman received 77 emails from individuals around the country seeking the NMLS Ombudsman’s assistance. A summary of all public meetings and general issues received outside of meetings, as well as any resolution to these matters, is posted on the NMLS Resource Center.

Summary of Public Comment Requests

Active and archived proposals issued for public comment are available on the NMLS Resource Center website. The following three proposals were issued in 2011:

- March 25, 2011, proposed fees for the transfer of federally registered mortgage loan originators following mergers, acquisitions and reorganizations.
- July 22, 2011, functionality to allow state agencies to post regulatory actions to NMLS and NMLS Consumer Access.

Public comments are used by the SRR Board of Managers and SRR staff as part of the decision-making process on major system or policy issues. Copies of all proposals, received comments and responses to comments can be found on the NMLS Resource Center.

NMLS Policy Guidebook

The NMLS Policy Guidebook was created by a group of regulators from NMLS participating state agencies to: (a) assist licensees and applicants in understanding NMLS policies, procedures, and work processes; and (b) maintain and improve the System’s day-to-day operations. The Guidebook, which is posted on the NMLS Resource Center, is updated on an ongoing basis.

NMLS Functionality Enhancements

NMLS design and development, including the Mortgage Uniform (MU) Forms, is accomplished through various working groups, taskforces and committees populated by state mortgage regulators, industry experts and SRR. Countless volunteer hours are devoted to this process and have been crucial to NMLS’ design and smooth operations. In 2011, there were four major System releases, which occurred in January, April, August and October.
Highlights of functionality enhancements for 2011 include:

Non-Depositories: Licensing

1. State Regulatory Actions. In late 2011, state regulators were given the ability to post in NMLS public disciplinary and enforcement actions taken by regulators against mortgage companies and individual professionals. Phase 2 of the functionality allowing for the posting of those actions in NMLS Consumer Access is scheduled in 2012.

2. Testing and Education Compliance Enforced at Application. To further the effort to provide State Regulators a complete application at the time of submission, NMLS was enhanced to allow regulators to prevent submission of a license application in NMLS until the candidate had successfully completed the SAFE Testing and Education requirements.

3. Credit Reports for Control Persons, Qualifying Individuals and Branch Managers. System functionality was added to allow or require individuals associated to a company or branch to submit a request to generate a credit report for distribution to the appropriate state regulatory agencies.

4. Mortgage Call Reports. Mortgage Call Report functionality was added to NMLS to fulfill SAFE Act requirements as well as build on state regulator efforts to create uniform financial and activity reporting requirements across state lines.

5. System Performance Enhancements. Enhancements were made to maintain and improve NMLS’ performance as System usage and functionality increased significantly. For example, changes were made to prevent users from double-clicking buttons, navigation bar links, and images resulting in duplicate processing of some actions.

6. Renewal Enhancements. Enhancements were made to improve the renewal process for licensees and regulators. Changes included a System set renewal prevention flag preventing submission of a renewal request for MLO licensees identified by the state regulator if the MLO is not compliant with SAFE Continuing Education (CE) requirements.

7. Bi-annual MU Form changes. A request for public comment was issued for NMLS Forms. Comments from regulators and industry were evaluated in order to compile a list of changes that were approved by the MLPC for implementation in April 2012.

8. Expansion Licensing. SRR worked diligently with various state regulator and industry working groups to develop NMLS form updates to allow for the licensing of other non-depository financial services industries through NMLS in 2012.
NMLS POLICY AND DEVELOPMENT

NMLS Federal Registry: Depository and Farm Credit Institutions

1. The SAFE Act required the federal agencies to jointly develop and maintain a federal registration system for individual employees of federally regulated institutions and their owned, controlled and federally regulated subsidiaries who engage in the business of residential mortgage loan origination. The SAFE Act requires individual MLOs employed by these federally regulated institutions to be registered with NMLS. The federal agencies contracted with SRR to build and maintain Federal Registry functionality within NMLS. The NMLS Federal Registry opened January 31, 2011, and allowed the federally regulated institutions to register their MLOs in accordance with the SAFE Act and the federal agencies’ final rules. In addition, functionality was built to allow for the renewal of federal registrations between November 1st and December 31st each year and reactivation of an inactive registration with an ongoing confirmed employment anytime after January 1st.

2. Section 508 Compliance. The NMLS and the NMLS Resource Center websites were modified to comply with Section 508 of the 1998 Rehabilitation Act, which requires federal agencies to make electronic and information technology accessible to individuals with disabilities.

3. Federal Registry data in NMLS Consumer Access. On August 1, 2011, NMLS Consumer Access was enhanced to include information regarding the federal agency-regulated institutions and their registered MLOs.

4. Two-factor Authentication. The two-factor authentication mechanism compliant with National Institute of Standards (NIST) Level 3 e-authentication assurance was required by the federal agencies for all Federal Registry users that have access to multiple registered MLO records. These users must provide a name and password, and a second factor comprised of a software or hardware token when logging into NMLS.

5. Federal Registry Mergers and Acquisitions (M&A). This functionality facilitates the transfer of actively registered MLOs from one federal agency-regulated institution to another.

The NMLS development release schedule can be found in Appendix C.
Mortgage Call Reports
The NMLS Mortgage Call Report (MCR) was successfully launched in May 2011, meeting one of the last remaining SAFE Act mandates. The MCR collects quarterly mortgage activity and either quarterly or annual financial data from all state licensed or registered companies. Some states have eliminated their unique annual state reports because the MCR collects sufficient information to satisfy their reporting needs, while other states are evaluating their current reporting requirements in conjunction with the MCR. Furthermore, the CSBS Multistate Mortgage Committee (MMC) has begun reviewing MCR data. (See Cooperative State Regulation and Supervision for more information on the MMC).

As shown in Figure 24, during the four reporting quarters of 2011, companies had compliance rates that started at 87 percent and eventually decreased to 35 percent in Quarter 4. State agencies have indicated that without a higher consistent compliance rate, the MCR will not be able to satisfy all unique state reporting requirements.

To accommodate initial feedback and experiences with the MCR, several usability enhancements are contemplated for the MCR in 2012. SRR is considering the release of non-company specific, aggregate MCR data in the future.

NMLS Expansion
In developing the concept and actual System, state regulators contemplated that NMLS would be used by state agencies to license and regulate mortgage and other non-depository financial services industries. Once the mortgage entities were in the final stages of transitioning onto NMLS, states regulators began the process to expand System functionality to license other non-mortgage financial services industry entities through NMLS. In fact, due to the broad definition of some state license types, some non-mortgage financial service providers were already using NMLS to be licensed with a state.

The goal of expansion is to bring the regulatory efficiencies, improved oversight and enhanced consumer protection to other industries regulated by states that NMLS brought to the mortgage industry. In September 2010, the CSBS Board approved NMLS’ expansion as part of its strategic plan.

Twelve state agencies are scheduled to transition onto NMLS with 40 non-mortgage license authorities during 2012 with an additional 9 agencies planning to transition 17 license authorities in 2013 (Figure 25). SRR expects that improvements to NMLS to accommodate the management of a broad range of license authorities will continue to be made over the coming years and that additional state agencies will transition new license authorities in subsequent years.

State participation in NMLS for the expansion industries is voluntary. NMLS participation by most states will require law or regulation changes in the areas of annual renewals and NMLS form definitions.

A key to the NMLS expansion effort was the biannual MU Forms review and update process to facilitate the incorporation of additional non-depository license types in NMLS. On January 24, 2011, SRR issued a Request for Public Comment concerning updating the MU Forms for expansion and other improvements.

In addition to the MU Forms Working Group which reviewed comments from regulators and industry, SRR formed three working groups of state regulators, the Money Service Businesses Working Group, Debt Management Companies Working Group, and the Consumer Finance Lending Working Group to review the forms from the perspective of non-mortgage financial service regulatory requirements and make recommendations to make the MU Forms more universal. Members of these working groups came from NMLS participating state agencies as well as members of the Money Transmitter Regulatory Association (MTRA), the National Association of Consumer Credit Administrators (NACCA), and the North American Collection Agencies Regulatory Association (NACARA).

The groups made several recommendations that would ensure the licensing forms provided regulators the information necessary to use the forms for a wide variety of financial services industries, including money transmitters, check cashers, payday lenders, debt collectors and debt management companies, small loan lenders, and auto finance lenders.

This effort resulted in updates to the MU Forms, now called NMLS Licensing Forms, and improvements to the workflow in the System that is scheduled to be implemented in April 2012.
The licensing requirements and use of NMLS will continue to be governed by state law and regulation. Most NMLS functionality (e.g., financial statement upload and credit checks) will be available for use by regulators for these expansion industries. The policies outlined in the *NMLS Guidebook* will remain the same, though both the *Guidebook* and the *NMLS Resource Center* are being updated to reflect changes in NMLS related to a universal, non-depository, financial services licensing system.

For the expansion industries, the SRR Board of Managers decided that (a) the NMLS annual renewal processing and credit report fees would remain unchanged from the fees listed on the *NMLS Resource Center*, and (b) no NMLS initial set up processing fee would be charged at the time of transition or new application for any license authority managed on NMLS that does not include the ability to originate, lend, or service mortgages.
Security, Privacy, and Breach Policies

NMLS: (a) complies with Federal Information Security Management Act (FISMA) standards and guidelines set by NIST; (b) meets the moderate baseline security controls contained NIST Special Publication 800-53, Recommended Security Controls for Federal Information Systems; and (c) has been fully accredited by all six of the federal agencies (Certification and Accreditation).

NMLS’ Privacy, Data Security and Security Breach Notification Policy is available on the NMLS Resource Center.¹⁰

NMLS Legal Agreements

To use NMLS or access specific types of data or functionality within the System, a user must agree to one or more of the following online agreements:

- Industry Terms of Use.
- State Agency Terms of Use.
- Federal Agency Terms of Use.
- Criminal History Record Information (CHRI) Terms of Use.
- Credit Terms of Use (Industry and Agency).

The Industry, State Agency and Federal Agency Terms of Use are general System user agreements that an industry or regulator user must agree to as part of the NMLS login process.

There are two Credit Terms of Use agreements one for state-licensed MLOs and control persons, and one for state regulators. State-licensed MLOs and control persons must acknowledge in NMLS that his or her credit report will be made available to one or more state regulators; and state regulatory users are required to accept restrictions on the dissemination of an individual’s credit information before accessing their credit data within NMLS. The ability for the System to process credit reports for control persons was added in 2011. State regulators use this information as one tool to determine an individual’s financial responsibility as required by the SAFE Act or corresponding state laws or regulations.

The CHRI Terms of Use must be agreed to by an authorized user and restricts the dissemination of CHRI to only authorized recipients and requires state agencies and financial institutions to provide reasonable opportunity for applicants/licensees to respond to inquiries based on information contained in the CHRI.

In 2011, the SRR Board of Managers voted unanimously to amend the State Agency Terms of Use to authorize SRR to sign information sharing agreements with state and federal mortgage regulatory authorities that are subject to the confidentiality provisions in Section 1512 of the SAFE Act. This allows a single agreement for the sharing of information within the System. The Applicant User Agreement was updated on August 1, 2011. Changes included: clarification of the definition of “Applicant Data” to include reports of condition; language regarding an individual’s granting access to a company which replaced the reference to use of Applicant Data for purposes under Section 603(d) of the Fair Credit Reporting Act; addition of Privacy Act of 1974 Notice; addition of references to SAFE Mortgage Loan Originator Test components in Section 8; and the addition of right of termination or suspension of access to the System for failure to pay any fees required for services under the Agreement.

Copies of these Industry, State and Agency, Credit and Terms of Use agreements are available on the NMLS Resource Center.¹¹

Federal Agency Agreement

In 2011, SRR modified the Contract with the federal agencies in recognition of the transfer of the responsibilities under the SAFE Act to the Consumer Financial Protection Bureau under the Dodd-Frank Act.

Litigation


Mr. Delozier filed a case against the State of Hawaii, SRR, CSBS, AARMR, and NMLS for the denial of his license, defamation, and discrimination. The Judge cited the SAFE Act provision limiting SRR’s liability in granting SRR’s motion to dismiss SRR, CSBS, AARMR and NMLS, stating “Moreover, under 12 USC Sec. 5112, Movants are not subject to civil actions for monetary damages by reason of good faith action or omission of any officer or employee.” This was the first judicial recognition of the liability provisions of the SAFE Act limiting SRR’s liability for good faith actions or omissions.

¹⁰ http://mortgage.nationwidelicensingsystem.org/about/policies/Pages/SystemPrivacyPolicy.aspx
¹¹ http://mortgage.nationwidelicensingsystem.org/about/Pages/Policies.aspx
NMLS LEGAL AND ADMINISTRATIVE ISSUES

Bankruptcy Trustee for Taylor, Bean & Whitaker against SRR LLC

Bankruptcy Trustee for Taylor, Bean, & Whitaker (“TBW”) filed a complaint against NMLS and the 14 States involved in a $9 million settlement action in 2009 concerning various violations of state and federal law. At the heart of this matter was a multi-state exam of TBW’s 2006 mortgage loans. On August 25, 2009, TBW filed for Chapter 11 bankruptcy. This is a preference claim in bankruptcy for the return of those funds. SRR LLC has filed a motion to dismiss the claim against SRR LLC and is waiting for the Judge to rule on the motion.
Overview

In 2011, NMLS testing and education operations transitioned into a more traditional operational mode as most of the SAFE Act requirements were completed in 2009 and 2010. Highlights in 2011 include:

- Developed and launched the last unique state test components bringing the total components developed and launched in three years to 54.
- Continued the maintenance process for the national test component and six state test components.
- Administered more than 130,000 test components in 2011, bringing the total administered since July 2009 to more than 525,000.
- Worked with 170 approved course providers who delivered close to 1.5 million hours of education through 1,240 NMLS-approved courses.
- Conducted a feasibility study and began development of a uniform state test component.

The rest of this section describes these accomplishments.

Background

The SAFE Act established a number of testing and education requirements to ensure that all state-licensed MLOs demonstrate a basic level of industry and regulatory knowledge. Under the SAFE Act, NMLS must:

- Develop and administer a qualified written test which all state-licensed MLOs must take and pass with a minimum passing score of 75 percent.
- Approve all courses which state-licensed MLOs must take to satisfy either their pre-licensure education or continuing education requirements.

Test Development

In September 2011, the Puerto Rico state test component was developed and launched, bringing the total of state test components to 53.

Responding to industry regulatory burden concerns associated with individual state test components and reviewing the magnitude of resources associated with state test maintenance, the SRR Board of Managers requested a feasibility study on the development of a uniform state test component. An ad hoc committee chaired by Doug Foster, SRR Board of Managers Vice Chairman and Commissioner of the Texas Department of Savings and Mortgage Lending, determined that it is feasible to develop a uniform state test component. The ad hoc committee also convened a meeting with state mortgage regulators and industry subject matter experts to further explore development of a uniform state test. As a result, SRR is in the process of developing a uniform state test component with possible deployment in early 2013.

The national component of the SAFE Act MLO test includes questions concerning federal mortgage laws, MLO activities, general mortgage knowledge and ethics. There are 100 questions on the national test component – 90 questions are scored and 10 are unscored. Each unique state test component includes the following topic areas: the state’s specific regulatory authority; state law and regulation definitions; state license law and regulation; compliance; and disciplinary action. Each state is able to customize or adjust the state-specific test component to meet its specific needs. State test components can vary in length between 55 and 65 questions – 45 to 55 of the questions are scored, and 10 are unscored.

Test Maintenance

As test development wound down, the focus shifted to maintenance. Formal maintenance activities include convening a test maintenance committee to review the content outline and the performance and content of each test item. In 2011, formal maintenance activities were completed for six state test components and the national test component. From March through September, maintenance efforts included a project to ensure that all test components were up-to-date with recently implemented federal regulations. Each state test component and the national component were reviewed. In addition to formal maintenance activities, SRR regularly monitors tests to ensure they are accurate and performing appropriately. SRR and the states are regularly reviewing federal and state laws and regulations to ensure that test questions are accurate and up-to-date.

Through test maintenance and other means, SRR will identify and remove questions that are no longer appropriate, resulting in a test being revised and republished. In instances where candidates’ results have been negatively impacted, SRR notifies candidates and corrects their NMLS testing records. Part of the maintenance effort includes the “Test Content Comments and Challenges” pro-
cess which is outlined on the NMLS Resource Center website in the MLO Testing Handbook. In 2011, SRR formally responded to 202 challenges that were submitted under this process.

**Test Administration**

By the end of 2011, the national and 53 state components of the SAFE Act MLO Test were available. Approximately 130,000 national test components and state test components were administered in 2011.

MLOs were able to take any of the test components at more than 500 high-stake test centers throughout the United States and territories.

Figure 26 compares the total number of individuals who have taken the national or state test components in the two years ending December 31, 2011, to the number of individuals who have passed the test components (regardless of if they passed it on the first attempt or a subsequent attempt.)

Figure 27 represents the test components administered between January 1, 2010 and December 31, 2011. The table includes the number of test components taken, the number of test components passed and the pass rates for first-time test takers. The data further denotes the number of test components taken, the number of test components passed and the pass rates for subsequent re-takes of the test components.

On a monthly basis, SRR updates and posts test performance information on the NMLS Resource Center.

### Education

The past year marked the first time since the passage of the SAFE Act that every state agency had a requirement for state-licensed MLOs to complete annual continuing education (CE). To assist MLOs and NMLS-approved course providers to understand federal and state education requirements and deadlines, SRR developed and published enhanced State-Specific Education Charts and initiated a communications outreach strategy that began in July and continued through the end of 2011. This communications strategy involved recurring reminder e-mail notifications to every MLO who had not yet completed state CE requirements. SRR also provided regular reports regarding the status of MLO CE compliance to state agencies. In 2011, 1.5 million hours of education (42 percent pre-licensure and 58 percent of continuing education) were completed by nearly 95,000 MLOs.

In 2011, the NMLS course provider renewal process was initiated. Of the 102 approved NMLS course providers that were eligible to renew, 30 elected not to renew resulting in a 71 percent renewal rate. In June 2011, SRR revised its education provider approval policy to require organizations to maintain or be in the process of having a course approved. An organization failing to meet these two criteria would have its NMLS education approval status suspended. As a result, in September the approved education provider list decreased from approximately 365 to 265 education providers.

<table>
<thead>
<tr>
<th>2010 - 2011 PASS RATES BY INDIVIDUAL</th>
<th>NATIONAL TEST</th>
<th>&quot;AGGREGATE STATE TESTS&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Candidates</td>
<td>147,586</td>
<td>246,657</td>
</tr>
<tr>
<td>Candidates Passed</td>
<td>122,945</td>
<td>230,757</td>
</tr>
<tr>
<td>Pass Rate</td>
<td>83%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Figure 26. Pass Rates by Individual

<table>
<thead>
<tr>
<th>2010 - 2011 PASS RATES BY ATTEMPT</th>
<th>NATIONAL TEST</th>
<th>&quot;AGGREGATE STATE TESTS&quot;</th>
<th>TOTAL TESTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tests Taken 1st Time</td>
<td>147,586</td>
<td>246,657</td>
<td>394,243</td>
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<tr>
<td>Tests Passed 1st Time</td>
<td>99,096</td>
<td>205,939</td>
<td>305,035</td>
</tr>
<tr>
<td>Pass Rate 1st Time</td>
<td>67%</td>
<td>83%</td>
<td>-</td>
</tr>
<tr>
<td>Tests Subsequent Retakes</td>
<td>62,839</td>
<td>41,220</td>
<td>104,059</td>
</tr>
<tr>
<td>Tests Passed Subsequent Retakes</td>
<td>25,958</td>
<td>27,006</td>
<td>52,964</td>
</tr>
<tr>
<td>Pass Rate Subsequent Retakes</td>
<td>41%</td>
<td>66%</td>
<td>-</td>
</tr>
<tr>
<td>Total Pass Rates for All Tests Administered</td>
<td>59%</td>
<td>81%</td>
<td>-</td>
</tr>
</tbody>
</table>

Figure 27. Pass Rates by Tests Administered
TESTING AND EDUCATION

At year-end 2011, there were 1,240 NMLS-approved pre-licensure (PE) and continuing education (CE) courses for state-licensed MLOs to choose from. Of the 1,240 courses 726 were new courses approved in 2011, and 514 were renewed from the previous year (course renewal rate averaged 62 percent). Of those approved, 850 were CE courses and 390 were PE courses. NMLS approved education was completed by MLOs using one of four approved course delivery formats: online self-paced CE courses (42 percent); online instructor-led PE courses (24 percent); online webinar PE and CE courses (10 percent); and classroom based PE and CE courses (24 percent).

To monitor and ensure courses are being delivered in accordance with NMLS policies, SRR implemented a “balanced scorecard” approach to measure how courses are being delivered in the areas of instruction, content and delivery, administration, and overall student satisfaction. Through a combination of end-of-course surveys and staff auditing, SRR constructed score cards for every NMLS-approved course provider. These score cards are then rolled-up into a larger strategic dashboard which is used to better inform policy decision-making and to set the technical standards for how courses need to be configured and administered to the industry. The scorecards are also used to communicate with course providers about the quality of the courses they are delivering.

Mortgage Testing and Education Board

In September 2009, the SRR Board of Managers created the MTEB. The MTEB, which is a successor to the Testing and Education Subgroup of the Implementation Working Group, has both oversight and advisory roles. MTEB is comprised of nine state regulators representing each of the five CSBS Districts and at least one AARMR representative.

MTEB has administrative responsibility regarding the Rules of Conduct which apply to test candidates and the Standards of Conduct which apply to approved course providers and applicants. MTEB has the authority to investigate alleged violations of the Rules and Standards of Conduct and can discipline course providers including denying applications or withdrawing approvals. In cases involving test candidates, it may find that an applicant or licensee violated the Rules of Conduct and notify the appropriate state agencies of its findings. In 2011, MTEB initiated investigations into 32 cases of reported violations of the Rules of Conduct for test takers. It had made findings of violations in 22 cases, and 2 cases were still ongoing.

MTEB also serves in an advisory role by providing guidance and recommendations to the SRR Board of Managers and staff on policies about a range of issues affecting the implementation and operations of SAFE Act testing and education requirements.

A roster of MTEB members can be found in Appendix B.
THE SAFE ACT

Overview
On July 30, 2008, President Bush signed into law “The Housing and Economic Recovery Act of 2008.” Title V of this Act, entitled “The Secure and Fair Enforcement for Mortgage Licensing Act of 2008,” or the SAFE Act, contains provisions to enhance consumer protection and reduce mortgage fraud by requiring states to establish minimum standards for the licensing or registration of all MLOs. The law provides that MLOs, who work for an insured depository, for an owned or controlled subsidiary regulated by a federal banking agency, or for an institution regulated by the Farm Credit Administration, must be registered. All other MLOs must be licensed by the states. All MLOs must be licensed or registered through NMLS.

The SAFE Act gave states one year to pass legislation establishing these licensing and registration requirements. As the states moved to enact legislation, uniformity in mortgage regulation was fostered and driven as the previously existing state licensing laws were revised in a consistent manner to establish standardized applications, processes, requirements and practices across the nation.

Consumer Financial Protection Bureau
Under the provisions of the SAFE Act, The Department of Housing and Urban Development (HUD) was given oversight authority for the states to determine that each jurisdiction’s MLO licensing standards meet the federally mandated minimums and that each licensing agency participates in NMLS. Effective July 21, 2011, the Dodd-Frank Act transferred HUD’s SAFE Act oversight authority as a regulator of the System and as the arbiter of state law consistent with the mandates of the SAFE Act to the Consumer Financial Protection Bureau (CFPB). Additionally, CFPB took over responsibility for the NMLS development contract between SRR and the federal agencies for use of the NMLS to register depository MLOs.

State Implementation
After the SAFE Act’s enactment, state regulators immediately began the work of implementing the law, including development of a model state law to implement mortgage regulation that incorporated the standards in the SAFE Act (Figure 28). The

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12 The CSBS/AARMR Model State Law can be found at: http://mortgage.nationwidelicensingsystem.org/safe/Pages/default.aspx.
THE SAFE ACT

Model State Law included standardized definitions, nationwide pre-licensure and continuing education, nationwide testing requirements, and financial responsibility and criminal background standards for MLOs. In a January 5, 2009 notice in the Federal Register, HUD formally stated that “HUD has reviewed this model legislation and finds that it meets the minimum requirements of the SAFE Mortgage Licensing Act.”

Relying on the Model State Law, state legislatures moved in a focused and efficient manner to enact the SAFE Act, implementing legislation in 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. State enactment of the model state law was formally endorsed by the National Conference of State Legislatures and the National Conference of Insurance Legislators. Mortgage licensing laws are far more uniform today than ever before, establishing a foundation for better mortgage supervision.

State SAFE Act Requirements and Compliance

The SAFE Act requires state-licensed MLOs to pass a written qualified test, to complete pre-licensure education courses and to take annual continuing education courses. The SAFE Act also requires registered and licensed MLOs to submit fingerprints to NMLS for submission to the FBI for a criminal background check, and state-licensed MLOs to provide authorization for NMLS to obtain an independent credit report.

State legislation must also establish financial responsibility standards and require that all MLOs are covered by a surety bond, net worth requirements, or recovery fund. Additionally, all states must license MLOs through NMLS. CFPB must determine that each state’s MLO licensing standards meet the federally-mandated minimums and that the state is participating in NMLS.

If CFPB determines that a state’s MLO licensing standards are not in compliance with federally-mandated minimums, then CFPB must implement a system to license MLOs in that state in accordance with the SAFE Act. CFPB’s regulation would be in addition to any state licensing requirements.

When the states had completed the process of enacting SAFE-enabling legislation, HUD conducted a preliminary review of those new laws for compliance with the federal law. In 2010, just prior to the transfer of SAFE Act authority to the CFPB, HUD released a final rule, “SAFE Mortgage Licensing Act: HUD Responsibilities.” Subsequently, the CFPB republished and recodified the rule to reflect the transfer of authority. The rule clarifies and expands upon the SAFE Act provisions, and CFPB will base its determination of state compliance on the language contained in the final rule. The rule stipulates that a supervisory authority that is accredited under the CSBS/AARMR Mortgage Accreditation Program will be presumed by HUD to be compliant with required performance standards. The following state agencies have been accredited under this the mortgage accreditation program: Iowa, Kentucky, Louisiana, Massachusetts, Mississippi, North Carolina, Pennsylvania, Tennessee, Texas (SML), Vermont, Washington and Wyoming.

NMLS SAFE Act Requirements and Compliance

In addition to mandating state laws and regulations to meet certain minimum requirements, the SAFE Act contained eight specific mandates for NMLS. To date, seven of these mandates have been implemented. These include:

1. Establishing protocols for the issuance of NMLS Unique Identifiers. This mandate was accomplished at System launch, and as of year-end 2011, more than 539,638 unique entities (state-licensed companies, branches and MLOs, and federally registered MLOs and their employers) were managed in NMLS and have obtained a valid NMLS Unique Identifier.

2. Receiving and processing of fingerprints for federal criminal history background checks for all MLOs. The automated, streamlined federal criminal background check process in NMLS utilizes a national network of sites for capturing fingerprints electronically with the ability for an MLO to provide prints and request a single, criminal background check in any state or U.S. territory. With the addition in 2011 of the federally registered MLOs in the System, by year-end, more than 508,774 criminal background checks were requested through this automated process.

13 The SAFE Mortgage Licensing Act Notification of Availability of Model Legislation can be found at: http://mortgage.nationwidelicensingsystem.org/safe/Pages/default.aspx.
THE SAFE ACT

3. Developing and administering a qualified written test. The national component of the SAFE Act mortgage loan originator test was launched on July 30, 2009. NMLS has developed and launched 53 unique state test components and administered more than 130,000 test components in 2011, bringing the total administered since July 2009 to more than 526,000.

4. Review and approval of pre-licensure and continuing education courses. NMLS developed an education provider and course approval process that launched in June 2009. NMLS-approved providers can offer NMLS-approved courses that meet the SAFE Act pre-licensure and continuing education requirements in all jurisdictions. By year-end 2011, there were 170 NMLS-approved course providers, 1,240 NMLS approved courses, and more than 1.5 million hours of approved pre-licensure and continuing education were delivered during the year.

5. Providing public access to licensing information on all residential mortgage licensed loan originators. On January 25, 2010, NMLS launched NMLS Consumer Access, a website that provides consumers with basic information concerning state-licensed MLOs, free of charge. On August 1, 2011, the information in the website was expanded to include all federally registered MLOs and their employing institutions. During 2011, 2 million unique visitors viewed over 17 million pages on the NMLS Consumer Access website.

6. NMLS Mortgage Call Report. The final version of the NMLS Mortgage Call Report was adopted by the MLPC in late 2010, and the first quarterly submission was due on May 15, 2011. The NMLS Mortgage Call Report must be completed by any company that employs licensed MLOs.

7. Availability of publicly adjudicated disciplinary and enforcement actions. The ability for state regulators to upload enforcement actions to NMLS became available in October 2011. Phase 2 of the functionality will be the posting of those actions in NMLS Consumer Access, which is scheduled to become available in July 2012.

The remaining NMLS mandate is to Facilitate the collection and disbursement of consumer complaints on behalf of regulators. During 2011, a working group of state regulators from 15 states was formed to begin an initiative in support of the Dodd-Frank requirement for the CFPB to share complaint information with state regulators.
Overview

By early 2009, all 50 states, plus the District of Columbia and Puerto Rico, signed the Nationwide Cooperative Protocol and Agreement for Mortgage Supervision (Protocol and Agreement). The Protocol and Agreement are companion documents outlining a basic framework for the coordination and supervision of multi-state mortgage entities (those non-depository institutions operating in two or more states). The initiative established the Multi-state Mortgage Committee (MMC) comprised of ten state regulatory officials appointed by CSBS and AARMR to coordinate and direct the examination and enforcement efforts for all states that signed the Agreement.

Multi-state Mortgage Committee

The MMC is responsible for the selection of examination targets and coordinating multi-state examinations. In addition, the MMC is responsible for the development of uniform examination processes and the modernization of traditional examination approaches for achieving more effective supervision. When necessary, the MMC coordinates, directs and negotiates enforcement resolution occurring under individual state authority.

The MMC fulfills its responsibilities through regular meetings of the full committee, as well as work groups assigned to specific supervisory processes and oversight functions. CSBS provides administrative, staff, and technical support for all of the MMC processes and functions, including examination and enforcement support, and acts as a facilitator for coordination of supervision between the states.

The MMC dealt with many complicated and time-consuming issues in 2011. For instance, some of the largest lenders in the country were examined under the MMC protocol and agreement, and state examination teams ranged in size from a handful of states to over 25 states participating on a single examination.

The MMC continues to play a critical role in the examinations of the nation’s largest servicers. State regulators maintained their partnership with the state Attorneys General through the MMC and CSBS. At the close of 2011, this combined effort was nearing the announcement of a $25 billion settlement with the country’s five largest servicers.

The MMC issued several documents during the year providing uniform standards for supervision and guidelines for conducting examinations. Chief among these was the MMC’s comprehensive mortgage examination manual.

The MMC continues to refine its risk-scoping mechanism used to identify entities for examination scheduling purposes and is moving forward with incorporating detailed loan portfolio and financial condition analysis derived from the NMLS Call Report into the risk rating model. The MMC’s examination technology initiative was advanced in 2011 through a new type of off-site examination known as the Limited Scope Electronic Examination. This initiative, which was launched with 15 institutions examined by 28 states, is designed as part of the MMC’s overall risk assessment program.

In 2011, the MMC, in conjunction with AARMR, convened a working group of state regulatory examiners to develop SAFE Act Examination Guidelines (SEGs) for use by state non-depository mortgage regulators. The SEGs, scheduled to be issued in early 2012, will provide a standardized set of examination procedures that will result in a thorough review of an entity’s compliance with state licensing through NMLS and individual MLO compliance with state law and the SAFE Act.

NMLS FEES

To fund NMLS operations, functionality and enhancements, as well as to achieve the objectives of the SAFE Act, NMLS charges various fees for services provided. Section 1510 of the SAFE Act authorizes NMLS to “charge reasonable fees to cover the costs of maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry.” NMLS fees are paid for, in the majority of cases, by the licensed entity or, in some instances, by the state.

A summary of NMLS fees for entities by type includes:

- NMLS processing fees for company, branch and MLO licenses and registrations managed in the System.
- Test fees for the national and state test components.
- Education fees related to the:
  - Banking of course hours taken by licensed MLOs.
  - Approval and renewal of course providers and pre-licensure and continuing education courses.
- Criminal background check fees for the collection of fingerprints and distribution of the FBI’s criminal history record information to authorized recipients.
- Credit report fee for the pulling of single-bureau report for use by state regulators.
- Two-Factor Subscription Fee for the provision of dual factor authentication of all institution users who have access to more than one MLO’s personal identifying information.

NMLS fees collected in 2011 by type are provided in Figure 29. Other NMLS services, such as the NMLS Call Center, System access, updating a licensee’s record, System reports and NMLS Consumer Access are provided at no charge to the user.

The SRR Board of Managers reviews, at least annually, NMLS fees by type to determine the appropriateness of each fee. SRR solicits public comment on any fees that the SRR Board of Managers has under consideration for change. All NMLS fees are listed on the NMLS Resource Center.

SRR annually publishes its audited financial statement on the NMLS Resource Center.

NMLS Processing Fees

NMLS users pay various processing fees as listed below. These processing fees have remained unchanged since the System launched in January 2008. Processing fees by type are provided in Figure 30.

- Initial Set-up Fee. This fee is charged each time a company, institution, branch, or mortgage loan originator, respectively, uses NMLS to apply for a new license or new registration. For state license applicants, the initial set-up fee is “per state, per license.”

- Annual Processing Fee. This fee is charged annually at the time of renewal when a company, institution, branch, or mortgage loan originator renews a license or registration. For state licensees, the annual processing fee is a “per state/per license” fee.
NMLS FEES

- Mortgage Loan Originator Change of Sponsorship Fee. This $30 fee is charged each time the NMLS processes a company’s request to have an MLO’s license affiliated with that company. In essence, this fee is charged each time an MLO changes employment. The Mortgage Loan Originator Change of Sponsorship Fee is a “per state/per license” fee.

All NMLS processing fees are listed on the NMLS Resource Center.

NMLS Test and Education Fees

NMLS test fees are payable by an individual who is enrolling to take the MLO SAFE Act national test and state components or by the company which may be enrolling its MLOs for the test components. Test fees by component are as follows:

- National component - $92 (contains 100 questions with an appointment time of three hours).
- Each unique state component - $69 (contains 55-65 questions with an appointment time of two hours).

Fees are charged for the approval and renewal of education courses and course providers, and each NMLS-approved course provider is charged a “credit banking fee” of $1.50 per course hour taken by an MLO. “Credit banking” is the process where the course provider records a candidate’s or licensee’s SAFE Act required education hours into NMLS. Fees paid by an MLO to take an NMLS-approved course are set by the NMLS-approved course provider.

NMLS Criminal Background Check Fees

NMLS provides functionality within the System to process fingerprints for the purpose of obtaining a federal criminal background check through the FBI. The criminal history record information check response from the FBI will be attached to the MLO’s NMLS record and is viewable by state regulators who have issued the MLO a license. Fees associated with a criminal background check are as follows:

- Paper Card Capture (if Live Scan is not selected): $49.

NMLS Credit Report Fees

NMLS provides an MLO, qualifying individual, branch manager or control person the ability to provide a single repository credit report and score to the state agency(ies) where the individual is filing an application. The credit report and score are attached to the individual’s NMLS record, and the single credit report and score may be viewed by state regulators where the individual is licensed or seeking licensure without the need for multiple credit reports and charges. The functionality provided through the System also enables an individual to use that same credit report for subsequent licensure requests for up to 30 days and does not negatively impact his/her credit score. The fee associated with a credit report and credit score is $15.

NMLS Two-Factor Authentication Fees

In order to satisfy federal requirements for online government services, NMLS uses a two-factor authentication system for all NMLS Federal Registry institution users who have access to more than one MLO’s personal identifying information. The annual subscription fee is charged to each institution user to cover the cost of this service.

More information about NMLS fees can be found on the NMLS Resource Center.
SRR FINANCIAL PERSPECTIVE

Overview
Organizationaly, SRR is structured as a single member limited liability corporation (LLC) with CSBS being the sole member. For tax reporting purposes, SRR is considered a part of CSBS and is therefore tax exempt. Annually, an audit of the combined organization is performed by the independent accounting firm of Tate & Tryon, a D.C.-based firm specializing in non-profit organizations. At the time of this printing, the annual audit for the year ended December 31, 2011 was underway, but the final report had not been presented. When available, a copy of the final audit report will be posted on the SRR website at: http://www.csbs.org/mortgage/Pages/AboutSRR.aspx

Outlook
Looking ahead, 2012 is forecast to be the first year in SRR's new “normal” cycle, as there are no new statutory requirements, licensees, or registrants being mandated in NMLS. SRR's long-range plan has forecast that a significant reserve is essential in funding the ongoing development and maintenance of NMLS as mandated by the SAFE Act, as well as to prudently position the organization to ensure continued operations in the event of variations in revenue given the cyclical nature of the mortgage industry.

The new normal does not mean that SRR will stop innovating and improving. In fact, in 2012 SRR is expanding NMLS to allow state regulators to license non-depository financial services providers using NMLS. While the cash flow for development of this new service will be required in 2012, participation by the states is voluntary. Several states have committed to participate in 2012, and others are expected to take advantage of this new opportunity in the coming years.
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The Conference of State Bank Supervisors (CSBS) is the nationwide organization of banking regulators from all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. State banking regulators supervise over 5,400 state-chartered financial institutions. Further, most state banking departments also regulate a variety of non-bank financial services providers, including mortgage lenders. For more than a century, CSBS has given state supervisors a national forum to coordinate supervision of their regulated entities and to develop regulatory policy. CSBS also provides training to state banking and financial regulators and represents its members before Congress and the federal financial regulatory agencies.

Education Foundation of State Bank Supervisors: [www.csbs.org/development](http://www.csbs.org/development)

The Professional Development Division of CSBS offers a wide range of on-site and online professional development and training programs to meet your needs, from basic examiner training, continuing education, to executive programs for senior department personnel.

State Regulatory Registry LLC: [www.csbs.org/mortgage](http://www.csbs.org/mortgage)

State Regulatory Registry LLC (SRR) is a nonprofit entity that operates NMLS on behalf of state financial services regulatory agencies. SRR is governed by an eight-member Board of Managers comprised of state banking and financial regulators and a representative of the American Association of Residential Mortgage Regulators (AARMR). The SRR Board of Managers is responsible for all development, operations and policy matters concerning NMLS. SRR operates as a subsidiary of the Conference of State Bank Supervisors.
APPENDIX B. ROSTERS

SRR Board of Managers

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Mr. David Cotney  
Commissioner of Banks  
Massachusetts Division of Banks

**Vice Chairman**
Mr. Douglas Foster  
Commissioner  
Texas Department of Savings & Mortgage Lending

**Treasurer**
Mr. Charles Vice  
Commissioner  
Kentucky Department of Financial Institutions

**Secretary**
Mr. John Ryan*  
President & CEO  
Conference of State Bank Supervisors

**Managers**

Mr. Gavin Gee  
Director of Finance  
Idaho Department of Finance

Mr. Robert Entringer  
Commissioner  
North Dakota Department of Financial Institutions

Mr. John Ducrest*  
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Louisiana Office of Financial Institutions

Mr. Darin Domingue (AARMR Representative)  
Deputy Chief Examiner  
Louisiana Office of Financial Institutions

Mr. Charles Dolezal  
Superintendent, Division of Financial Institutions  
Ohio Department of Commerce

Mr. Bill Matthews*  
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Conference of State Bank Supervisors

*Non-voting ex-officio members of the Board
APPENDIX B. ROSTERS

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Securities Division
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## APPENDIX C. NMLS 2011 DEVELOPMENT SCHEDULE AND FEATURES

### PRIMARY FEATURES:

<table>
<thead>
<tr>
<th>DATE:</th>
<th>FEATURES:</th>
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| 01/31/2011 (2011.1 Release) | • Federal Registry Deployment  
  • Criminal Background Check Interface Enhancements  
  • Login Enhancements |
| 04/30/2011 (2011.2 Release) | • Mortgage Call Reports (MCR)  
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### PLANNED FUTURE ROADMAP ENHANCEMENTS

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| • NMLS Expansion  
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  • Disclosure Explanations  
  • Document Upload  
  • Consumer Access – State Regulatory Actions  
  • MCR Enhancements  
  • Payment Collection and Processing Enhancements  
  • License Settings Control  
  • Credit Report Enhancements  
  • Federal Registry - Regulatory Actions  
  • Renewals – Expansion  
  • Testing & Education Enhancements  
  • Consumer Access – Federal Regulatory Actions  
  • Consumer Complaint Tracking  
  • Linked Employments for State Licensees  
  • Pre-Notifications |