

Reference Guide

Citing Sources and Regulations in Course Materials



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Nationwide Mortgage Licensing System & Registry
Conference of State Bank Supervisors

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Purpose of this Document:

The purpose of this document is to serve as a reference guide and establish uniform standards for documenting, footnoting, and citing course material which may have been referenced, summarized, paraphrased, or quoted.

The following are samples of acceptable methods used to cite sources within a course manual (i.e. in-text) and slide presentations (i.e. power point). The overriding objectives of including references are 1) to ensure students can easily find the source for information for further study, and 2) to ensure copyright protection of intellectual property.

General Guidelines:

Permission to Use Material: When applicable, the course provider must have permission to quote material and reference it. For example, if a course provider is using material that was developed by a state mortgage broker association, the course provider must contact the association to request permission to use the material. The same holds true if the source for a graph or chart was derived from a source like the New York Times or other publication.

Use of Acronyms: Acronyms should only be used after a formal introduction. For example, the use of “RESPA” is proper after introducing, “Real Estate Settlement Procedures Act (RESPA).” Another example: Nationwide Mortgage Licensing System & Registry (NMLS).

Citations need to be Specific: Ensure that federal or state citations are sufficiently specific. For example:

- If the course provider is providing specific instructions on how to complete the Good Faith Estimate (GFE), the citation of “RESPA §3500” does not provide adequate direction for a student to find specific instruction on the completion of the GFE. The correct citation is 24 C.F.R. § 3500 Appendix C and/or http://edocket.access.gpo.gov/cfr_2009/aprqr/24cfr3500AppC.htm
- In another example, note that some state laws require very specific citations. For example, to find the maximum liability amount under Arizona’s mortgage recovery fund, citing 6-991 is insufficient. The proper citation would be ARS 6-991.09(E).
- It is not, however, necessary to cite the exact line(s) of a regulation ***unless you are quoting it specifically in your instruction or material*** (i.e., Section 128 of the Truth In Lending Act (15 U.S.C. 1638 (a)(14) states that “In the case of ...”

Use only Reputable Sources: Sources that support instruction should be reputable (e.g. federal or state agency of law). While convenient, Wikipedia, for example, is not accepted as

a reputable source for accurate or authoritative information and may **NOT** be used in NMLS approved education.

Ensure Web Links Work: If the provider is using a web link, ensure the entire link is copied and that the link is working correctly. Periodically check the link to ensure it is still working and going to the correct page.

Use of Multiple Content Formats: The purpose of providing citations is to provide a reference for the material presented to the student. However, each course is unique in what types of materials and how the materials are used to instruct. When using multiple types of material to present the same information (i.e. the use of a text and a PowerPoint presentation), citations should be placed in intended for or most likely to be used by the student as a source of future reference. Note that NMLS reviews all courses individually and may address this on a case by case basis and may request additional citation or clarification be added to the course material

Repeating Citations for the Same Source: In cases where the same source is referenced multiple times throughout the citation only needs to appear once when the discussion is on the same section or subsection of the law or regulation. Once another section or subsection is discussed (or a different source has been used and cited), a new citation is necessary. In addition, if a statute or regulation is used in one chapter, and then the statute or regulation is then discussed in another chapter, it needs to be cited in both chapters. An example would be a citation of HOEPA (Regulation Z, Section 226.32) used in a chapter on Federal Laws and Regulations and then used again in a separate chapter on Ethics within the same course. Although the citation is the same, it must be placed in both chapters. This will allow students to review one chapter and its citation without having to go back to a previous or another chapter to find the citation.

Help Get the Course Approved More Quickly: Citations and footnotes not only assist the student in learning but also assist the NMLS evaluator when reviewing the course. Evaluators appreciate citations to ensure that the material is correct and up-to-date. Citations reduce review time because evaluators do not have to spend time searching for the source to determine if the course material is correct.

Additional Resources and Tools: NMLS does not require that the course provider cite references in either the APA or MLA format; however, the following additional resources may be used to assist in citing sources in its proper format.

- The Purdue Online Writing Lab - <http://owl.english.purdue.edu/owl/resource/560/10/>
- Diana Hacker's Style Manual - <http://bcs.bedfordstmartins.com/resdoc5e/index.htm>
- <http://www.law.cornell.edu/citation/>

- <http://www.lib.wsc.ma.edu/legalapa.htm>
- <http://www.unk.edu/academics/library.aspx?id=8521>
- <http://www.easybib.com/>
- <http://www.noodletools.com> Search for Noodlebib Express.

NMLS Reference Examples

Examples 1 through 6 illustrate acceptable forms of citations. Evaluator notes and explanations are noted below the example.

Example 1: Quoting material within a course manual (in-text)

Pre-licensing requirements

One of the requirements of pre-licensure is to pass the SAFE Mortgage Loan Originator Test (Test). The test is comprised of two parts – a national component and a state component. “All licensees are required to pass a State Component of the SAFE MLO Test. Some states that had a prior testing requirement plan to certify their test results which will relieve individuals of their obligation to take the State Component of the SAFE MLO Test.”¹

The national component is comprised of: federal mortgage-related laws (35%), general mortgage knowledge (25%), mortgage loan origination activities (25%), and ethics (15%).²

¹ NMLS Resource Center, *Professional Requirements, Testing*.

<http://mortgage.nationwidelicencingsystem.org/profreq/testing/Pages/default.aspx>

² NMLS Resource Center, *SAFE Mortgage Loan Originator Test – National Component*

<http://mortgage.nationwidelicencingsystem.org/profreq/testing/Content%20Outlines/National%20SAFE%20Mortgage%20LO%20Test%20Content%20Outline.pdf>

Note: Use quotation marks when using material verbatim.

1 - The material is a direct quote, the footnote offers the source.

2 - This footnote offers the source supporting the instruction.

Example 2: Instructing on Federal law (in-text)

Good Faith Estimate

Not later than three business days after a mortgage loan originator (MLO) receives a completed application, the MLO must provide the applicant with a Good Faith Estimate (GFE). The MLO may not charge, as a condition for providing a GFE, any fee other than a fee limited to the cost of the credit report. See 24 C.F.R. § 3500.7 (2009).

Note: When instructing on federal (or state) law, ensure that the citation is sufficiently specific to allow the student to research the information him/herself.

Example 3: Instructing on Federal law (in-text)

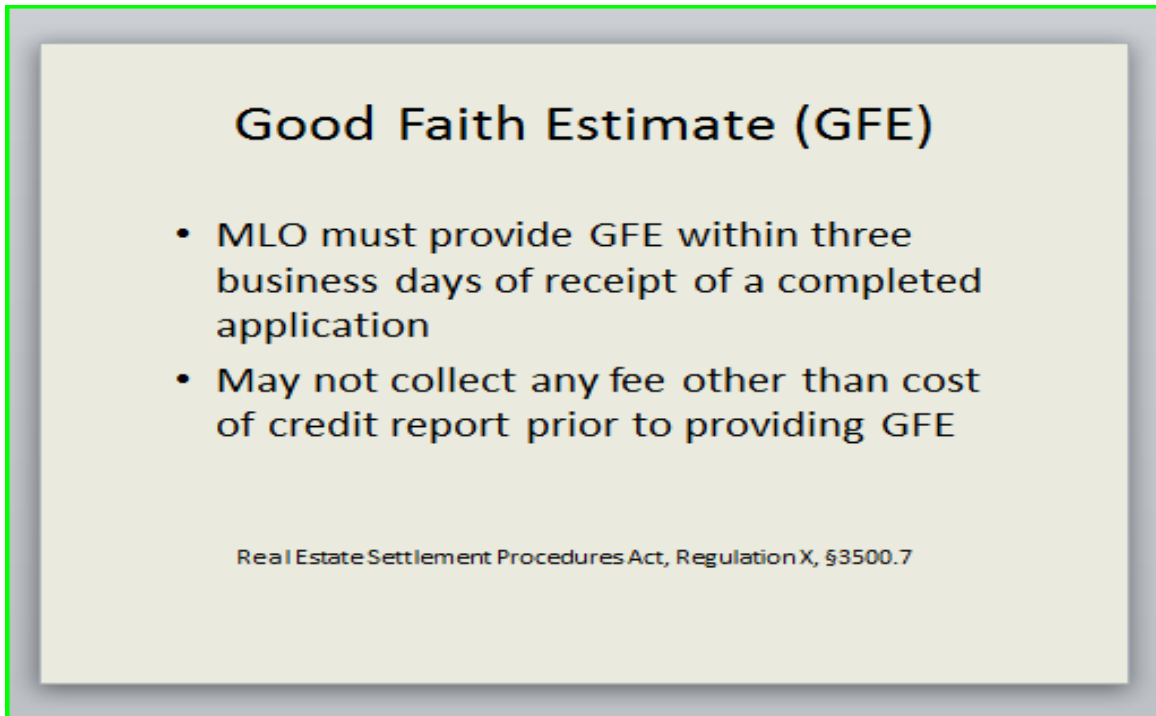
The New GFE

Due to the volume of questions that arose with the changes to the GFE, HUD issued “New RESPA Rule FAQs” (*New RESPA Rule FAQs*. <http://www.hud.gov/offices/hsg/rmra/res/resparulefaqs422010.pdf>) which were last updated April 2, 2010. The following question is included in the FAQs:

- “Q: What happens if a GFE is not provided to a borrower?”
 - A: In a transaction involving a federally related mortgage, the loan originator is required to provide a GFE to the borrower. Failure to provide a GFE as required is a violation of Section 5 of RESPA.”
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Note: In this example, the citation is noted within the course material rather than footnoted. Note that citing www.hud.gov, is not sufficient – the course provider should be more specific.

Example 4: Instructing Federal law (Power Point/Slide Presentation)



Good Faith Estimate (GFE)

- MLO must provide GFE within three business days of receipt of a completed application
- May not collect any fee other than cost of credit report prior to providing GFE

Real Estate Settlement Procedures Act, Regulation X, §3500.7

Example 5: Instructing on State law (in-text)

Prohibited Acts

- A mortgage loan originator (MLO) acting on his own behalf shall not accept any form of payment or document in connection with an application for a residential mortgage loan in Arizona. (ARS 6-991.02(1))
- An unlicensed individual may not receive compensation for arranging or negotiating a residential mortgage loan. (ARS 6-991.02(2))

Note: In this case, each bullet point provides the specific citation of the state law.

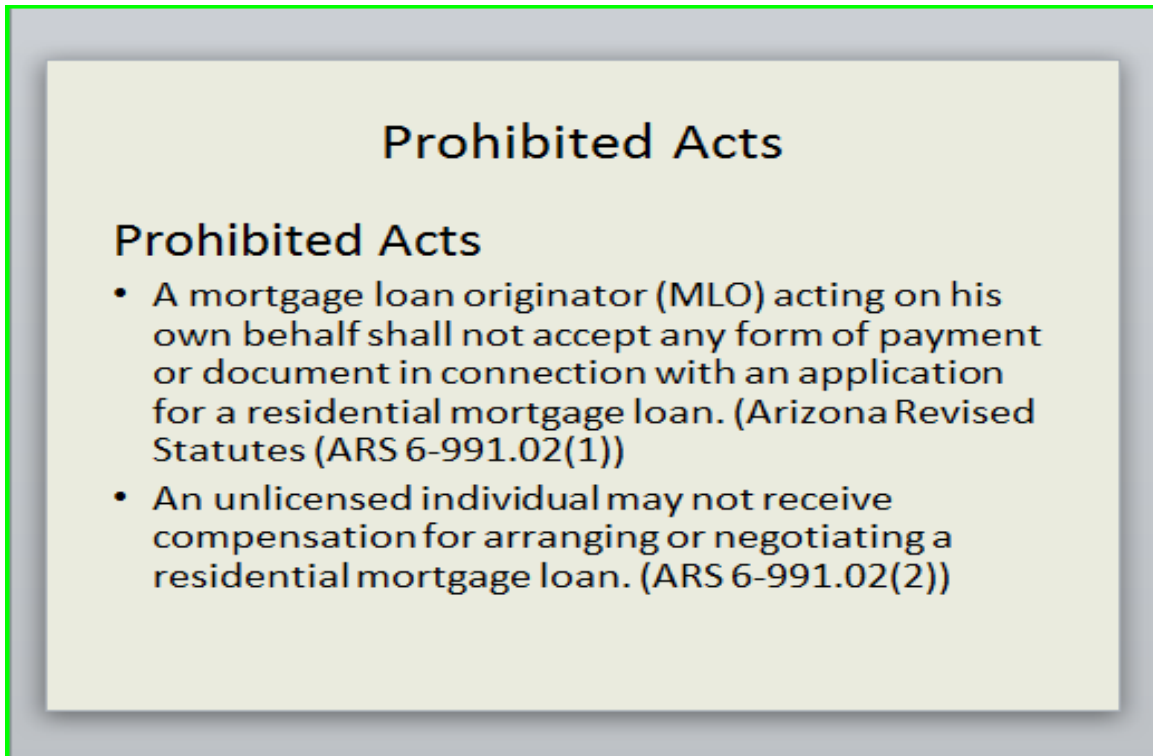
Example 6: Instructing on State law (in-text)

Requirement to be licensed in Arizona (Arizona Revised Statutes (ARS) 6-991)

Any natural person who for, or in the expectation of, compensation or gain: takes a residential mortgage loan application, offers or negotiates terms of a residential mortgage loan, or negotiates with a lender to obtain a temporary or permanent medication on behalf of a borrower for an existing residential mortgage loan agreement meets the definition of a loan originator.

Note: It is appropriate and acceptable for the citation to be placed in the subtitle since the topic relates to one specific law.

Example 7: Instructing on State law (Power Point/Slide Presentation)

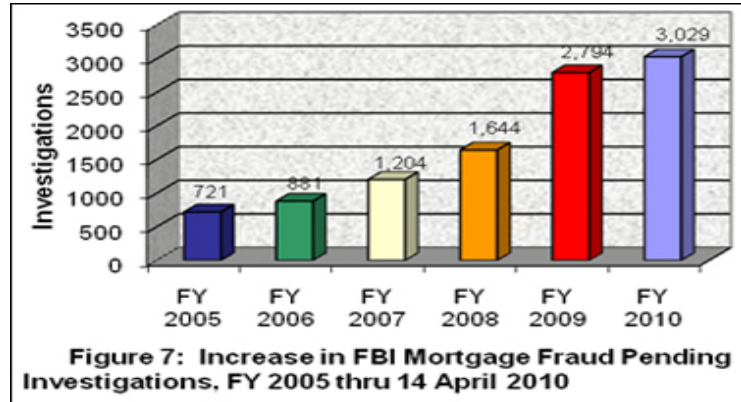


The image shows a slide presentation with a light green background and a dark green border. The title 'Prohibited Acts' is centered at the top in a large, bold, black font. Below the title, the same title 'Prohibited Acts' is repeated in a smaller, bold, black font. Underneath, there are two bullet points, each starting with a black dot. The first bullet point reads: 'A mortgage loan originator (MLO) acting on his own behalf shall not accept any form of payment or document in connection with an application for a residential mortgage loan. (Arizona Revised Statutes (ARS) 6-991.02(1))'. The second bullet point reads: 'An unlicensed individual may not receive compensation for arranging or negotiating a residential mortgage loan. (ARS 6-991.02(2))'.

Example 8: Using a Data Source (in-text)

Mortgage Fraud -

The Federal Bureau of Investigation (FBI) reported a 71% increase in mortgage fraud investigations from 2008 to 2009. The graph to the right shows how mortgage fraud investigations have increased over the years.¹

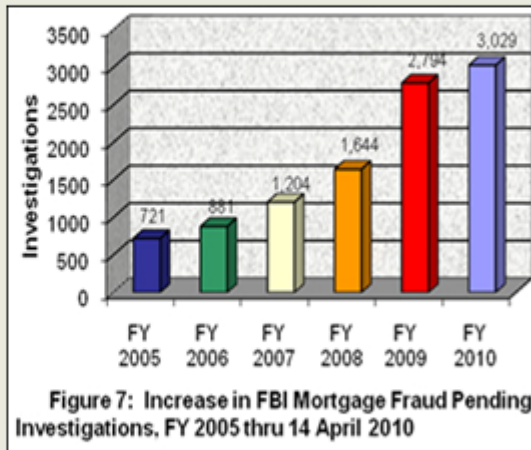


¹ 2009 Mortgage Fraud Report "Year in Review." [http://www.fbi.gov/stats-services/publications/mortgage-fraud-2009/2009-mortgage-fraud-report#Current Schemes](http://www.fbi.gov/stats-services/publications/mortgage-fraud-2009/2009-mortgage-fraud-report#Current%20Schemes)

Example 9: Using a Data Source (Power Point/Slide Presentation)

Mortgage Fraud

The Federal Bureau of Investigation (FBI) reported a 71% increase in mortgage fraud investigations from 2008 to 2009.



2009 Mortgage Fraud Report "Year in Review." [http://www.fbi.gov/stats-services/publications/mortgage-fraud-2009/2009-mortgage-fraud-report#Current Schemes](http://www.fbi.gov/stats-services/publications/mortgage-fraud-2009/2009-mortgage-fraud-report#Current%20Schemes)