

# Policy on Criteria for Granting Approval for a Course to Become NMLS Approved

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## Purpose

The purpose of this policy is to define the criteria that a course must satisfy as a precondition to being listed as a “NMLS Approved” course.

## Background and Reason for the Policy

The Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requires that the National Mortgage Licensing System & Registry (NMLS) review and approve all pre-licensure and continuing education courses that are to be offered to state-licensed mortgage loan originators and are intended to satisfy the 20 hours of pre-licensure education and/or 8 hours of annual continuing education. In order to meet its mandate as required by the SAFE Act, the NMLS is required to “apply reasonable standards in the review and approval of courses.” As a means to maintain integrity within the industry, the NMLS has developed six criteria that a course must satisfy as a precondition to being listed as a “NMLS Approved” or “SAFE Compliant” course.

## Criteria for Granting Approval for a Course to Become NMLS Approved

To be considered for NMLS approval, a course must satisfy all of the following criteria:

1. **Criteria 1 – Possess Learning Objectives:** Course must contain learning objectives that describe what the student should know or be able to accomplish upon completion of the course.
2. **Criteria 2 – Course Must Have Sufficient Material:** Course must contain sufficient course materials to support quality instruction relevant to the course subject matter. All course materials must be current and be relevant to the subject of the course. Course material must also be unique to individual course. Additionally, the course provider must have ensured that it has received permission to use any copyrighted material, and/or secured the rights to use any material that the course provider themselves did not produce.
3. **Criteria 3 – Sufficient Difficulty:** Pre-licensure education courses must be of sufficient rigor that it assists the student to prepare to work within the industry. Continuing education courses must possess a degree of difficulty and should be designed to enhance the professional competence and/or professional responsibility of the mortgage lending officer.
4. **Criteria 4 – Be of Sufficient Length:** The minimum length of a pre-licensure course will be two (2) classroom hours and the minimum length of a continuing education course will be one (1) classroom hour. A classroom

hour is defined as 50 minutes of classroom instruction for each clock hour (60 minutes). Online classroom courses must meet the same time requirements as classroom or classroom equivalent course. The NMLS uses the International Association for Continuing Education & Training (IACET) standard for measuring online classroom time. To measure and determine online classroom time, the course provider will need to record and document the amount of time it takes a sampling of the intended audience to complete the course. Time determination will be the median of the sampling. *Course providers must be prepared to provide a copy of the sample record when submitting an online course to the NMLS for approval.*

5. **Criteria 5 – *Be Delivered in an Environment Conducive to Learning***: the course shall be administered in a physical environment that is appropriate for adult education needs. Online courses must be administered through a Learning Management System (LMS). Additionally, courses must be presented in an environment that is in compliance with applicable local, state, and federal regulations. Any online classroom system must require the student to login, verify attendance, start and end times, and be capable of administering the course material and functionally capable of promoting various forms of interactivity.
6. **Criteria 6 – *Have a Defined Start and End Time***: course must have a fixed begin and end time so that hours can be measured. For online self-paced courses, the start time is the time the student started the course and the end time is the time the student completed the course (*note: this time does not correlate to the number of credit hours a course is awarded. For example: just because a student may take 12 hours to complete a course does not mean the course is 12 hours long*).

### **Successful Demonstration that Criterion Has Been Met**

In order for a course to become NMLS approved the course provider must provide evidence that each course submitted for approval meets each of the six criteria listed above. Courses that do meet the criteria (as well as the other course application requirements) will be granted “NMLS Approved” status. Upon approval of the course application, the course provider will have their course included in the “NMLS Approved Courses Catalog” which will appear on the NMLS web site.

### **Course Deficiencies**

If, during the evaluation process, a course is found to be deficient in any area, the course provider will be notified and will be asked to address the deficiency. Course providers will have 30 days from the time of notification to address any deficiency.

### **Failure to Demonstrate that Criterion Has Been Met**

Failure to demonstrate compliance with one or more of the above listed criteria will result in denial of the course provider's application and the course will not be recognized by the NMLS as being approved. A denied course application will have the effect of rendering the course as being non-SAFE compliant and as such may not be marketed or promoted as being "SAFE Compliant" or "NMLS Approved."

### **Right to Appeal**

A course provider whose course application has been denied may appeal the decision within 30-days of the date of the denial letter and their application will be reconsidered provided the course provider can show evidence that the course now meets all six of the criteria listed above.