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**NMLS Ombudsman Meeting**  
**at the 2022 AARMR Annual Regulatory Conference**  
August 9, 2022, 9:00 a.m. to 12:00 p.m. ET

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***Agenda***

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| 1. <i>Ombudsman Welcome &amp; Updates</i>  | <b>Jim Payne, NMLS Ombudsman, Kansas<br/>Office of the State Bank Commissioner</b>                             |
| 2. <i>Fieldprint &amp; NMLS – Fingerprint Process<br/>for Non-U.S. Citizens (Exhibit 1)</i>                  | <b>Amy Greenwood Field, McGlinchey<br/>Stafford</b>  |
| 3. <i>Non-Profit Licensing (Exhibit 2)</i>   | <b>Julie Vore, Habitat For Humanity</b>  |
| 4. <i>Remote Operations (Exhibit 3)</i>  | <b>Cindy Corsaro, Promontory MortgagePath<br/>LLC</b><br><b>Kobie Pruitt, Mortgage Bankers<br/>Association</b> |
| 5. <i>Temporary Acceptance Status for<br/>Sponsorship of Currently Licensed MLOs<br/>(Exhibit 4)</i>         | <b>Kaitlyn Cherry, Guild Mortgage</b>  |
| 6. <i>Improve Industry-Agency Collaboration<br/>Regarding MCR and State-Specific<br/>Reports (Exhibit 4)</i> |  |
| 7. <i>Open Discussion</i>  | <b>All</b>   |

***The meeting will be in person only; no dial-in will be available.***

***[Click here](#) for more information on the 2022 AARMR Annual Regulatory Conference.  
Registration for the conference is not required to attend the NMLS Ombudsman Meeting.***



Money Service Business Association  
29 Valley View Terrace  
Montvale, NJ 07645-1022

Phone: 201-781-2590  
Email: [info@msbassociation.org](mailto:info@msbassociation.org)

July 14, 2022

Jim Payne  
NMLS Ombudsman

**Re: Fieldprint & NMLS – Fingerprint Process for Non-U.S. Citizens**

Dear Mr. Payne,

The MSBA is one of the nation's largest trade associations focused on the non-bank money services industry. Its membership includes licensed money transmitters and their agents and/or authorized delegates, payment card issuers, and distributors, payment processors, international remittance companies, bill payment companies, mobile payment application providers, payment aggregators, virtual currency exchanges and administrators, money orders, and other similar money services providers that are engaged in payments. For additional information about our membership, please see: [www.msbassociation.org](http://www.msbassociation.org).

We appreciate the opportunity to bring to your attention, an issue our members are experiencing with fingerprinting for non-U.S. citizens.

The purpose of this letter is to bring to outline the issue and suggestions for assisting our members with the fingerprinting process for non-U.S. citizens.

**Current Process:**

For states that require control persons to complete a criminal background check through NMLS, the control persons must first complete their fingerprints through the NMLS fingerprint vendor Fieldprint. Due to the fact non-US citizen control person do not have a U.S. SSN and do not reside in the United States, they are not able to complete their fingerprints at a physical Fieldprint location (Fieldprint has no international locations). Once an application and criminal background check for the non-U.S. control person has been submitted and paid for in NMLS, an authorized individual for the applicant must call Fieldprint customer service at 877-614-4361.

When a Fieldprint representative answers, the authorized individual must explain the fact that an application has been submitted, and the applicant needs for Fieldprint to mail physical fingerprint cards to the control person's overseas address.

The Fieldprint representative then verifies the criminal background check request was submitted and paid for in NMLS. Once verified, the Fieldprint representative requests the authorized individual to email Fieldprint a FedEx shipping label to mail the physical fingerprint cards to the control person's overseas address. Once the shipping label is provided, Fieldprint contacts NMLS and ask them to verify the control



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person's address. Once NMLS verifies the address is correct, NMLS is then supposed to notify Fieldprint that the fingerprint cards are approved to send. Fieldprint then mails the physical fingerprint cards to the control person's overseas address. Once received by the control person, they are to complete their ink rolled fingerprints on the provided cards and mail them back to Fieldprint for processing. Once the cards have been processed, Fieldprint makes them available to the applicable states in NMLS to perform the required criminal background check.

The above explanation is a best-case scenario. Rarely do our members experience this scenario without multiple issues and delays. Listed below are the key issues our members experience during the process.

1. It is difficult to get anyone on the line when calling Fieldprint. Some members have reported calling 10+ times, leaving 3-4 messages and never receiving a call back.
2. If someone at Fieldprint does answer, it is rare that they know what the process is for processing fingerprints for non-US citizens. We have found that if you call and speak with five people, you will be provided with five different answers.
3. There seems to be a disconnect with Fieldprint and NMLS when verifying the individuals address. Our members have experienced multiple times where Fieldprint has stated they are waiting for NMLS to verify the address, but they never do.
4. We have been told by Fieldprint that there is a specific department that handles these types of requests but there is no way to reach someone in that department directly. Often when a Fieldprint representative says they are going to transfer a member to the correct department, the call is dropped, or no one answers.

As you can see from the process outline above, with the multiple Fieldprint/NMLS issues, it can take quite a long time between submitting an application in NMLS and Fieldprint providing the processed fingerprints to the applicable states in NMLS.

This has led to a great deal of push back from state regulators and often results in the state requiring applicants to withdraw their application due to the fingerprints not being provided by the license item due date in NMLS. We understand the backlog that it can present to regulators with open items, and have tried to explain, but have not been successful.

Withdrawing the application and resubmitting will not solve the primary issue, which is there is a disconnect between Fieldprint for the fingerprint process for non-US citizens.

#### **Recommended Changes:**

Listed below are some of our suggested solutions for improving the process.

1. A review/education process between Fieldprint and NMLS should be conducted to insure both sides fully understand the process. This review should include a timeline for turnaround of documents at each step, and what each company's role is.



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- a. Development of a one-page reference guide would be helpful for other Fieldstone representatives, licensees, and regulators.
2. Once an application and criminal background check request are submitted in NMLS, Fieldprint should be notified and initiate the process for mailing out the fingerprint cards without the applicant having to call and go through the current lengthy process. Automation Notifications to the licensee should be added.
3. Identify and publish the department information that is responsible for non-US citizen fingerprints.
4. Fieldprint should mail the fingerprint cards directly without applicants having to email them their own shipping labels. The charge can be collected in NMLS, and this will remove an additional interaction step and shorten the time.
5. All state regulators should be informed of the current issue and be asked to take this into consideration when reviewing applications.
6. Fieldprint should notify NMLS when they are having abnormal volumes of requests that may affect response times for fingerprint requests.

Thank you for consideration of our comments. We are happy to meet with you to discuss our comments and answer any questions.

Sincerely,

A handwritten signature in black ink that reads "Kathy Tomasofofsky". The signature is written in a cursive style.

Kathy Tomasofofsky, Executive Director  
Money Services Business Association, Inc



We build strength, stability, self-reliance *and* shelter.

July 15, 2022

Julie Vore  
 Associate General Counsel  
 Habitat for Humanity International  
 285 Peachtree Center Ave. NE, Suite 2700  
 Atlanta, GA 30303-1220

Dear NMLS Ombudsman Jim Payne,

I am responding to the call for suggested topics for the NMLS Ombudsman meeting on Tuesday, August 9, 2022. I would like to suggest a discussion of state process review and NMLS compliance assistance for non-profit housing organizations.

Although there is an exemption in the SAFE Act for §501(c)(3) organizations that promote affordable housing and meet other standards, the interpretation and implementation across state regulators is very mixed. Some states require registration, some states provide opportunities for non-profits to register at a reduced cost, some states simply have no designated license or registration process for non-profits at all.

There is a general lack of understanding, clarity, and guidance around what activities and revenue models fall within or outside of exemptions. This absence of bright lines impedes non-profit organizations' ability to effectively provide affordable housing opportunities to families. Resources that could be used toward programs must be used to address regulatory uncertainty. And many well-intended but uninformed non-profit organizations are being left susceptible to private litigation, if not enforcement, as they provide services for which they may or may not be required to be licensed.

Affordable housing is important every day, but especially critical in today's housing market. We feel that now is the time for state regulators to examine the issues and remove roadblocks. How can Habitat and other vital housing non-profits assist in this process mapping and the development of best practices and regulatory training?

Here are a few scenarios to illustrate the need and discussion starters. There are other areas you may identify as even more useful to your audience.

Scenario #1 –

How to receive guidance re: NMLS compliance when non-profit representatives are engaging in loan origination activities that may be interpreted (by potential plaintiffs, if not their state regulator) as either "for compensation or gain" or outside of the relevant state's public or charitable purpose SAFE Act exemption.

Consider the following scenario: a non-profit representative gathers the materials typical of a mortgage loan application, pulls credit, advises the consumer about their likelihood for a mortgage credit approval, recommends a lender based upon specific product and rate, transmits the application materials to a lender, facilitates the relationship, and then sells a home to the consumer at fair market value with the consumer utilizing a loan from the recommended lender to fund the purchase. The non-profit employee is receiving personal income from the non-profit organization, which is funded through the profit generated from the home sale, as well as from other sources.

The non-profit organization, in this scenario, does not necessarily want to be formally engaged in a mortgage broker arrangement with the lender. The lender representative's NMLS # will be on the LE & CD. But if the non-profit employee needs to be on the LE/CD, it is willing. The lender isn't willing to do all the work for this more difficult transaction so it isn't realistic to send the borrower to the lender and expect the transaction to close. Without NMLS registration/licensure

the non-profit employee is open to a subjective challenge from the consumer that their activities required SAFE Act compliance. To mitigate risk, the non-profit organization would like their representatives to be licensed/registered.

But, the NMLS system seems to expect consummated transactions. How can a local Habitat or other non-profit organization that wants to provide this type of hands-on loan origination activity to consumers engage most effectively with the NMLS? Should they expect to be asked to file Call Reports? Audits? How would this be done? How would they best go about asking?

Scenario #2 –

How to receive guidance re: NMLS compliance when non-profit representatives are engaging in loan processing, underwriting, or servicing activities that may be interpreted (by potential plaintiffs, if not their state regulator) as either “for compensation or gain” or outside of the relevant state’s public or charitable purpose SAFE Act exemption.

Consider the following scenarios:

A 501(c)(3) non-profit organization manages payments and provides collection and other servicing-related activities for mortgage loans on behalf of third-parties for an ongoing fee.

A 501(c)(3) non-profit organization provides contract processing and underwriting services for mortgage loan origination entities. The organization’s employees are compensated with salaries that do not vary based upon loan production. The organization primarily, but not exclusively, supports processing and underwriting for mortgage programs that require homebuyers to be low to moderate income.

Scenario #3 –

IRS Group Exemption paperwork:

Non-profits operating under an IRS Group Exemption will not be able to produce an IRS 147C letter that lists an exact matching name as is listed on their state’s Secretary of State filing. This is due to the method that the IRS formats 147C letters for non-profit organizations under a group exemption, which lists the central organization on the first line and the subordinate organization on the second line. (*See* IRS Publications 557 and 4573.)

The NMLS instructions state to applicants that: “The legal name of your business on the SOS documentation must match the legal name that is listed on the IRS documentation with the only exceptions being punctuation marks such as periods or commas.”<sup>1</sup>

What should a non-profit organization operating under an IRS group exemption do when it runs into an insurmountable roadblock such as this, which appears to be due to state regulators’ lack of familiarity with specialized, IRS non-profit documents?

Scenario #4 –

Non-profit mortgage servicers and non-profit mortgage processing was not been contemplated in either Federal or State SAFE Acts. As digital mortgage expands and the cost of compliance with it, there is a basis to enable a true non-profit to support local non-profits in their efforts and reduce costs to allow their focus on sustainable and affordable housing. As this

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<sup>1</sup>Page 5 -

<https://mortgage.nationwidelicingsystem.org/slr/Documents/Company%20Request%20Form%20Supplement.pdf>

will be a developmental and likely legislative process, we need to begin now so that more affordable options exist in the future.

Again, Habitat would be willing to participate in this effort and work together toward. Thank you for your engagement and opportunity to present these issues for discussion

Thank you for your engagement and opportunity to present these issues for discussion. If these topics can be added to the agenda, I can make arrangements to be present at the August 9<sup>th</sup> meeting in Indianapolis.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Vore". The signature is fluid and cursive, with a large loop at the beginning and a trailing flourish.

Julie Vore  
Associate General Counsel



July 11, 2022

NMLS Ombudsman  
Conference of State Bank Supervisors (CSBS)  
1129 20th Street NW  
Washington, DC 20036

Re: AARMR 2022 August Ombudsman Meeting topics – Cindy Corsaro & Kobie Pruitt

Dear NMLS Ombudsman:

Thank you for your request for discussion topics for the August 2022 Ombudsman Meeting at the upcoming AARMR 2022 Annual Conference. In an effort to keep the dialogue regarding remote operations front and center, these are the issues we would like to address:

1) Return to Office Protocol:

As more states adopt legislation to permit permanent remote operations and activities, it is of the utmost importance that regulators and industry continue to communicate and address how to properly conduct remote operations and the impact it is having on the mortgage industry. Licensed entities, their MLOs and other employees need more guidance to conduct remote operations in a compliant manner. Here are some of the suggestions we would like to discuss with our state regulators and industry members at the upcoming Ombudsman Meeting:

- a. With so many differing approaches from states regarding remote operations, there is a real need for industry to have a more organized, uniform approach to addressing remote operations and the related requirements. As each state has issued their guidance, it has become clear that there are basic standards across all states that must be met, with only certain states enforcing state-specific requirements. For ease of reference and based upon the guidance already issued by states allowing remote operations, we would like to respectfully request the following:
  - i. Have the CSBS create a master spreadsheet in the NMLS listing all basic remote operations requirements to serve as a centralized resource for tracking where all states stand on remote work.
  - ii. This could be structured similar to the “at a glance” guide provided in the NMLS for renewal requirements.
  - iii. Within this document, provide links to specialized state-specific requirements that are not standard to all states.
  - iv. This type of list with basic and state-specific requirements in a central location is essential for industry to stay compliant, and could even help state regulators who are considering permanent remote operations review the requirements enforced by others while making their decisions.
- b. To address the concerns voiced by state regulators regarding how to monitor remote operations properly, we would like to suggest the following:





- i. Create uniform, standardized templates and tools for industry to use (acknowledgment forms for employees to sign that they understand remote operations protocols, proof of ongoing cyber security updates, number of employees working remotely by state, outlines for oversight requirements and/or supervisory plan templates, etc.)
  - ii. If we work collectively to identify what needs to be understood and/or reported on an ongoing basis, perhaps more states would feel more comfortable and allow remote operations in the future.
  - iii. Create a new section in the Document Uploads portion of the MU1 and MU3 filings in the NMLS entitled "Remote Operations" for any documents that must be visible to state regulators.
- c. To date, several states have remained silent and have not provided any guidance or expectations regarding remote operations, specifically when their exemptions will expire or if they are considering adopting legislation to make remote operations permanent.
- i. We would like to respectfully request that these states provide an update to industry regarding where they stand at this time, either by a state notification letter or email, or by providing the information to the CSBS so that that they can post it in the NMLS spreadsheet suggested above, so that entities can plan to accommodate the guidance.
- d. Last, with regard to those states who have remained silent regarding remote operations, if and when their state's guidance or exemptions are expiring, we would like to request prior notice of at least 30 – 60 days from either the state or the NMLS so that entities licensed in more than one state and/or area of business activity can anticipate the impact on their operations and staffing requirements and adjust their supervisory plans accordingly.

Thank you as always for the opportunity to present these observations, questions, and concerns.

Sincerely,

*Cindy Corsaro.*

Cindy Corsaro  
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August 2, 2022

Conference of State Bank Supervisors  
1129 20<sup>th</sup> Street, N.W., 9<sup>th</sup> Floor  
Washington, DC 20036

**Re: Areas for Further Development of Temporary Authority and Mortgage Call Report**

To Whom It May Concern:

The below topics are presented for discussion at the NMLS Ombudsman Meeting at the 2022 AARMR Conference.

**Temporary Acceptance Status for Sponsorship of Currently Licensed MLOs**

Currently, an MLO applicant under Temporary Authority (“TA”) may begin to do business with the consumers of a state within a few days of submitting their application for licensure meeting certain criteria. By contrast, an already-licensed MLO that is moving from employment with one non-depository to another non-depository may face weeks or even months-long wait times for the state’s acceptance of sponsorship from the new employer. Some states are reliably quick in reviewing sponsorship requests, whereas a significant number routinely require multiple weeks or even months to review sponsorship requests. This may be due to staffing shortages among state agencies, leveraging the sponsorship review process to holistically review each MLOs record as a “touch point” to effectuate state oversight, or the need to review state specific requirements such as forms to upload upon changes to employment or ensuring that employment history and other items are properly updated.

When the SAFE Act was amended in 2018 to create TA, the headings to that amendment laid out its aims: improving access to mortgage credit and eliminating barriers to jobs for loan originators. While TA has been a welcome innovation to these ends, it has created a disparity between the ease with which MLOs may move between depository and non-depository (or between states) and the burden for MLOs moving between non-depository institutions despite that the latter are currently licensed and previously vetted whereas TA applicants have not received any in-depth review. TA created a streamlined process to allow MLOs to continue originating loans for up to 120 days+ while completing any state-specific requirements. A temporary sponsorship acceptance status could function similarly for already-licensed MLOs moving between non-depository employers, allowing MLOs to begin operating more quickly and providing the states a subsequent period of review during which they can



ensure the MLO has made all appropriate updates to their NMLS record and submitted any state specific requirements.

Sponsorship acceptance is not a barrier to TA applications and a temporary sponsorship status presents less need to amend existing statutes than the implementation of TA required. TA sponsorship requests often remain pending throughout the TA period and yet such MLOs are permitted to enjoy the benefits of TA status even if the state does not accept the sponsorship request until the underlying license application is fully approved. NMLS policy describes sponsorship as “[a] company’s indication that the individual will conduct business under a specific license/registration for the company.” It is unclear in NMLS policy what a state’s acceptance of a sponsorship is intended to signify, given that the NMLS system would already preclude a sponsorship request being made if the company did not already hold (or at least applied for) the corresponding license. Perhaps this is an oversimplification, but the sponsorship acceptance seems to be a more administrative step than a robust oversight function like the license application review process is.

The federal SAFE Act is silent on the mechanics of sponsorship and sponsorship acceptance by the states. Many state licensing statutes are similarly silent or simply require the license to be “sponsored” without prescribing the exact timing, administrative process, or oversight objectives of a state’s review of a sponsorship request. Because fewer statutory and regulatory rule changes would be required, there is a lower barrier to creating a process in NMLS whereby a sponsorship request enters a temporary acceptance status after a defined period and under certain conditions, in the absence of action by the state to deny the request.

In 2018, it was estimated that only about 1% of applicants nationwide had events that would disqualify them from TA status. If similar criteria to TA were put in place for a temporary sponsorship status (i.e., no disqualifying criminal history, no break in service, no denials/revocations/suspensions/cease and desist orders, and is W-2 employee), it would strike a balance between mitigating risk to consumers and streamlining the process. If needed, a temporary sponsorship status could include additional requirements that are not currently applied to sponsorship requests, such as a new criminal background check and/or credit report and imposing minimum standards or flags for the results of such reports like some states have in place as conditions for auto-renewal of MLO licenses.

Creating a temporary sponsorship status would further help to stratify MLO applications and sponsorship requests rather than the lingering first in/first out approach, allowing de novo MLO applications to receive quicker review while TA applications and existing MLO licensees simply awaiting sponsorship can benefit from a temporary status until states have capacity to review them. Given the high volumes of MLO applications in recent years, this could help alleviate extended turn-times which are negatively impacting constituents employed as MLOs and the consumers

they serve, as well as creating additional expense for industry and pressure on agencies facing staffing constraints. MLOs face the greatest impacts, particularly those who are newer to the industry or those who earn a modest income which cannot withstand weeks or months of substantially decreased earning potential as they await sponsorship approval. As the 2018 SAFE Act amendment suggested, barriers to jobs for loan originators has a negative impact on access to mortgage credit. A substantial amount of employment case law dicta also describes how lack of mobility between employers in an industry reduces competition, harms workers, and drives up prices for consumers. Given the significant disruptions in the mortgage industry at present, where large numbers of MLOs are being displaced due to layoffs and forced to seek new employment, creating a streamlined path for licensed MLOs to return to an active and sponsored status is a necessary progression upon the groundwork laid by TA.

### **Increasing Consistency in Temporary Authority Implementation**

Temporary Authority (“TA”) has yielded substantial benefits, however, inconsistencies between states or a lack of nuance in implementation has prevented TA from reaching full potential. Certain scenarios and practices under TA would benefit from further policy guidance. For example:

- Reviewing TA applications late in the TA period to allow prioritization of de novo applications but without needed flexibility to prioritize applications with broader impact. Allowing delayed review of TA applications to create efficiency is a key feature of TA. However, this has unintended consequences if the state also requires the branch manager to hold a full license approval and does not accept TA status. As a result, if the TA applicant is listed as the branch manager on a new branch application, the branch license will remain in a pending status until the TA applicant is reviewed and approved which may be 4+ months. During this time, any other MLOs (under TA or otherwise) at the branch will likewise be unable to conduct business, effectively negating the utility of TA status for the branch manager and any other employees registered there. This situation can also create a “chicken-or-the-egg” problem where a branch license is not being approved because it does not have a fully licensed branch manager and the manager’s license is not being approved because their branch’s license isn’t approved yet – this is particularly challenging where separate staff within an agency review MLO applications and branch applications, which can limit recognition and remedy of the situation.
  - Resolution: In states which require branch managers to be fully approved and not under TA, create a pathway to prioritize the review of TA applicants listed as branch managers on par with or perhaps ahead of de novo applicants.
- Reviewing TA applications as the highest priority at the expense of de novo applications and branch applications. This is an inversion of the purposes of

TA. The policy reasoning is that MLOs under TA are already engaging with the consumers of their state and therefore it serves a greater consumer protection interest to ensure TA applicants are fully reviewed as soon as possible. While that is not an unreasonable viewpoint, this has created delays in de novo MLO and branch applications being reviewed and undercuts one of the primary benefits of TA. It also does not balance the interests of the other stakeholders, including industry and citizens of their own state who are seeking a career as MLOs as de novo applicants, as well as the communities that those would-be MLOs might serve in the absence of these delays.

- Resolution: Review of TA applicants should not be prioritized over review of de novo MLO applicants or branch applications, absent other considerations such as the branch manager under TA scenario above.
- Utilizing the “Intent to Deny” license item merely to indicate that the MLO is not able to presently operate under their system-granted TA status because their branch’s license is not yet approved pending state review. Furthermore, the details of these license items are typically made ‘Private’ which hinders the employer from readily reviewing the nature of the license item to distinguish what is a “true” Intent to Deny the application due to “one or more reasons legally sufficient to deny the license.” It also impedes MLOs and companies from responding to a legitimate “Intent to Deny” that requires specific action to resolve and close monitoring. Intent to Deny automatically ends TA for the MLO. Even though the MLO would not have been operating at that time (given the lack of an approved branch license), the Intent to Deny would prevent them from later taking advantage of their TA status if the branch license approval were received some time later but still within the TA period. This is a particularly harsh result in states where de novo MLO applications are routinely taking 4-6+ months. Regardless of TA status, an MLO cannot do business if their branch does not hold the required license in an approved status and therefore there is no need to take the extraordinary step of placing an Intent to Deny solely to alert MLOs and companies that an individual is not authorized to conduct business. This practice appears to be a misapplication of the Intent to Deny process.
  - Resolution: Clarification to states of the purpose of placing an intent to deny, i.e., indicating a deficiency in the individual’s own application that is grounds to deny the license if not promptly remedied and not to flag an otherwise acceptable MLO application due to a pending branch application. Alternatively, work towards more nuanced business rules and functionality in the NMLS system such that the system will not update to TA unless the required branch license is in an approved status.



## **Improve Industry-Agency Collaboration Regarding MCR and State-Specific Reports**

The Mortgage Call Report (MCR) has helped reduce the number of state-specific reports prepared by industry and reviewed by state agencies. The consistency in the data set and interpretation of MCR reporting requirements across all states is also one of MCR's most welcome features. However, there are many states where older statutes and/or regulations require the submission of state-specific reports on a monthly, quarterly, semi-annual, or annual basis. We have heard from a few state regulators that they would prefer to have these state-specific requirements repealed in favor of relying on the MCR but that gaining traction for legislative change is difficult.

Often the state-specific reports have different parameters as to what loans are reportable and how they are categorized, as compared with the MCR. The result is that many state agencies understandably inquire as to apparent discrepancies between their reports and the MCR, which requires considerable time and effort on both the industry and agency side to identify, crunch data, and explain the basis for the legitimate differences. There are two approaches which could alleviate these issues.

First, a better understanding from industry and agencies that state-specific reports and MCR are not apples-to-apples may reduce state inquiries into the differences in reported figures (i.e., we all expect them to be different) and help industry to provide more helpful context when states do need to make inquiries. At times, inquiries may be presented with an assumption that the licensee has filed one report or the other incorrectly, rather than with a shared understanding that the figures likely diverge for valid reasons. A common discrepancy is with respect to investment properties/non-owner occupied, which are excluded from the definition of an "application" for MCR but on most state reports would be included. Working collaboratively, industry and regulators could identify a set of established differences between MCR and a given state's report and determine how best to convey additional data (consistent with state law) to allow regulators to compare to MCR meaningfully and more easily.

Second, CSBS, industry, trade groups, and agencies can work in parallel on advocacy efforts with state legislatures and rulemaking authorities to continue the trend of eliminating or reducing state-specific reports. Activity in this regard has slowed considerably over the past few years, reaching a plateau where many states still have these requirements on the books with little recent movement. Let's commit to renew our efforts on this front. If the current iteration of MCR is not sufficient for an agency's oversight objectives and mandates, then this initiative could also include collaborative efforts to build out additional features and data fields in the next version of MCR.



Any party wishing to discuss further, please feel free to contact me directly. I can be reached at [kcherry@guildmortgage.net](mailto:kcherry@guildmortgage.net).

Sincerely,

A handwritten signature in black ink that reads "Kaitlyn S. Cherry". The signature is written in a cursive, flowing style.

Kaitlyn S. Cherry  
Licensing Director & Corporate Counsel  
**GUILD MORTGAGE COMPANY LLC**