



SUMMARY OF NMLS OMBUDSMAN PROCESS AND SUBMITTED ISSUES

February 14, 2011

NMLS Ombudsman Process

- Issues are submitted to a designated email address or routed through SRR from industry participants.
- The Ombudsman will address the concerns as directly as possible and provide additional resources or state contacts when necessary.
- Some issues are referred to SRR for resolution. These typically are NMLS navigation issues.
- The Ombudsman will communicate with a state regulator when the issue submitted involves a specific regulator in order to reach a resolution.

Meetings and Communications

- Since January 14, 2010, the NMLS Ombudsman has received nearly 200 inquiries encompassing multiple issues from industry users of NMLS or interested parties.
 - Six individuals submitted topics in response to a call for agenda items during the first NMLS Ombudsman meeting which was held in San Diego, CA on February 9, 2010. The agenda and meeting summary can be found on the NMLS Resource Center's NMLS Ombudsman Page
 - Nine individuals submitted topics for the August 2010 NMLS Ombudsman Agenda. The agenda and meeting summary can be found on the NMLS Resource Center's NMLS Ombudsman Page
 - Five individuals submitted topics for the February 2011 NMLS Ombudsman Agenda. The agenda can be found on the NMLS Resource Center's NMLS Ombudsman Page
 - Two inquiries have come from the media or individuals doing research on the mortgage industry.
 - Approximately 80 inquiries have been related to Testing or Education Issues
 - Confusion on requirements
 - Refund requests and hardship notices
 - Comments on the test content
 - Issues are escalated to SRR for review and resolution
 - Comments on specific course providers

- These are referred to the appropriate staff member at SRR
 - Completed education not showing in NMLS (These issues tend to be resolved by looking in the correct spot in NMLS to view the information)
 - Certification challenges
 - Many of these were successfully resolved via the Ombudsman
- About 25 inquiries related to Credit and/or Criminal Background Standards as contained in the SAFE Act or state law
- A majority of the remaining issues pertain to NMLS navigation and State Specific Requirements, regulations or standards
- Several issues were submitted related to the renewal 2010 deadline
 - Where appropriate, the issues were escalated to SRR for review
- One issue regarding adding clarifying language to the NMLS Policy Guidebook that was brought to the MLPC and all NMLS Participating States
 - This issue was resolved and language was added to the NMLS Policy Guidebook to reflect this decision

February and August 2010 Meetings

February 2010 Meeting Topics

- Manufactured Housing and the SAFE Act
 - This issue has been vetted and addressed
- Sponsorship of MLOs by Exempt Companies
 - NMLS offers an Exempt Company Registration option for participating jurisdictions
- Delayed Effective/Enforcement Dates for Loan Servicers and MHR
 - This issue has been vetted and addressed
- Ability to Access License Information for Compliance Purposes
 - NMLS Offers B2B Subscription Services
- Company Ability to Monitor License Statuses of their MLOs
 - Company reports in NMLS have been updated
- Amendment Approval Process
 - The Pre-Notification Process for Amendments has been developed and will be implemented outside NMLS in 2011
- Identification of Control Persons and Indirect Owners
 - Clarification has been provided through the Guidebook

August 2010 Meeting Topics

- Regulators Not Using NMLS to Record Deficiencies
 - The issue has been raised with all state regulators
- Inconsistent Use of License Statuses in NMLS
 - The issue has been raised with all state regulators
- Regulator Access to Information Submitted through NMLS
 - The issue was addressed during the meeting and the presenter was invited to contact the Ombudsman directly on specific issues
- Non-Mortgage Lending Company Sponsorship of MLOs
 - States offered to work with industry to develop the appropriate avenue in NMLS to accommodate this requirement
- Ombudsman Role and Process
 - Clarification on the Ombudsman Role and Process is available on the NMLS Resource Center and was addressed in the meeting
- Administrative Procedures Act
 - The Policy Making Process for NMLS and SRR is posted on the NMLS Resource Center and was addressed in the February meeting
- Notice and Comment on our Own Accord
 - Industry is invited to submit comments at any time to SRR or the NMLS Ombudsman and during Public Comment Periods.
 - The Industry Development Working Group is an informal taskforce to vet issues that arise
- Use of NMLS Deficiency Functionality for Consumer Complaints
 - The issue was raised with all state regulators, the Mortgage Licensing Policy Committee and the SRR Board of Managers. The decision was made not to pursue a formal policy on this topic
- Provisional Licensing
 - This issue was raised but no states in attendance expressed a desire to accommodate provisional licensing as individuals may take state or national SAFE tests and NMLS approved education before they are approved as a state licensed MLO
- Exempt Company Registration in NMLS
 - NMLS Offers an Exempt Company Registration option for participating jurisdictions