



Request for Public Comment:
NMLS Disclosure Questions

Comment Period: June 22 – August 22, 2022

Table of Contents

Request for Public Comment	3
Background	3
What is Included in this Request for Comment?	3
High Level Summary of Key Proposed Revisions	5
Revisions Applicable to Company and Individual Questions	6
Company Disclosure Questions	7
Company Disclosure Questions as Revised	8
Company Disclosure Questions Redlined	12
Company Disclosure Question Revisions Explanation	16
Company Disclosure Questions Cross Index	35
Individual Disclosure Questions	36
Individual Disclosure Questions as Revised	37
Individual Disclosure Questions Redlined	43
Individual Disclosure Question Revisions Explanation	51
Individual Disclosure Questions Cross Index	76
NMLS Policy Guidebook Glossary Changes and Revisions	77
NMLS Policy Guidebook Revisions	80

Request for Public Comment Disclosure Questions

On behalf of the NMLS Policy Committee¹, the State Regulatory Registry LLC² (SRR) invites comments and feedback on proposed revisions to the Disclosure Questions.

Background

CSBS issued its Core Requirements Proposal³ in July 2020 in connection with NMLS modernization efforts. One of the questions asked in the proposal was whether the NMLS disclosure questions should be reviewed and updated holistically. Approximately 80% of the respondents said yes, as it has been several years since the disclosure questions have been updated.

CSBS staff spent several months reviewing and developing its proposal for revisions to the questions, including appearing before the SRR Lawyers Committee on several occasions, the Multi-state Mortgage Committee, the Industry Development Working Group, and the NMLS Policy Committee.

Between February 2, 2022, and April 1, 2022, on behalf of the NMLS Policy Committee, SRR invited regulator comments and feedback on the proposed revisions to the Disclosure Questions.

Upon the close of the regulator comment period, CSBS staff reviewed the regulator comments received and vetted each comment with the Lawyers Committee before presenting the comments to the Policy Committee with a recommended disposition for each comment received.

The proposal presented herein incorporates regulator feedback and that which the Policy Committee approved.

What is Included in this Request for Comment?

This Document includes a high-level summary of the key proposed revisions, followed by a section detailing proposed revisions that are common to the company and individual disclosure questions.

Following these two sections, this document contains the following items for both the Company and Individual Disclosure Questions (“Questions”):

1. The Questions as revised
2. The Questions redlined to illustrate the proposed revisions

¹ Information about the NMLS Policy Committee can be found [here](#).

² Information about the State Regulatory Registry LLC can be found [here](#).

³ Information about the Core Requirements Proposal can be found [here](#).

3. An explanation document providing detail and rationale for each of the proposed revisions
4. A Cross Index for the existing questions and new questions

After the Questions, you will find the following sections:

1. Glossary section that includes newly defined terms and proposed revisions to existing defined terms
2. Section with the proposed NMLS Policy Guidebook Revisions

High Level Summary of Key Proposed Revisions

The proposed revisions, include, but are not limited to:

1. Questions needed because of the Money Transmission Modernization Act (“the model law”) have been incorporated, for example adding a question about material litigation for companies.
2. The current disclosure questions are inconsistent. For example, the company disclosure questions begin with criminal disclosure questions, while the individual questions begin with financial disclosure questions. The categories are now in the same order for both company and individual disclosure questions and are alphabetical.
3. Company and individual disclosure questions have been compared to ensure that language is consistent, where appropriate.
4. The proposed revisions required changes to definitions of some terms found in the glossary and the addition of terms and definitions to the glossary.
5. The current individual disclosure questions have embedded in some of the sections questions related to activities that occurred while an individual exercised control over an organization. In the proposed revisions, these questions have been moved to their own section entitled “Individual Disclosure Questions Pertaining to Control Activities.” This new section notes that if an individual does not or has never exercised control of an organization, these questions would be not applicable.
6. Similarly, both the company and individual questions ask questions pertaining to the company’s or the individual’s authorization to act as a contractor, accountant or attorney. These questions have been isolated in their own section. The proposed revision also adds financial services licenses and other professional licenses to this inquiry.

Revisions Applicable to Company and Individual Questions

The following are revisions that are common to the company and the individual questions:

1. Everywhere “statute(s) or regulation(s)” appears was changed to read “statute or regulation.”
2. Everywhere the term “pending regulatory action proceeding” appears was changed to read “pending regulatory action.” The word “proceeding” adds nothing.
3. Numerous questions in both documents refer to Federal or State regulatory authorities. Changes were made to ensure the clause is uniform throughout the document. In addition, Local regulatory authorities were added to the clause, so that it now reads “Federal, State or Local.”
4. Numerous questions in both documents use the phrase “financial services or financial services-related.” The revisions propose renaming the phrase to “financial services.” The proposed revision to the entry in the glossary (as shown in the glossary document included here and as referenced below) states that the term “financial services” includes those activities that are financial services or financial services-related. The term was also expanded to include consumer protection laws or regulations that pertain to the financial services items enumerated in the definition. Accordingly, everywhere the term “financial services-related” appears in the disclosure questions, was changed to “financial services.” Below is the revised definition (the redlined version can be found in the glossary document provided):

FINANCIAL SERVICES – The term includes those activities that are financial services or financial services-related and pertaining to securities, commodities, banking, insurance, consumer lending, money services businesses, consumer debt management or real estate (including, but not limited to; acting as or being associated with a bank or savings association, credit union, Farm Credit System institution, mortgage lender, mortgage broker, real estate salesperson or agent or broker, appraiser, closing agent, title company, escrow agent, payday lender, money transmitter, check casher, pawnbroker, collection agent, debt management company or title lender). The term also includes consumer protection laws or regulations that pertain to the financial services items enumerated here.

Company Disclosure Questions

Company Disclosure Questions as Revised

Civil Judicial Disclosure

1. In the past 10 years, has any court:
 - a. found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found the entity or a control affiliate was involved in a violation of any financial services statute or regulation?
 - c. found the entity or a control affiliate to have been a cause of another financial services business having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?
 - d. enjoined the entity or a control affiliate in connection with any financial services activity?
 - e. dismissed, pursuant to a settlement agreement, a financial services civil action brought against the entity or control affiliate by a Federal, State, Local or foreign financial regulatory authority or any consumer protection authority?

2. Are there any pending financial services civil actions against the entity or a control affiliate that allege the entity or control affiliate:
 - a. made a false statement or omission?
 - b. had been dishonest, unfair or unethical?
 - c. violated a financial services statute or regulation?

3. Are there any pending financial services civil actions against the entity or a control affiliate whereby the remedy being sought is to enjoin the entity or control affiliate in connection with any financial services activity?

Criminal Disclosure

4. Has the entity or a control affiliate ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any felony?

5. Are there any pending charges against the entity or a control affiliate for any felony?

6. In the past 10 years has the entity or a control affiliate been convicted of or pled guilty or nolo contendere ("no contest") in any court to committing or conspiring to commit a misdemeanor involving:
 - a. a financial services business
 - b. fraud
 - c. false statements or omissions
 - d. theft or wrongful taking of property
 - e. bribery

- f. perjury
- g. forgery
- h. counterfeiting
- i. extortion

7. Are there any pending charges against the entity or a control affiliate for any misdemeanor specified in question 6?

Financial Disclosure

- 8. In the past 10 years has the entity or a control affiliate filed or been the subject of a bankruptcy petition, whether voluntary or involuntary?
- 9. Has a bonding company ever denied issuance of, paid out on, or revoked a bond for the entity?
- 10. Does the entity have any unsatisfied judgments against it?
- 11. Does the entity have any unsatisfied liens against it?
- 12. Has a third-party service provider notified the entity or a control affiliate of its intent to modify or cancel an arrangement with the entity or a control affiliate that would materially alter the entity's ability to conduct its business activities for the license it holds or intends to hold?
- 13. In the past 10 years, has the entity or a control affiliate been involved in any material litigation?

Regulatory Action Disclosure – Part I

- 14. In the past 10 years, has any Federal, State or Local regulatory agency, governmental entity, foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ever:
 - a. found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found the entity or a control affiliate to have been involved in a violation of a financial services statute or regulation?
 - c. found the entity or a control affiliate to have been a cause of another financial services business having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?
 - d. enjoined the entity or a control affiliate in connection with any financial services activity?
 - e. taken a regulatory action, whether administrative or civil, including entering an order or dismissing an action pursuant to a settlement agreement, against the entity or a control affiliate in connection with a financial services activity?
 - f. denied, suspended or revoked the entity's or a control affiliate's registration or license or otherwise prevented it from associating with a financial services business or restricted its activities?

15. Is there a pending regulatory action, either administrative or civil, against the entity or a control affiliate that alleges or could result in a finding that the entity or control affiliate has:
- a. made a false statement or omission or been dishonest, unfair or unethical?
 - b. been involved in a violation of a financial services statute or regulation?
 - c. caused a financial services business to have its license or authorization to conduct a business activity denied, suspended, revoked or restricted?

Regulatory Action Disclosure – Part II

Questions 16 and 17 pertain to entities or control affiliates that currently hold or have ever held an authorization to act as a contractor on behalf of a federal, state or local government entity.

If the below questions are not applicable, applicant shall indicate they are not applicable.

16. Has the entity's or a control affiliate's ability to or authorization to act as a contractor on behalf of a federal, state or local government entity ever been revoked, debarred, suspended or restricted?
17. Is there a pending regulatory action, either administrative or civil, against the entity or a control affiliate whereby the remedy being sought is or could result in the revocation, debarment, suspension or restriction of an authorization to act as a contractor on behalf of a federal, state or local government entity?

Questions 18– 23 pertain to entities who have key individuals or control individuals who are or have ever been licensed as attorneys or accountants or who hold or have ever held a financial services professional license.

If the below questions are not applicable, applicant shall indicate they are not applicable.

18. Have any key individuals or control individuals as identified in the entity's NMLS record ever had their license to act as an attorney revoked, suspended or restricted?
19. Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record whereby the remedy being sought is or could result in the revocation, suspension or restriction of such individual's license to act as an attorney?
20. Have any key individuals or control individuals as identified in the entity's NMLS record ever had their license to act as an accountant revoked, suspended or restricted?
21. Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record whereby the remedy being sought is or could result in the revocation, suspension or restriction of such individual's license to act as an accountant?

22. Have any key individuals or control individuals as identified in the entity's NMLS record ever had a financial services license or any other professional license revoked, suspended or restricted?

23. Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record whereby the remedy being sought is or could result in the revocation, suspension or restriction of such individual's financial services license or any other professional license?

Company Disclosure Questions Redlined

Civil Judicial Disclosure

1. ~~In the past 10 years, H~~ has any ~~domestic or foreign~~ court:
 - a. ~~found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?~~
 - b. ~~in the past ten years~~ found the entity or a control affiliate was involved in a violation of any ~~or~~ financial services ~~related~~ statute or regulation?
 - c. ~~e~~ ~~found the entity or a control affiliate to have been a cause of another financial services business, having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?~~
 - d. ~~in the past ten years~~ enjoined the entity or a control affiliate in connection with any ~~or~~ financial services ~~related~~ activity?
 - ed. ~~in the past ten years~~ dismissed, pursuant to a settlement agreement, a ~~or~~ financial services ~~related~~ civil action brought against the entity or control affiliate by a Federal, State, Local or foreign financial regulatory authority ~~authority~~ or any consumer protection authority?

2. ~~Is Are~~ there any pending financial services ~~related~~ civil actions ~~against in which~~ the entity or a control affiliate that allege the entity or control affiliate:
 - a. made a false statement or omission?
 - b. had been dishonest, unfair or unethical?
 - c. violated a financial services or statute or regulation? ~~is named for any alleged violation described in question 6?~~

3. ~~Are Is~~ there any pending financial services ~~or~~ civil actions against the entity or a control affiliate whereby the remedy being sought is to enjoin the entity or control affiliate in connection with any financial services or activity?

Criminal Disclosure

4. ~~Has~~ the entity or a control affiliate ever ~~been~~ convicted of or pled guilty or nolo contendere ("no contest") in any ~~domestic, foreign or military~~ court to any felony?

5. ~~Are there any pending charges Has the entity or a control affiliate ever been charged with any felony?~~ against the entity or a control affiliate for any felony?

6. -In the past 10 years has the entity or a control affiliate been convicted of or pled guilty or nolo contendere (“no contest”) in ~~any domestic, foreign or military~~ court to committing or conspiring to commit a misdemeanor involving:

- a. a financial services ~~or a financial services related~~ business
- b. fraud
- c. false statements or omissions
- d. theft or wrongful taking of property
- e. bribery
- f. perjury
- g. forgery
- h. counterfeiting
- i. extortion

7. -Are there any pending charges against the entity or a control affiliate for any misdemeanor specified in question 6?

Financial Disclosure

8. In the past ~~10 ten~~ years has the entity or a control affiliate filed or been the subject of a bankruptcy petition, whether voluntary or involuntary?

9. Has a bonding company ever denied issuance of, paid out on, or revoked a bond for the entity?

10. Does the entity have any unsatisfied judgments ~~or liens~~ against it?

11. Does the entity have any unsatisfied liens against it?

12. Has a third-party service provider notified the entity or a control affiliate of its intent to modify or cancel an arrangement with the entity or a control affiliate that would materially alter the entity’s ability to conduct its business activities for the license it holds or intends to hold?

13. In the past 10 years, has the entity or a control affiliate been involved in any material litigation?

Regulatory Action Disclosure – Part I

14. In the past 10 years, has any Federal, State or Local ~~or federal~~ regulatory agency, governmental entity, or foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ever:

- a. found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?

- b. found the entity or a control affiliate to have been involved in a violation of a financial services ~~related statute or~~ regulation(s) ~~or statute(s)~~?
- c. found the entity or a control affiliate to have been a cause of another financial services ~~financial services related~~ business having its license or /authorization to ~~do~~ conduct a business activity denied, suspended, revoked or restricted?
 - d. enjoined the entity or a control affiliate in connection with any financial services activity?
 - e. entered an order taken a regulatory action, whether administrative or civil, including entering an order or dismissing an action pursuant to a settlement agreement, or taken an administrative action against the entity or a control affiliate in connection with a financial services ~~related~~ activity?
 - f. denied, suspended or revoked the entity's or a control affiliate's registration or license or otherwise prevented it from associating with a financial services related business or restricted its activities?

15. Is there a pending regulatory action, either administrative or civil, action proceeding against the entity or a control affiliate for any alleged violation in (C) through (D) that alleges makes allegations of or could result in a finding that the entity or control affiliate has or could result in a finding of: ~~ed violation described in item 4?~~
- a. made a false statement or omission or been dishonest, unfair or unethical?
 - b. been involved in a violation of a financial services statute or regulation?
 - c. caused a financial services business to have its license or authorization to conduct a business activity denied, suspended, revoked or restricted?

Regulatory Action Disclosure – Part II

Questions 16 and 17 pertain to entities or control affiliates that currently hold or have ever held an authorization to act as a contractor on behalf of a federal, state or local government entity.

If the below questions are not applicable, applicant shall indicate they are not applicable.

16. Has the entity's or a control affiliate's ability to or authorization to act as a contractor on behalf of a n attorney, accountant, or fFederal, Sstate or lLocal government entity ~~or federal contractor~~ ever been revoked, debarred, or suspended or restricted?
17. Is there a pending regulatory action, either administrative or civil, against the entity or a control affiliate whereby the remedy being sought is- or could result in the revocation, debarment, suspension or restriction of an authorization to act as a contractor on behalf of a Ffederal, Sstate or lLocal government entittycontractor?

Questions 18 – 23 pertain to entities who have key individuals or control individuals who are or have ever been licensed as attorneys or accountants or who hold or have ever held a financial services professional license.

If the below questions are not applicable, applicant shall indicate they are not applicable.

18. Have any key individuals or control individuals as identified in the entity's NMLS record ever had their license to act as an attorney revoked, suspended or restricted?
19. Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record ~~for any alleged violation described in question 15~~ whereby the remedy being sought is or could result in the revocation, ~~the revocation, or~~ suspension or restriction of such individual's license to act as an attorney?
20. Have any key individuals or control individuals as identified in the entity's NMLS record ever had their license to act as an accountant revoked, suspended or restricted?
21. ~~Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record whereby the remedy being sought is or could result in the revocation, or suspension or restriction of such individual's license to act as an accountant?~~~~for any alleged violation described in question 17~~
22. ~~Have any key individuals or control individuals as identified in the entity's NMLS record ever had a their financial services license or any other professional license revoked, suspended or restricted?~~
23. Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record ~~for any alleged violation described in question 15~~ whereby the remedy being sought is or could result in the revocation, ~~or suspension or restriction of such individual's~~ financial services license or any other ~~or financial services-related~~ professional license?

Company Disclosure Question Revisions Explanation

Civil Judicial Disclosure

Proposed Revised Question 1

1. In the past 10 years, has any court:
 - a. found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found the entity or a control affiliate was involved in a violation of any financial services statute or regulation?
 - c. found the entity or a control affiliate to have been a cause of another financial services business having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?
 - d. enjoined the entity or a control affiliate in connection with any financial services activity?
 - e. dismissed, pursuant to a settlement agreement, a financial services civil action brought against the entity or control affiliate by a Federal, State, Local or foreign financial regulatory authority or any consumer protection authority?

Description of Proposed Revisions to Question 1

- a. Rather than have each item in the list (a-e) start with “in the past 10 years,” “in the past 10 years” was moved to the beginning.
- b. Rather than ask if any domestic or foreign court has found or taken the actions listed in a-e, the question will ask if any court has found or taken the actions listed in a-e. As stated in the glossary document, Court will be a new term as follows:

Court

The term court includes, but is not limited, to a domestic, foreign, military, or tribal court.

- c. The definition of “found” in the glossary does not fit well with the use of found in the questions. It is proposed that the definition of found be amended as shown in the glossary document. The proposed revised definition is as follows:

Found

A determination that led to the issuance of one or more of the following:

- adverse final actions
- consent decrees/orders including those in which the respondent has neither admitted nor denied the findings

- agreements or settlements that are a matter of public record, including agreements or settlements in which the respondent has neither admitted nor denied the findings.

Does not include the issuance or imposition of:

- agreements or settlements that are not a matter of public record
- late fees
- deficiency letters
- examination reports
- memoranda of understanding
- letters of caution
- admonishments, or
- similar informal resolutions of matters.

“Settlement” often falls under the “included” category like consent decrees and final actions. However, in jurisdictions that use “settlement” to be synonymous with “agreement” such settlements would fall under the “not included” batch with other agreements, unless the agreement was a matter of public record.

- d. Question 1 a is new and mirrors the same question for individuals.
- e. Question 1c is new and was added to mirror the question in 14 (c). In some states agency license matters are enforced via a civil action, while in others it would be an administrative action.
- f. Added “any consumer protection authority” to question 1(e). Consumer protection will be a newly defined term.
- g. The proposed definition for consumer protection is found in the glossary document attached and is as follows:

Consumer Protection

Consumer protection or consumer protections refer to laws or regulations designed to protect a consumer, including but not limited to, laws or regulations which limit or prohibit unfair, deceptive, abusive or fraudulent practices, or require disclosures to consumers.

Civil Judicial Disclosure

Proposed Revised Questions 2 and 3

2. Are there any pending financial services civil actions against the entity or a control affiliate that allege the entity or control affiliate:
 - a. made a false statement or omission?
 - b. had been dishonest, unfair, or unethical?
 - c. violated a financial services statute or regulation?

3. Are there any pending financial services civil actions against the entity or a control affiliate whereby the remedy being sought is to enjoin the entity or control affiliate in connection with any financial services activity?

Description of Proposed Revisions to Questions 2 and 3

- a. Questions 2 and 3 replace what is currently question G in the company disclosure questions.

- b. Question G asks about pending civil actions for those items that now appear in Question 1. The items listed in Question 1 are findings and actions. Question G has been broken into two questions. Question 2 has the findings that are in Question 1 and Question 3 has the actions that are in Question 1.

Criminal Disclosure

Proposed Revised Question 4

4. Has the entity or a control affiliate ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any felony?

Description of Proposed Revisions to Question 4

- a. The current question asks if the entity or control affiliate has ever been convicted of or pled guilty or nolo contendere ("no contest") in any domestic, foreign or military court to any felony. The term "domestic, foreign or military court" will be changed to read "any court" as described above in item b for Question 1.

Criminal Disclosure

Proposed Revised Question 5

5. Are there any pending charges against the entity or a control affiliate for any felony?

Description of Proposed Revisions to Question 5

- a. Rather than ask if the entity or control affiliate has ever been charged with any felony, the proposed revision asks whether there are any pending felony charges against the entity or control affiliate. This language mirrors the language for the corresponding question for an individual.
- b. The current question is broader and asks, "Has the entity or control affiliate ever been charged with any felony?"

Criminal Disclosure

Proposed Revised Question 6

6. In the past 10 years has the entity or a control affiliate been convicted of or pled guilty or nolo contendere (“no contest”) in any court to committing or conspiring to commit a misdemeanor involving:
- a. a financial services business
 - b. fraud
 - c. false statements or omissions
 - d. theft or wrongful taking of property
 - e. bribery
 - f. perjury
 - g. forgery
 - h. counterfeiting
 - i. extortion

Description of Proposed Revisions to Question 6

- a. The current question asks, “In the past 10 years, has the entity or control affiliate ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign or military court to...”. The term “domestic, foreign or military court” will be changed to read “any court” as described above in item a for question 1.
- b. The items listed in question 6 have not changed, however the items are in a list rather than in one sentence.

Criminal Disclosure

Proposed Revised Question 7

7. Are there any pending charges against the entity or a control affiliate for any misdemeanor specified in question 6?

Description of Proposed Revisions to Question 7

- a. Added the word “any” before pending charges.
- b. Added the word “any” before misdemeanor, as opposed to reading a misdemeanor.

Financial Disclosure

Proposed Revised Question 8

8. In the past 10 years, has the entity or a control affiliate filed or been the subject of a bankruptcy petition, whether voluntary or involuntary?

Description of Proposed Revisions to Question 8

- a. Expanded the question to include whether a bankruptcy has been filed, by adding “filed or” before “been the subject of a bankruptcy petition.”
- b. Clarified the question to note a bankruptcy petition may be voluntary or involuntary by adding “whether voluntary or involuntary” at the end of the question.

Financial Disclosure

Proposed Revised Question 9

9. Has a bonding company ever denied issuance of, paid out on, or revoked a bond for the entity?

Description of Proposed Revisions to Question 9

- a. Added "issuance of" after the word denied, so that the respondent must also disclose if they have ever been denied issuance of a bond.

Financial Disclosure

Proposed Revised Questions 10 and 11

10. Does the entity have any unsatisfied judgments against it?

11. Does the entity have any unsatisfied liens against it?

Description of Proposed Revisions to Questions 10 and 11

- a. The prior question, “does the entity have any unsatisfied judgments or liens against it?” has been split into two questions.
- b. Propose terms “lien” and “unsatisfied” be newly defined terms.
- c. Below is the proposed definition of “lien” that is found in the glossary document attached:

Lien

The term lien includes, but is not limited to, judgment liens, tax liens, child support liens, IRS liens, liens related to a collection account, and mechanics/materialmen’s liens. The term does not include a mortgage lien.

- c. Below is the proposed definition of “unsatisfied” that is found in the glossary document attached:

Unsatisfied

Any item that is not paid in full, including, but not limited to, any items for which payments are being made, pursuant to a payment plan or otherwise.

Financial Disclosure

Proposed Revised Question 12

12. Has a third-party service provider notified the entity or a control affiliate of its intent to modify or cancel an arrangement with the entity or a control affiliate that would materially alter the entity's ability to conduct its business activities for the license it holds or intends to hold?

Description of Proposed Revisions to Question 12

- a. This is a new question. It goes to the very core of an applicant's ability to conduct its business.
- b. "Third-party service provider" will be a newly defined term. The proposed definition found in the glossary document attached is as follows:

Third-party service provider

An individual or company, including subsidiaries or affiliates, that provides goods or services to an entity in connection with the operation of its business. Goods or services, include, but are not limited to, lines of credit, whether warehouse or operating, regulatory compliance services, customer facing services or documents, technology solutions, accounting or financial services.

Financial Disclosure

Proposed Revised Question 13

13. In the past 10 years, has the entity or a control affiliate been involved in any material litigation?

Description of Proposed Revisions to Question 13

- a. This question is new.
- b. The question is being added to incorporate a requirement of the Money Transmission Modernization Act (the model law).
- c. Material litigation will be a newly defined term. The proposed definition stated below is what is in the model law and is found in the glossary document attached:

Material Litigation

Litigation that according to generally accepted accounting principles is significant to an applicant's or a licensee's financial health and would be required to be disclosed in the applicant's or licensee's annual audited financial statements, report to shareholders, or similar records.

Regulatory Action Disclosure

The Regulatory Action Disclosure Questions have been divided into two parts. Part I will be applicable to all applicants. Part II may or may not be applicable to an applicant.

Depending on the state, regulatory actions may be brought via a civil or administrative action, therefore, where appropriate the language was changed throughout the Regulatory Action questions.

Regulatory Action Questions Part I

Proposed Revised Question 14

14. In the past 10 years, has any Federal, State or Local regulatory agency, governmental entity, foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ever:
- a. found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found the entity or a control affiliate to have been involved in a violation of a financial services statute or regulation?
 - c. found the entity or a control affiliate to have been a cause of another financial services business having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?
 - d. enjoined the entity or a control affiliate in connection with any financial services activity?
 - e. taken a regulatory action, whether administrative or civil, including entering an order or dismissing an action pursuant to a settlement agreement, against the entity or a control affiliate in connection with a financial services activity?
 - f. denied, suspended or revoked the entity's or a control affiliate's registration or license or otherwise prevented it from associating with a financial services business or restricted its activities?

Description of Proposed Revisions to Question 14

- a. Added local regulatory agency, governmental entity and any consumer protection authority to the question.
- b. Propose that the terms "consumer protection" and "governmental entity" be newly defined terms.
- c. The proposed definition for consumer protection is found in the glossary document attached and is as follows:

Consumer Protection

Consumer protection or consumer protections refer to laws or regulations designed to protect a consumer, including but not limited to, laws or regulations which limit or prohibit unfair, deceptive, abusive or fraudulent practices, or require disclosures to consumers.

- d. The proposed definition for governmental entity is found in the glossary document attached and is as follows:

Governmental Entity

A department or agency of the United States, any state or political subdivision thereof or of a locality that regulates financial services activity. The term also includes a department or agency or the equivalent of a foreign state, nation, country, government or the like.

- e. Item c was reworded to read “license or authorization to conduct” a business. Also added “another” before financial services business to make it clear the reference is to another licensee.
- f. Item d is new.
- g. Item e was reworded to account for how regulatory actions may be brought as noted above. Also added dismissal of an action pursuant to a settlement agreement as an item that must be disclosed.

Regulatory Action Disclosure Part I

Proposed Revised Question 15

15. Is there a pending regulatory action, either administrative or civil, against the entity or a control affiliate that alleges or could result in a finding that the entity or control affiliate has:
- a. made a false statement or omission or been dishonest, unfair or unethical?
 - b. been involved in a violation of a financial services statute or regulation?
 - c. caused a financial services business to have its license or authorization to conduct a business activity denied, suspended, revoked or restricted?

Description of Proposed Revisions to Question 15

- a. Current Question E asks about a pending regulatory action proceeding for any alleged violation in question 14.
- b. Items a-c in question 14 are findings, while d-f are actions, therefore, only a-c needs to be addressed in question 15.

Regulatory Action Disclosure - Part II

All or some of the questions in Part II could be not applicable. Part II questions pertain to an entity or control affiliate and their ability to act as an accountant, an attorney, or authorization to act as a contractor on behalf of a federal, state or local government entity.

The questions have been broken out by category; one set for contractors, one for attorneys, one for accountants and one for financial services professional licensees.

If any of the questions in this section are not applicable, applicant shall indicate they are not applicable.

Proposed Revised Questions 16 and 17

Questions 16 and 17 pertain to entities or control affiliates that currently hold or have ever held an authorization to act as a contractor on behalf of a federal, state or local government entity.

16. Has the entity's or a control affiliate's ability to or authorization to act as a contractor on behalf of a federal, state or local government entity ever been revoked, debarred, suspended, or restricted?

17. Is there a pending regulatory action proceeding, either administrative or civil, against the entity or a control affiliate whereby the remedy being sought is or could result in the revocation, debarment, suspension, or restriction of an authorization to act as a contractor on behalf of a federal, state or local government entity?

Description of Proposed Revisions to Questions 16 and 17

- a. Expanded the type of contractor to include local contractors for both questions.
- b. Changed the contractor language to replace "act as Federal State or Local contractor[s]" with "act as a contractor on behalf of a federal, state, or local government entity."
- c. Reworded the language to provide clarity.
- d. Amended "authorization to act" to read "ability to or authorization to act" in question 16.
- e. Added debarred and restricted to the list of actions referenced in question 16.
- f. Added debarment and restriction in question 17 to mirror the addition to question 16 noted in item e above.
- g. Reworded question 17 to require disclosure where the remedy being sought is or could be any of the enumerated items.

Regulatory Action Disclosure – Part II

Proposed Revised Questions 18 and 19

18. Have any key individuals or control individuals as identified in the entity's NMLS record ever had their license to act as an attorney revoked, suspended, or restricted?

19. Is there a pending regulatory action proceeding, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record, whereby the remedy being sought is or could result in the revocation, suspension, or restriction of such individual's license to act as an attorney?

Description of Proposed Revisions to Questions 18 and 19

- a. The current questions ask about an entity's or control affiliate's ability to act as an attorney. Entities may be law firms (i.e., a partnership), but it is the individuals within the firms that would have had their license to practice law be revoked. The inquiry has been changed to apply to key individuals identified in a Company record.

- b. Questions 18 and 19 pertain to key individuals or control individuals that currently hold or have ever held a license to act as an attorney.

- c. Added "restricted" to the list of actions that could be taken against a license in question 18 and added "restriction" in question 19.

- d. Reworded question 19 to require disclosure where the remedy being sought is or could be any of the enumerated items.

- e. Key individual is a newly defined term. The definition as stated in the Glossary is as follows:

A key individual within an entity includes the Highest-Ranking Executive and individuals who can exercise control by virtue of ownership, a leadership role, or responsibility for establishing, maintaining, and approving policies and procedures for denoted functional areas.

Regulatory Action Disclosure - Part II

Proposed Revised Questions 20 and 21

20. Have any key individuals or control individuals as identified in the entity's NMLS record ever had their license to act as an accountant revoked, suspended, or restricted?
21. Is there a pending regulatory action proceeding, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record, whereby the remedy being sought is or could result in the revocation, suspension, or restriction of such individual's license to act as an accountant?

Description of Proposed Revisions to Questions 20 and 21

- a. The current questions ask about an entity's or control affiliate's ability to act as an accountant. Entities may be CPA firms, but it is the individuals within the firms that would have had their license to act as an accountant be revoked. The inquiry has been changed to apply to key individuals identified in a Company record.
- b. Questions 20 and 21 pertain to key individuals or control individuals that currently hold or have ever held a license to act as an accountant.
- c. Added "restricted" to the list of actions that could be taken against a license in question 20 and added "restriction" in question 21.
- d. Reworded question 21 to require disclosure where the remedy being sought is or could be any of the enumerated items.

Proposed Revised Questions 22 and 23

22. Have any key individuals or control individuals as identified in the entity's NMLS record ever had a financial services license or any other professional license revoked, suspended, or restricted?

23. Is there a pending regulatory action, either administrative or civil, against any key individual or control individual as identified in the entity's NMLS record whereby the remedy being sought is or could result in the revocation, suspension or restriction of such individual's financial services license or any other professional license?

Description of Proposed Revisions to Questions 22 and 23

- a. Questions 22 and 23 are new and refer to the ability to act pursuant to a financial services license or any other professional license.

- b. The construct of these questions is the same as 18-21.

Company Disclosure Questions Cross Index

Original Question #	New Question #
A-1	4
A-2	5
B-1	6
B-2	7
C-1	14(a)
C-2	14(b)
C-3	14(c)
C-4	14(e)
C-5	14(f)
D	16, 18 and 20
E-C	15
E-D	17, 19 and 21
F-1	1(d)
F-2	1(b)
F-3	1(e)
G	2 and 3
H	8
I	9
J	10 and 11

Original Question #	New Question #
New	1(a)
F-2	1(b)
New	1(c)
F-1	1(d)
F-3	1(e)
G	2
G	3
A-1	4
A-2	5
B-1	6
B-2	7
H	8
I	9
J	10 and 11
New	12
New	13
C-1	14(a)
C-2	14(b)
C-3	14(c)
New	14(d)
C-4	14(e)
C-5	14(f)
E-C	15
D	16
E-D	17
D	18
E-D	19
D	20
E-D	21
New	22
New	23

Individual Disclosure Questions

Individual Disclosure Questions as Revised

Civil Judicial Disclosure

1. Has any court ever:
 - a. found that you made a false statement or omission or you were dishonest, unfair or unethical?
 - b. found that you were involved in a violation of any financial services statute or regulation?
 - c. enjoined you in connection with any financial services activity?
 - d. dismissed, pursuant to a settlement agreement, a financial services civil action brought against you by a Federal, State, Local or foreign financial regulatory authority or any consumer protection authority?

2. Are there any pending financial services civil actions against you that allege you:
 - a. made a false statement or omission?
 - b. were dishonest, unfair or unethical?
 - c. violated a financial services statute or regulation?

3. Are there any pending financial services civil actions against you whereby the remedy being sought is to enjoin you in connection with any financial services activity?

Criminal Disclosure

4. Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any felony?

5. Are there any pending charges against you for any felony?

6. In the past 10 years, have you been convicted of or pled guilty or nolo contendere ("no contest") in any court to committing or conspiring to commit a misdemeanor involving:
 - a. a financial services business
 - b. fraud
 - c. false statements or omissions
 - d. theft or wrongful taking of property
 - e. bribery
 - f. perjury
 - g. forgery
 - h. counterfeiting
 - i. extortion

7. Are there any pending charges against you for any misdemeanor specified in question 6?

Customer Arbitration/Civil Litigation Disclosure

8. Have you ever been named as a respondent or defendant in a financial services consumer-initiated arbitration or civil litigation which:
 - a. is still pending?
 - b. resulted in an arbitration award or civil judgment against you, regardless of amount, or that required corrective action?
 - c. was settled for any amount?

Financial Disclosure

9. In the past 10 years have you filed or been the subject of a personal bankruptcy petition, whether voluntary or involuntary?
10. In the past 10 years, have you been the subject of any non-judicial or judicial efforts to foreclose on real property, either commercial or residential?
11. Has a bonding company ever denied issuance of, paid out on, or revoked a bond for you?
12. Do you have any unsatisfied judgments against you?
13. Do you have any unsatisfied liens against you?
14. Are you delinquent on any court ordered child support payments?

Regulatory Action Disclosure – Part I

15. Has any Federal, State or Local regulatory agency, governmental entity, foreign financial regulatory authority self-regulatory organization (SRO) or any consumer protection authority ever:
 - a. found you to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found you to have been involved in a violation of a financial services statute or regulation?
 - c. found you to have been a cause of a financial services business having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?
 - d. entered an order against you in connection with a financial services activity?
 - e. restricted or revoked your registration or license?
 - f. denied or suspended your registration or license or application for licensure, disciplined you, prevented you from associating with a financial services business or otherwise restricted your activities?
 - g. barred you from association with an entity regulated by such commissions, authority, agency, or officer or from engaging in a financial services business?
 - h. issued a final order against you based on violations of any law or regulation that prohibit fraudulent, manipulative, or deceptive conduct?
 - i. taken a regulatory action, whether administrative or civil, including entering an order or dismissing an action pursuant to a settlement agreement against you in connection with any license or registration?

16. Is there a pending regulatory action, either administrative or civil, against you that alleges or could result in a finding that you:
 - a. made a false statement or omission or were dishonest, unfair or unethical?
 - b. violated a financial services statute or regulation?
 - c. were a cause of a financial services business having its authorization to do business denied, suspended, revoked or restricted?
 - d. violated a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct?

17. Is there a pending regulatory action, either administrative or civil, against you whereby the remedy being sought is:
 - a. restriction or revocation of a license or registration?
 - b. denial or suspension of a registration or license or application for licensure?
 - c. an injunction from association with a financial services business?
 - d. restriction of your ability to conduct financial services activities?
 - e. to bar you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services business?

Regulatory Action Disclosure – Part II

Questions for individuals that currently hold or have ever held a financial services professional license or are or have ever been authorized to act as a contractor on behalf of a federal, state or local government entity, authorized to act as an attorney or authorized to act as an accountant.

If the below questions are not applicable, applicant shall indicate they are not applicable.

18. Have you ever had an ability to or authorization to act as an attorney, accountant, or a contractor on behalf of a federal, state or local government entity restricted, revoked, debarred or suspended?

19. Are there any pending regulatory actions against you whereby the remedy being sought is or could result in the restriction, revocation, debarment or suspension of your authorization to act as an attorney, accountant or a contractor on behalf of a federal, state or local government entity?

20. Have you ever had a financial services license or any other professional license restricted, revoked, debarred or suspended?

21. Are there any pending regulatory actions against you whereby the remedy being sought is or could result in the restriction, revocation, debarment or suspension of your financial services license or any other professional license?

Termination Disclosure

22. Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of:
- a. violating a statute, regulation, rule, or industry standard of conduct?
 - b. fraud, dishonesty, theft, or the wrongful taking of property?

Individual Disclosures Pertaining to Control Activities

If an individual does not or has never exercised control over an organization, these questions would be not applicable.

Civil Judicial Disclosure

23. Based on activities that occurred while you exercised control over an organization:
- a. is there a pending financial services civil action against such organization which alleges a violation of a financial services statute or regulation?
 - b. was the organization found to have violated a financial services statute or regulation?
24. Based on activities that occurred while you exercised control over an organization:
- a. is there a pending financial services civil action in which such organization is named for which the remedy being sought is an injunction in connection with a financial services activity?
 - b. has such organization ever been enjoined in connection with a financial services activity?

Criminal Disclosure

25. Based on activities that occurred while you exercised control over an organization:
- a. Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any felony?
 - b. Are there any pending charges against any organization for any felony?
 - c. Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any misdemeanor specified in question 6 in the past 10 years?

- d. Are there any pending charges against any organization for any misdemeanor specified in question 6?

Financial Disclosure

26. Based on events that occurred while you exercised control over an organization:

- a. Has any organization filed or been the subject of a bankruptcy petition, whether voluntary or involuntary, within the past 10 years?
- b. Has any bonding company ever denied issuance of, paid out on, or revoked a bond for any organization?

Regulatory Action Disclosure

27. Based on activities that occurred while you exercised control over an organization, has any Federal, State or Local regulatory agency or foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection agency ever:

- a. found the organization to have made a false statement or omission or been dishonest, unfair or unethical?
- b. found the organization to have been involved in a violation of a financial services statute or regulation?
- c. found the organization to have been a cause of another financial services business having its license or other authorization to conduct a business activity denied, suspended, revoked or restricted?

28. Based on activities that occurred while you exercised control over an organization:

- a. Has any Federal, State or Local regulatory agency, foreign financial regulatory authority self-regulatory organization (SRO) or any consumer protection agency ever taken any of the below actions against any organization:
 - i. restriction or revocation of a registration or license?
 - ii. denial or suspension of a registration or license or application for licensure?
 - iii. entered an injunction from association with a financial services business?
 - iv. restricted the organization's financial services activities?
 - v. barred the organization from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services business?
 - vi. taken a regulatory action, whether administrative or civil including entering an order or dismissing an action pursuant to a settlement agreement against the entity or a control affiliate in connection with a financial services activity?
- b. Are there any pending regulatory actions against any organization that alleges or could result in a finding that the organization:
 - i. made a false statement or omission or been dishonest, unfair or unethical?
 - ii. was involved in a violation of a financial services statute or regulation?

- c. Is there a pending regulatory action against the organization that alleges or could result in a finding that the organization caused another financial services business to have its license or other authorization to conduct a business activity denied, suspended, revoked or restricted?

Questions for individuals that exercised control over an organization that currently holds or has ever held a financial services professional license or is or has ever been authorized to act as a contractor on behalf of a federal, state or local government entity. If the below questions are not applicable, state so.

- 29. Based on activities that occurred while you exercised control over an organization, has any Federal, State or Local regulatory agency, foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ever restricted, revoked or suspended the organization's financial services professional license or the organization's ability to act as a contractor on behalf of a federal, state or local government entity?
- 30. Based on activities that occurred while you exercised control over an organization, are there any pending regulatory actions against such organization whereby the remedy being sought is described in question 29?

Individual Disclosure Questions Redlined

Civil Judicial Disclosure

1. Has any ~~domestic or foreign~~ court ever:
 - a. found that you made a false statement or omission, or you were dishonest, unfair or unethical?
 - b. found that you were involved in a violation of any ~~financial services-related~~ statute ~~(s)~~ or regulation~~(s)~~?
 - c. enjoined you in connection with any financial services ~~related~~ activity?
 - d. dismissed, pursuant to a settlement agreement, a financial services ~~related~~ civil action brought against you by a Federal, State, ~~federal~~ Local, or foreign financial regulatory authority or any consumer protection authority?

2. Are there any pending financial services civil actions against you that allege you:
 - a. made a false statement or omission?
 - b. were dishonest, unfair or unethical?
 - c. violated a financial services statute or regulation ~~financial services-related statute(s) or regulation(s)?~~

3. Are there any pending financial ~~pending financial~~ services ~~related~~ civil actions against you in which you are named whereby the remedy being sought is to enjoin you in connection with any financial services activity? ~~for any alleged violation described in item 11 above?~~

Criminal Disclosure

4. Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in any ~~domestic, foreign, or military~~ court to any felony?

5. Are there any pending charges against you for any felony?

6. In the past 10 years, have you been convicted of or pled guilty or nolo contendere ("no contest") in any ~~domestic, foreign, or military~~ court to committing or conspiring to commit a misdemeanor involving:

- a. a financial services ~~or a financial services related~~ business
 - b. fraud
 - c. false statements or omissions
 - d. theft or wrongful taking of property
 - e. bribery
 - f. perjury
 - g. forgery
 - h. counterfeiting
 - i. extortion
7. Are there any pending charges against you for any misdemeanor specified in question 6 above??

Customer Arbitration/Civil Litigation Disclosure

8. Have you ever been named as a respondent or /defendant in a financial services ~~related~~ consumer-initiated arbitration or civil litigation which:
- a. is still pending?
 - b. resulted in an arbitration award or civil judgment against you, regardless of amount, or that required corrective action?
 - c. was settled for any amount?

Financial Disclosure

9. In the past 10 years, hHave you filed or been the subject of a personal bankruptcy petition, whether voluntary or been the subject of an involuntary or involuntary bankruptcy petition within the past 10 years?
10. In the past 10 years, have you been the subject of any non-judicial or judicial efforts to foreclose on real property, either commercial or residential?
11. Has a bonding company ever denied issuance of, paid out on, or revoked a bond for you?
12. Do you have any unsatisfied judgments ~~or liens~~ against you?
13. Do you have any unsatisfied liens against you?
143. Are -you delinquent on any court ordered child support payments?

Regulatory Action Disclosure – Part I

154. Has any Federal, ~~-State or Local~~ ~~or federal~~ regulatory agency, governmental entity, ~~or~~ foreign financial regulatory authority ~~or~~ self-regulatory organization (SRO) or any consumer protection authority ever:

- a. found you to have made a false statement or omission or been dishonest, unfair ~~or unethical~~ or unethical?
- b. found you to have been involved in a violation of a financial services statute or regulation? ~~financial services-related business regulation(s) or statute(s)?~~
- c. ~~_~~ found you to have been a cause of a ~~nother~~ financial services ~~-related~~ business having its license or authorization to conduct a ~~de~~ business activity denied, suspended, revoked or restricted?
- d. entered an order against you in connection with a financial ~~-services-related~~ activity?
- e. restricted or revoked your registration or license?
- f. denied or suspended your registration or license or application for licensure, disciplined you, ~~or otherwise by order~~, prevented you from associating with a financial services ~~-related~~ business or otherwise-restricted your activities?
- g. barred you from association with an entity regulated by such commissions, authority, agency, or officer, ~~or~~ from engaging in a financial services ~~-related~~ business?
- h. issued a final order against you based on violations of any law or regulation ~~s~~ that prohibit fraudulent, manipulative, or deceptive conduct?
- i. taken a regulatory action, whether administrative or civil, including ~~entering~~ an order or dismissing an action pursuant to a settlement agreement against ~~concerning~~ you in connection with any license or registration?

165. Is there a pending regulatory action, either administrative or civil, against you that alleges or could result in a finding that you:

- a. made a false statement or omission or ~~were having been~~ dishonest, unfair or unethical?
- b. violated a financial services statute or regulation? ~~financial services-related business regulation(s) or statute(s)?~~
- c. ~~_~~ were a cause of a ~~nother~~ financial services ~~-related~~ business having its authorization to do business denied, suspended, revoked or restricted?

d. violated a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct?

176. Is there a pending regulatory action either administrative or civil against you whereby the remedy being sought is:

- a. restriction or revocation of a license or registration?
- b. denial or suspension of a registration or license or application for licensure?
- c. an injunction from association with a financial services-related business?
- d. restriction of your ability to conduct financial services-related activities?
- e. to bar you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

~~j. for any alleged violation described in item 13 above?~~

Regulatory Action Disclosure – Part II

Questions for individuals applicants that currently hold or have ever held a financial services professional license or are or have ever been authorized to act as a contractor on behalf of a state or federal, state or local government entity, contractor(s), or authorized to act as an attorney or authorized to act as an accountant.

If the below questions are not applicable, applicant shall indicate they are not applicable.

187. Have you ever had an ability to or authorization to act as an attorney, accountant, or a contractor on behalf of a federal, state or local government entity, State or federal contractor that was restricted, revoked, debarred or suspended?

198. Are there any pending regulatory actions proceeding against you whereby the remedy being sought is or could result in the restriction, revocation, debarment or suspension of your authorization to act as an attorney, accountant or a contractor on behalf of a federal, state or local government entity contractor? for any alleged violation described in item 17 above?

~~17. Based upon activities that occurred while you exercised control over an organization, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever taken any of the actions listed in item 17 against any organization?~~

~~18. Based upon activities that occurred while you exercised control over an organization, is there a pending regulatory action proceeding against any organization for an alleged violation described in item 17?~~

~~2019. Have you ever had a financial services license or any other professional license ever restricted, revoked, debarred or suspended?~~

~~210. Are there any pending regulatory actions against you whereby the remedy being sought is or could result in the restriction, revocation, debarment or suspension of your financial services license or any other professional license?~~

Termination Disclosure

~~224. Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of:~~

- ~~a. violating a statute(s), regulationn(s), rule(s), or industry standards of conduct?
(2)~~
- ~~b. fraud, dishonesty, theft, or the wrongful taking of property?~~

Individual Disclosures Pertaining to Control Activities

If an individual does not or has never exercised control over an organization, these questions would be not applicable.

Civil Judicial Disclosure

~~2320. Based on activities that occurred while you exercised control over an organization:-~~

- ~~a. is —there a pending financial services civil action against such any organization which alleges a violation of a financial services statute or regulation?~~
- ~~b. was the organization found to have violated a financial services statute or regulation?~~

~~2431. Based upon activities that occurred while you exercised control over an organization:-~~

- ~~a. is —there a pending financial services -related civil action in which any such organization is named for which the remedy being sought is an injunction in connection with a financial services activity? for any alleged violation described in item 11 above?~~

b. has such organization ever been enjoined in connection with a financial services activity?

Criminal Disclosure

2542. Based upon activities that occurred while you exercised control over an organization:

- a. Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in any domestic, foreign, or military court to any felony?
- b. Are there any pending charges against any organization for any felony?
- c. Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in any domestic, foreign, or military court to any misdemeanor specified in item question 6 in the past 10 years above?
- d. Are there any pending charges against any organization for any misdemeanor specified in question item 6 above?

Financial Disclosure

2653. Based upon events that occurred while you exercised control over an organization:

- a. Has any organization filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition, whether voluntary or involuntary, within the past 10 years?
- b. Has any bonding company ever denied issuance of, paid out on, or revoked a bond for any organization?

Regulatory Action Disclosure

2764. Based upon activities that occurred while you exercised control over an organization, has any Federal, State or Local regulatory agency or foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection agency ever:

- a. found the organization to have made a false statement or omission or been dishonest, unfair or unethical?
- b. found the organization to have been involved in a violation of a financial services regulation or statute?
- c. found the organization to have been a cause of another financial services business having its license or other authorization to conduct a business activity denied, suspended, revoked or restricted?

2875. Based on activities that occurred while you exercised control over an organization:

a. ~~H~~Has any ~~Federal~~, State ~~or federal~~ or Local regulatory agency ~~or~~ foreign financial regulatory authority ~~or~~ self-regulatory organization (SRO) ~~or~~ any consumer protection agency ever taken any of the below actions ~~listed in item 13 above~~ against any organization:?

i. restriction or revocation of a registration or license?

ii. denial or suspension of a registration or license or application for licensure?

iii. entered an injunction from association with a financial services business?

iv. restricted the organization's financial services activities?

v. barred the organization from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services business?

vi. taken a regulatory action, whether administrative or civil including entering an order or dismissing an action pursuant to a settlement agreement against the entity or a control affiliate in connection with a financial services activity?

b. ~~Are~~ ~~is~~ there any pending regulatory actions against any organization that alleges or could result in a finding that the organization:

i. made a false statement or omission or been dishonest, unfair or unethical?

ii. was involved in a violation of a financial services statute or regulation?

c. Is there a pending regulatory action against the organization that alleges or could result in a finding that the organization caused another financial services business to have its license or other authorization to conduct a business activity denied, suspended, revoked or restricted?

for any alleged violation described in item 13 above?

Questions for individuals that exercised control over an organization that ~~currently holds or has ever held a financial services professional license or is or has ever been authorized to act as a contractor on behalf of a~~ Federal, ~~s~~State or Local ~~government entity.~~ - If the below questions are not applicable, state so.

2986. Based upon activities that occurred while you exercised control over an organization, has any Federal, State or Local regulatory agency, ~~or~~ foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ~~ever~~ restricted, revoked or suspended the organization's financial services professional license or the organization's ability to act as a ~~contractor on behalf of a~~ Federal, ~~S~~state or ~~L~~ocal ~~government entity~~ contractor?

30297. Based upon activities that occurred while you exercised control over an organization, is there any pending regulatory actions against such organization whereby the remedy being sought is described in question ~~item~~ 298?

Individual Disclosure Question Revisions Explanation

Civil Judicial Disclosure

Proposed Revised Question 1

1. Has any court ever:
 - a. found that you made a false statement or omission or you were dishonest, unfair or unethical?
 - b. found that you were involved in a violation of any financial services statute or regulation?
 - c. enjoined you in connection with any financial services activity?
 - d. dismissed, pursuant to a settlement agreement, a financial services civil action brought against you by a Federal, State, Local or foreign financial regulatory authority or any consumer protection authority?

Description of Proposed Revisions to Question 1

- a. Just as in the Company questions, rather than ask if any domestic or foreign court has ever found or taken the actions listed in a-d, the question will ask if any court has found or taken the actions listed in a-d. As stated in the glossary document, Court will be a new term as follows:

Court

The term court includes, but is not limited, to a domestic, foreign, military, or tribal court.

- b. Question 1(a) is new and mirrors the Company question.
- c. Added “any consumer protection authority” to question 1(d). As stated in the Company Questions document, consumer protection will be a newly defined term.
- d. The proposed definition for consumer protection is found in the glossary document attached and is as follows:

Consumer Protection

Consumer protection or consumer protections refer to laws or regulations designed to protect a consumer, including but not limited to, laws or regulations which limit or prohibit unfair, deceptive, abusive or fraudulent practices, or require disclosures to consumers.

Proposed Revised Questions 2 and 3

2. Are there any pending financial services civil actions against you that allege you:
 - a. made a false statement or omission?
 - b. were dishonest, unfair or unethical?
 - c. violated a financial services statute or regulation?

3. Are there any pending financial services civil actions against you whereby the remedy being sought is to enjoin you in connection with any financial services activity?

Description of Proposed Revisions to Questions 2 and 3

- a. Questions 2 and 3 replace what is currently question J(2) in the individual disclosure questions.
- b. Question J(2) asks about pending civil actions for those items that now appear in question 1. The items listed in question 1 are findings and actions. Question J(2) has been broken down into two questions. Question 2 has the findings that are in question 1 and question 3 has the actions that are in question 1.

Criminal Disclosure

Proposed Revised Question 4

4. Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any felony?

Description of Proposed Revisions to Question 4

- a. The current question asks "have you ever been convicted of or pled guilty or nolo contendere ("no contest") in any domestic, foreign or military court to any felony. The term "domestic, foreign or military court" will be changed to read "any court" as described above in item a for question 1.

Criminal Disclosure

Proposed Revised Question 5

5. Are there any pending charges against you for any felony?

Description of Proposed Revisions to Question 5

- a. Added the word “any” before pending charges.

Criminal Disclosure

Proposed Revised Question 6

6. In the past 10 years, have you ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to committing or conspiring to commit a misdemeanor involving:
 - a. a financial services business
 - b. fraud
 - c. false statements or omissions
 - d. theft or wrongful taking of property
 - e. bribery
 - f. perjury
 - g. forgery
 - h. counterfeiting
 - i. extortion

Description of Proposed Revisions to Question 6

- a. Rather than disclosing any misdemeanors, the proposed revision would require disclosure of misdemeanor items in the past ten years.
- b. The current question asks, "have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to...". The term "domestic, foreign or military court" will be changed to read "any court" as described above in item a for question 1.
- c. The items listed in question 6 have not changed, however, the items are in a list rather than in one sentence.

Criminal Disclosure

Proposed Revised Question 7

7. Are there any pending charges against you for any misdemeanor specified in question 6?

Description of Proposed Revisions to Question 7

- a. Added the word “any” before the words pending and misdemeanor.

Customer Arbitration/Civil Litigation Disclosure

Proposed Revised Question 8

8. Have you ever been named as a respondent or defendant in a financial services consumer-initiated arbitration or civil litigation which:
- a. is still pending?
 - b. resulted in an arbitration award or civil judgment against you, regardless of amount, or that required corrective action?
 - c. was settled for any amount?

Description of Proposed Revisions to Question 8

- a. Changed the language to read respondent or defendant, rather than respondent/defendant.

Financial Disclosure

Proposed Revised Question 9

9. In the past 10 years, have you filed or been the subject of a personal bankruptcy petition, whether voluntary or involuntary?

Description of Proposed Revisions to Question 9

- a. Reworded the question for clarity and to mirror the language in the company questions.
- b. Added language to state bankruptcy petition may be voluntary or involuntary
- c. Current question states "Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the past 10 years?"

Financial Disclosure

Proposed Revised Question 10

10. In the past 10 years, have you been the subject of any non-judicial or judicial efforts to foreclose on real property, either commercial or residential?

Description of Proposed Revisions to Question 10

- a. The current question asks, “Have you been the subject of a foreclosure action within the past 10 years?” The term foreclosure action does not account for those states where foreclosures are conducted non-judicially.
- b. Reworded the question to require respondents to disclose any foreclosure efforts they have been subject to, either judicial or non-judicial.
- c. Added “either commercial or residential” to the end of the question to clarify that either type must be disclosed.
- d. Propose that “efforts to foreclose” be a defined term. The proposed definition is below and is found in the Glossary document.

Efforts to Foreclose – Efforts to foreclose include, but are not limited to, a completed foreclosure, entering into a deed in lieu of foreclosure, a sale under a power of sale, Notice of Public Auction, Notice of Default, Notice of Trustee’s Sale, Notice of Lis Pendens, and Release of Lis Pendens.

Financial Disclosure

Proposed Revised Question 11

11. Has a bonding company ever denied issuance of, paid out on, or revoked a bond for you?

Description of Proposed Revisions to Question 11

- a. Just as in the company questions, added "issuance of" after the word denied, so that the respondent must also disclose if they have ever been denied issuance of a bond.

Financial Disclosure

Proposed Revised Questions 12 and 13

12. Do you have any unsatisfied judgments against you?
13. Do you have any unsatisfied liens against you?

Description of Proposed Revisions to Questions 12 and 13

- a. The prior question, “do you have any unsatisfied judgments or liens against you?” has been split into two questions.
- b. As noted in the company questions, propose terms “lien” and “unsatisfied” be newly defined terms.
- c. Below is the proposed definition of “lien” that is found in the glossary document attached:

Lien

The term lien includes, but is not limited to, judgment liens, tax liens, child support liens, IRS liens, liens related to a collection account, and mechanics/materialmen’s liens. The term does not include a mortgage lien.

- d. Below is the proposed definition of “unsatisfied” that is found in the glossary document attached:

Unsatisfied

Any item that is not paid in full, including, but not limited to, any items for which payments are being made, pursuant to a payment plan or otherwise.

Financial Disclosure

Proposed Revised Question 14

14. Are you delinquent on any court ordered child support payments?

Description of Proposed Revisions to Question 14

- a. There are no proposed revisions to this question.

Regulatory Action Disclosure– Part I

Consistent with the revisions to the company questions, the regulatory action questions have been divided into two parts. Part I will be applicable to all applicants. Part II may or may not be applicable to an applicant.

Also consistent with the company questions and depending upon the state, regulatory actions may be brought via a civil or administrative action, therefore, where appropriate the language was changed throughout the regulatory action questions.

Proposed Revised Question 15

15. Has any Federal, State or Local regulatory agency, governmental entity, foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ever:
- a. found you to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found you to have been involved in a violation of a financial services statute or regulation?
 - c. found you to have been a cause of a financial services business having its license or authorization to conduct a business activity denied, suspended, revoked or restricted?
 - d. entered an order against you in connection with a financial services activity?
 - e. restricted or revoked your registration or license?
 - f. denied or suspended your registration or license or application for licensure, disciplined you, prevented you from associating with a financial services business or otherwise restricted your activities?
 - g. barred you from association with an entity regulated by such commissions, authority, agency, or officer or from engaging in a financial services business?
 - h. issued a final order against you based on violations of any law or regulation that prohibit fraudulent, manipulative, or deceptive conduct?
 - i. taken a regulatory action, whether administrative or civil, including entering an order or dismissing an action pursuant to a settlement agreement against you in connection with any license or registration?

Description of Proposed Revisions to Question 15

- a. Added local regulatory agency, governmental entity and any consumer protection authority to the question.
- b. Propose that the terms “consumer protection” and “governmental entity” be newly defined terms.
- c. The proposed definition for consumer protection is found in the glossary document attached and is as follows:

Consumer Protection

Consumer protection or consumer protections refer to laws or regulations designed to protect a consumer, including but not limited to, laws or regulations which limit or prohibit unfair, deceptive, abusive or fraudulent practices, or require disclosures to consumers.

- d. The proposed definition for governmental is found in the glossary document attached and is as follows:

Governmental entity

A department or agency of the United States, any state or political subdivision thereof or of a locality that regulates financial services activity. The term also includes a department or agency or the equivalent of a foreign state, nation, country, government or the like.

- e. Item c was reworded to read “license or authorization to conduct” a business. Also added “a” before financial services business to make it clear the reference is to a financial services business company license.
- f. The term order was revised to clarify that an order includes as order stipulated by an individual. The revised definition is as follows:

ORDER – A written directive issued pursuant to statutory authority and procedures, including orders of denial, suspension, or revocation and temporary or permanent orders to cease and desist. An order includes orders agreed to by the parties, including consent orders and stipulated orders. An order does not include agreements that relate to payments, limitations on activity, or other restrictions unless such agreements are included in a written directive that otherwise qualifies as an order. Orders that must be disclosed are limited in Disclosure Question (C)(4) to orders directed to applicant or control affiliate. See definitions of control affiliate to understand the extent of required disclosures in this regard.

- g. Item f was reworded to provide clarity.
- h. Item i was reworded to account for how regulatory actions may be brought as noted above (i.e., pursuant to an administrative or a civil action). Also added dismissal of an action pursuant to a settlement agreement as an item that must be disclosed.

Regulatory Action Disclosure– Part I

Proposed Revised Questions 16 and 17

16. Is there a pending regulatory action, either administrative or civil, against you that alleges or could result in a finding that you:
- a. made a false statement or omission or were dishonest, unfair or unethical?
 - b. violated a financial services statute or regulation?
 - c. were a cause of a financial services business having its authorization to do business denied, suspended, revoked or restricted?
 - d. violated a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct?
17. Is there a pending regulatory action, either administrative or civil, against you whereby the remedy being sought is:
- a. restriction or revocation of a license or registration?
 - b. denial or suspension of a registration or license or application for licensure?
 - c. an injunction from association with a financial services business?
 - d. restriction of your ability to conduct financial services activities?
 - e. to bar you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services business?

Description of Proposed Revisions to Question 16 and 17

- a. Questions 16 and 17 replace what part of question N in the individual disclosure questions is currently.
- b. Both questions were reworded to account for how regulatory actions may be brought as noted above (i.e., pursuant to an administrative or a civil action).
- c. Question N asks about pending civil actions for those items that now appear in question 15. The items listed in question 15 are findings and actions. Question N has been broken down into two questions. Question 16 has the findings that are in question 15 and question 17 has the actions that are in question 15.
- d. The language in questions 16 and 17 tracks the language in question 15.

Regulatory Action Disclosure – Part II

Questions for individuals that currently hold or have ever held a financial services professional license or are or have ever been authorized to act as a contractor on behalf of a federal, state or local government entity, authorized to act as an attorney or authorized to act as an accountant.

If the below questions are not applicable, applicant shall indicate they are not applicable.

Proposed Revised Question 18

18. Have you ever had an ability to or an authorization to act as an attorney, accountant or a contractor on behalf of a federal, state or local government entity restricted, revoked, debarred or suspended?

Description of Proposed Revision to Question 18

- a. Expanded the type of contractor to include local contractors
- b. Changed the contractor language to replace “act as Federal State or Local contractor[s]” with “act as a contractor on behalf of a federal, state, or local government entity.”
- c. The contractor language noted in item b is also in in the introductory item for the question.
- d. Added restricted and debarred to the actions being inquired about.
- e. Cleaned up the language.

Regulatory Action Disclosure – Part II

Proposed Revised Question 19

19. Are there any pending regulatory actions against you whereby the remedy being sought is or could result in the restriction, revocation, debarment or suspension of your authorization to act as an attorney, accountant or a contractor on behalf of a federal, state or local government entity?

Description of Proposed Revision to Question 19

- a. This question is the second part of question N in the current question.
- b. Consistent with the changes made to question 18 as detailed herein, added local contractor to the question and added restricted and debarred to the actions being inquired about.
- c. Cleaned up the language.

Regulatory Action Disclosure – Part II

Proposed Revised Questions 20 and 21

20. Have you ever had a financial services license or other professional license restricted, revoked, debarred or suspended?
21. Are there any pending regulatory actions against you whereby the remedy being sought is or could result in the restriction, revocation, debarment or suspension of your financial services license or other professional license?

Description of Proposed Revisions to Questions 20 and 21

- a. Both questions are new.
- b. The questions were added because the answers may be germane to an individual's character.

Termination Disclosure

Proposed Revised Question 22

22. Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of:

- a. violating a statute, regulation, rule, or industry standard of conduct?
- b. fraud, dishonesty, theft, or the wrongful taking of property?

Description of Proposed Revision to Question 22

- a. No substantive revision; merely cleaned up the language.

Individual Disclosures Pertaining to Control Activities

If an individual does not or has never exercised control over an organization, these questions would be not applicable.

Throughout this whole section rather than state “Based upon activities...”, the questions start with “Based on activities ...”

Civil Judicial Disclosure

Proposed Revised Questions 23 and 24

23. Based on activities that occurred while you exercised control over an organization:
- is there a pending financial services civil action against such organization which alleges a violation of a financial services statute or regulation?
 - was the organization found to have violated a financial services statute or regulation?
24. Based on activities that occurred while you exercised control over an organization:
- is there a pending financial services civil action in which such organization is named for which the remedy being sought is an injunction in connection with a financial services activity?
 - has such organization ever been enjoined in connection with a financial services activity?

Description of Proposed Revisions to Question 23 and 24

- Questions 23 and 24 replace question J(3) in the current individual disclosure questions.
- Question J(3) asks about pending civil actions for those items that now appear in Question 1. The items listed in question 1 are findings and actions. Question J(3) has been broken down into two questions. Question 23 has the findings that are in question 1 and question 24 has the actions that are in question 1.
- Item b was added to both questions.

Individual Disclosures Pertaining to Control Activities

Criminal Disclosure

Proposed Revised Question 25

25. Based on activities that occurred while you exercised control over an organization:
- a. Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any felony?
 - b. Are there any pending charges against any organization for any felony?
 - c. Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in any court to any misdemeanor specified in question 6 in the past 10 years?
 - d. Are there any pending charges against any organization for any misdemeanor specified in question 6?

Proposed Revisions to Question 25

- a. Rather than refer to any domestic, foreign or military court in items a and c the language has been changed to read any court.
- b. In items b and d added the word "any" before pending to modify the term charges.
- c. Added in the past 10 years to item c to mirror the misdemeanor inquiry.

Individual Disclosure Questions Pertaining to Control Activities

Financial Disclosure

Proposed Revised Question 26

26. Based on events that occurred while you exercised control over an organization:
- a. Has any organization filed or been the subject of a bankruptcy petition, whether voluntary or involuntary, within the past 10 years?
 - b. Has any bonding company ever denied issuance of, paid out on, or revoked a bond for any organization?

Proposed Revisions to Question 26

- a. In item a added “whether voluntary or involuntary” to describe the bankruptcy petition.
- b. In item b added “issuance of” after the word denied.

Individual Disclosure Questions Pertaining to Control Activities

Regulatory Action Disclosure

Proposed Revised Questions 27 and 28

27. Based on activities that occurred while you exercised control over an organization, has any Federal, State or Local regulatory agency or foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection agency ever:
- a. found the organization to have made a false statement or omission or been dishonest, unfair or unethical?
 - b. found the organization to have been involved in a violation of a financial services regulation or statute?
 - c. found the organization to have been a cause of another financial services business having its license or other authorization to conduct a business activity denied, suspended, revoked or restricted?
28. Based on activities that occurred while you exercised control over an organization:
- a. Has any Federal, State or Local regulatory agency, foreign financial regulatory authority self-regulatory organization (SRO) or any consumer protection agency ever taken any of the below actions against any organization:
 - i. restriction or revocation of a registration or license?
 - ii. denial or suspension of a registration or license or application for licensure?
 - iii. entered an injunction from association with a financial services business?
 - iv. restricted the organization's financial services activities?
 - v. barred the organization from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services business?
 - vi. taken a regulatory action, whether administrative or civil including entering an order or dismissing an action pursuant to a settlement agreement against the entity or a control affiliate in connection with a financial services activity?
 - b. Are there any pending regulatory actions against any organization that alleges or could result in a finding that the organization:
 - i. made a false statement or omission or been dishonest, unfair or unethical?
 - ii. was involved in a violation of a financial services statute or regulation?
 - c. Is there a pending regulatory action against the organization that alleges or could result in a finding that the organization caused another financial services business to have its license or other authorization to conduct a business activity denied, suspended, revoked or restricted?

Proposed Revisions to Questions 27 and 28

- a. Questions 27 and 28 replace questions M and O in the current individual disclosures which inquire about those items listed in revised question 15.
- b. Question 15 includes findings and actions.
- c. Question 27 asks about the findings listed in question 15.
- d. Item a in question 28 asks about those actions that are listed in question 15.
- e. The current question O asks about pending civil actions for those items listed in question 15. Items b and c in question 28 cover the pending civil actions.
- f. The questions also mirror the changes made to question 15.

Individual Disclosure Questions Pertaining to Control Activities

Regulatory Action Disclosure

Proposed Revised Questions 29 and 30

Questions for individuals that exercised control over an organization that currently holds or has ever held a financial services professional license or is or has ever been authorized to act as a contractor on behalf of a federal, state or local government entity. If the below questions are not applicable, state so.

29. Based on activities that occurred while you exercised control over an organization, has any Federal, State or Local regulatory agency, foreign financial regulatory authority, self-regulatory organization (SRO) or any consumer protection authority ever restricted, revoked or suspended the organization's financial services professional license or the organization's ability to act as a contractor on behalf of a federal, state or local government entity?
30. Based on activities that occurred while you exercised control over an organization, are there any pending regulatory actions against such organization whereby the remedy being sought is described in question 29?

Proposed Revisions to Questions 29 and 30

- a. This current question, which relates to those items listed in revised question 18, pertains to individuals that exercised control over an organization and asks if the organization ever had its license to act as an attorney, accountant or state or federal contractor revoked or suspended. While organizations may be law firms or accounting firms, it is the individuals within the firms that hold the licenses, not the organization.

Accordingly, these two questions have been amended to only inquire about the organization's financial services professional license or its ability to act as a contractor on behalf of a federal, state or local government entity.

- b. Consistent with the prior revisions in the document, added local regulatory agency, governmental entity and any consumer protection authority to the question.
- c. Question 29 addresses actions previously taken against the organization, while question 30 inquires about pending regulatory actions.

Individual Disclosure Questions Cross Index

Original Question #	New Question #
A-1	9
A-2	26 (a)
A-3	10
B	11
C	26 (b)
D	12 and 13
E	14
F-1	4
F-2	5
G-1	25(a)
G-2	25(b)
H-1	6
H-2	7
I-1	25(c)
I-2	25(d)
J-1(a)	1(c)
J-1(b)	1(b)
J-1(c)	1(d)
J-2	2 and 3
J-3	23 (a) and 24 (a)
K	15
L	18
M (k)	27 and 28 (a)
M(l)	29 and 30
N (k)	16 and 17
N (l)	19
O (k)	28 (b) and (c)
O (l)	30
P	8
Q	22

Original Question #	New Question #
New	1 (a)
J-1(b)	1(b)
J-1(a)	1(c)
J-1(c)	1(d)
J-2	2 and 3
F-1	4
F-2	5
H-1	6
H-2	7
P	8
A-1	9
A-3	10
B	11
D	12 and 13
E	14
K	15
N (k)	16 and 17
Q	22
L	18
N (l)	19
New	20 and 21
J-3	23(a) and 24 (a)
New	23(b) and 24(b)
G-1	25(a)
G-2	25(b)
I-1	25(c)
I-2	25(d)
A-2	26 (a)
C	26 (b)
M (k)	27 and 28 (a)
O (k)	28 (b) and (c)
M(l)	29
O (l)	30

NMLS Policy Guidebook Glossary Changes and Revisions

New Terms

Consumer Protection – Consumer protection or Consumer protections refer to laws or regulations designed to protect a consumer, including but not limited to, laws or regulations which limit or prohibit unfair, deceptive, abusive or fraudulent practices, or require disclosures to consumers.

Court – The term court includes, but is not limited, to a domestic, foreign, military, or tribal court.

Efforts to Foreclose – Efforts to foreclose include, but are not limited to, a completed foreclosure, entering into a deed in lieu of foreclosure, a sale under a power of sale, Notice of Public Auction, Notice of Default, Notice of Trustee’s Sale, Notice of Lis Pendens, and Release of Lis Pendens.

Governmental entity – A department or agency of the United States, any state or political subdivision thereof or of a locality that regulates financial services activity. The term also includes a department or agency or the equivalent of a foreign state, nation, country, government or the like.

Key Individual - A key individual within an entity includes the Highest-Ranking Executive and individuals who can exercise control by virtue of ownership, a leadership role, or responsibility for establishing, maintaining, and approving policies and procedures for denoted functional areas.

Lien – The term lien includes, but is not limited to judgment liens, tax liens, child support liens, IRS liens, liens related to a collection account and mechanics/materialmen’s liens. The term does not include a mortgage lien.

Material litigation – Litigation that according to generally accepted accounting principles is significant to an applicant’s or a licensee’s financial health and would be required to be disclosed in the applicant’s or licensee’s annual audited financial statements, report to shareholders, or similar records.

Third Party Service Provider – An individual or company, including subsidiaries or affiliates, that provides goods or services to an entity in connection with the operation of its business. Goods or services, include, but are not limited to lines of credit, whether warehouse or operating, regulatory compliance services, customer facing services or documents, technology solutions, accounting or financial services.

Unsatisfied – Any item that is not paid in full, including but not limited to, any items for which payments are being made, pursuant to a payment plan or otherwise.

Amendments to Existing Glossary Terms

FINANCIAL SERVICES – The term includes those activities that are financial services or financial services related. ~~OR FINANCIAL SERVICES RELATED—~~ and pPertaining to securities, commodities, banking, insurance, consumer lending, money services businesses, consumer debt management or real estate (including, but not limited to; acting as or being associated with a bank or savings association, credit union, Farm Credit System institution, mortgage lender, mortgage broker, real estate salesperson or agent or broker-, appraiser, closing agent, title company ,escrow agent, payday lender, money transmitter, check casher, pawnbroker, collection agent, debt management company or title lender). The term also includes consumer protection laws or regulations that pertain to the financial services items enumerated herein.

FOUND –

Includes:

A determination that led to the issuance of one or more of the following:

- adverse final actions
- consent decrees/orders, including those in which the respondent has neither admitted nor denied the findings
- agreements or settlements that are a matter of public record, including agreements or settlements in which the respondent has neither admitted nor denied the findings.

Does not include the issuance or imposition of:

- agreements or settlements that are not a matter of public record
- late fees
- deficiency letters
- examination reports
- memoranda of understanding
- letters of caution
- admonishments, or
- similar informal resolutions of matters.

“Settlement” often falls under the “included” category like consent decrees and final actions. However, in jurisdictions that use “settlement” to be synonymous with “agreement” such settlements would fall under the “not included” batch with other agreements, unless the

~~agreement was a matter of public record. One possibility that may be relevant in determining where a “settlement” fits in your jurisdiction is to the determination of whether it is a public record or not. In this analysis, if it is a public record then it should be included and if it is not a public record, it should not be included.~~

ORDER – A written directive issued pursuant to statutory authority and procedures, including orders of denial, suspension, or revocation and temporary or permanent orders to cease and desist. ~~This~~ An order includes orders agreed to by the parties, including consent orders and stipulated orders. An order does not include ~~special stipulations, undertakings or~~ agreements that relate ~~relating~~ to payments, limitations on activity, or other restrictions unless ~~they such~~ agreements are included in ~~an order a~~ a written directive that ~~otherwise qualifies as an order.~~ ~~Orders include temporary and permanent cease and desist orders.~~ Orders that must be disclosed are limited in Disclosure Question (C)(4) to orders directed to applicant or control affiliate. See definitions of control affiliate to understand the extent of required disclosures in this regard.

NMLS Policy Guidebook Revisions

Revision # 1

Below is the Disclosure Questions section that appears on page 35 of the Guidebook. As noted below, the recommendation is to add instruction as to sealed or expunged convictions and felony or misdemeanor cases disposed of in juvenile court.

All Disclosure Questions must be answered. Any “Yes” response requires an explanation to be provided in the **Disclosure Explanations** section. A single PDF file can be uploaded with any applicable documentation. The regulator will be able to review the explanation and documentation.

While a licensee may have disclosed a “Yes” answer in a previous application, when transitioning their license onto NMLS they will have to answer “Yes” again, if still relevant.

When responding to questions regarding Control Affiliates, all current and former Control Affiliates for the last ten years must be disclosed.

Financial services related convictions entered by a municipal court (if the violation stems from a city ordinance and not necessarily from criminal code, for example) rather than a criminal court should generally be disclosed under the Civil Disclosure section of the disclosure questions.

Disclosure of a sealed or expunged conviction or item is not required if relevant state law or a court order does not require disclosure.

Disclosure of a felony or misdemeanor case disposed of in juvenile court is not required if relevant state law or a court order does not require disclosure.

Companies who in the normal course of business face multiple civil actions must respond affirmatively to the questions in F and G. An explanation stating this fact is required and further details related to specific cases may be required, including supporting documentation for each civil action. Please consult state licensing requirements to verify what information is required to be submitted through NMLS.

Companies are required to update their Disclosure Questions when circumstances change in accordance with state law or within 30 days, whichever is shorter. This includes answers that are changed from “Yes” to “No”. A change in response requires an update to the Disclosure Explanation section.

Revision # 2

Below is the Foreclosure item that appears on page 60 of the Guidebook. Proposed changes to the section would track the language in the revised disclosure questions.

Foreclosure*

For purposes of individual disclosure questions, any non-judicial or judicial efforts to foreclose on real property, either commercial or residential, action that has yes at least been initiated, whether or not the action is considered final, must be disclosed to your state regulators through NMLS. Additionally, you must disclose any actions you have taken in connection with an action to foreclose, including, but not limited to, a deed-in-lieu or a short sale.

Language as Revised

Foreclosure* For purposes of individual disclosure questions, any non-judicial or judicial efforts to foreclose on real property, either commercial or residential, that have at least been initiated, whether or not the action is considered final, must be disclosed to your state regulators through NMLS. Additionally, you must disclose any actions you have taken in connection with an action to foreclose, including, but not limited to, a deed-in-lieu or a short sale.