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***Request for Public Comments***  
**Uniform NMLS Licensing Forms and Mortgage Call Report**

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April 12, 2013

On behalf of the state regulatory agencies participating in NMLS,<sup>1</sup> the State Regulatory Registry LLC<sup>2</sup> (SRR) invites public comments on:

1. The uniform NMLS Company, Branch, and Individual Licensing Forms (“Forms”) developed by state regulators and used by all states through NMLS; and
2. The NMLS Mortgage Call Report (MCR).

**Goals of the Uniform NMLS Licensing Forms and the NMLS Mortgage Call Report**

The Forms create a national standard of information collection for company, branch, and individual licensure agreed to by all NMLS participating state agencies. The Forms are intended to provide state regulators with sufficient information to make a decision to approve a new license, continue a license authority, or approve a license renewal request, while at the same time driving greater transparency and uniformity across NMLS participating regulatory jurisdictions.

The NMLS Mortgage Call Report provides timely, comprehensive, and uniform information concerning the financial condition of licensed mortgage companies, their mortgage loan activities, and the production information of their mortgage loan originators. This information enhances a state regulator’s ability to effectively supervise licensees, determine examination schedules, monitor compliance with state law and requirements of Title V of P.L. 110-289, the *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* (“SAFE Act”)<sup>3</sup>, and accurately calculate assessments when applicable.

A goal of both the Forms and the NMLS Mortgage Call Report is that, over time, they include all necessary information required by regulators such that requirements do not need to be submitted and tracked outside NMLS. With each revision of the Forms since 2008, achievement of this goal has been furthered, as is evidenced by the often significant reduction in the items on state specific checklists.

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<sup>1</sup> Information about NMLS can be found at <http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>

<sup>2</sup> Information about the State Regulatory Registry LLC can be found at <http://www.csbs.org/srr/Pages/default.aspx>

<sup>3</sup> The full text of the SAFE Act can be found at <http://mortgage.nationwidelicencingsystem.org/SAFE/NMLS%20Document%20Library/SAFE-Act.pdf>

## Background

### Uniform NMLS Licensing Forms

The Forms were initially created through monthly in-person meetings coordinated by the Conference of State Bank Supervisors (CSBS)<sup>4</sup> and the American Association of Residential Mortgage Regulators (AARMR)<sup>5</sup> over a two-year period starting in 2005. The Forms were piloted in five states starting in 2006 in anticipation of the development of NMLS. The development of the Forms included not only standard questions, but also standard requirements, definitions, and processes.

Based upon regulator experience and industry input, the Forms were finalized and published in January 2007. These finalized forms were built into NMLS with minor changes in January 2008, coinciding with the launch of NMLS.

In November 2008, SRR invited [public comments](#)<sup>6</sup> on the Forms. SRR received 63 comments and implemented eight major changes to the Forms based on those comments. NMLS was updated to reflect these [changes to the Forms on January 25, 2010](#).<sup>7</sup>

In January 2011, SRR invited [public comments](#)<sup>8</sup> on the Forms, particularly to accommodate the expanded use of NMLS by state regulators to manage non-mortgage financial services licenses on the system. SRR received comments from 16 companies or individuals during this comment period and implemented 28 major changes to the Forms based on the comments. NMLS was updated to reflect these [changes to the Forms on April 16, 2012](#).<sup>9</sup>

### NMLS Mortgage Call Report

The Mortgage Call Report is a quarterly report of condition an entity submits through NMLS. These quarterly reports are comprised of two parts: the state-level “Residential Mortgage Loan Activity Report” and the entity level “Financial Condition Report.”

The SAFE Act, which became effective July 30, 2008, requires NMLS to develop a mortgage call report that mortgage licensees must submit to the system:

“MORTGAGE CALL REPORTS-Each mortgage licensee shall submit to the Nationwide Mortgage Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide Mortgage Licensing System and Registry may require [12 USCA §5104(e)].”

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<sup>4</sup>Information about the Conference of State Bank Supervisors can be found at <http://www.csbs.org/Pages/default.aspx>

<sup>5</sup>Information about the American Association of Residential Mortgage Regulators can be found at <http://www.aarmr.org/>

<sup>6</sup>The public comment document can be found at <http://mortgage.nationwidelicencingsystem.org/news/Pages/ProposalsforComment.aspx>

<sup>7</sup>The updated forms can be found at <http://mortgage.nationwidelicencingsystem.org/licensees/resources/LicenseeResources/MU%20Form%20Changes%20for%20Implementation%20Jan%202010.pdf>

<sup>8</sup>The 2011 public comment document can be found at <http://mortgage.nationwidelicencingsystem.org/news/ProposalsForComment/2011-1-MU-Forms-Request-for-Comments.pdf>

<sup>9</sup>The 2012 changes to the forms can be found at <http://mortgage.nationwidelicencingsystem.org/licensees/resources/LicenseeResources/Form%20Change%20Overview%20April%202012.pdf>

State regulators held conference calls with state and national trade associations in December 2008 to brief the associations on the proposed SAFE Act Implementation Plan, including the Mortgage Call Report provisions.

A working group of state regulators commenced in June 2009 to develop the Mortgage Call Report and accompanying policies. In March 2010, SRR invited [public comment](#)<sup>10</sup> on the proposed Mortgage Call Report. SRR received 88 comments during this comment period and published a final version of the Mortgage Call Report in November 2010. The Mortgage Call Report was implemented in NMLS in May 2011. In October 2012, the Mortgage Call Report was modified based on initial input and experiences from industry and state regulators.

## **Request for Public Comments**

On behalf of the state regulatory agencies using NMLS, SRR is seeking comments from the public on the content of the Forms and the Mortgage Call Report as they are represented in NMLS.

SRR is particularly interested in input on the following seven questions:

1. In 2012, the Forms were updated to allow entities to indicate all lines of business they engage in at the company and branch levels. These business activities have corresponding definitions to guide users when completing company and branch filings. Is this list of activities and corresponding definitions sufficient and comprehensive? Does it clearly and accurately capture the activities entities engage in during a term of licensure?
2. Based on experience in using the Forms over the past several years and in conjunction with the 2012 changes to accommodate other non-mortgage financial services licenses in NMLS, how can the questions or content of the Forms be improved or clarified?
3. The definition of “application” in the Mortgage Call Report is:

*An oral or written request for a home purchase loan, a home improvement loan, or a refinancing that is made in accordance with procedures used by a financial institution for the type of credit requested (Per Regulation B). Examples of requests that are considered an application for the NMLS MCR include, but are not limited to, any HMDA reportable application, pre-approval requests, requests without a property address, or requests which include access to the borrower’s credit information.*

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<sup>10</sup> The 2010 MCR public comment document can be found at <http://mortgage.nationwidelicencingsystem.org/news/ProposalsForComment/Public%20Comment%20Request%20for%20NMLS%20Call%20Report.pdf>

SRR recognizes that various definitions of “application” exist in state and federal law and the multiple definitions have led to significant misunderstandings among licensees completing the Mortgage Call Report. Does the current definition of “application” for the Mortgage Call report require additional clarification or explanation and, if so, what should that guidance be?

4. Entities that indicate on their company record in NMLS that they are Fannie Mae or Freddie Mac Seller/Serviceers or Ginnie Mae Issuers are required to complete the Expanded version of the Mortgage Call Report. All other companies complete the Standard version. Should a different set of criteria be used when determining which companies file the different versions of the Mortgage Call Report, and, if so, what should the criteria be?
5. Based on nearly two years of experience with the Mortgage Call Report, which policies, requirements, data fields, or definitions should be amended or maintained in order to provide regulators with sufficient supervisory information and create a uniform reporting mechanism for industry?
6. SRR intends to publish aggregate, non-company specific Mortgage Call Report activity data on the NMLS Resource Center. What information would you consider useful to both industry and the general public that should be included in the data publication?
7. SRR understands that licensees in non-mortgage industries periodically submit production (e.g. transactional or volume) and financial information to state regulators. What specific information should SRR consider collecting through NMLS, and should it be collected through the Call Report or similar filing?

Comments are requested to be limited to the content and use of the Forms and the Mortgage Call Report.

For those without access to NMLS, the Forms and the Mortgage Call Report, including policies and requirements, can be found here:

[Uniform Licensing Forms and Business Activity Definitions](http://mortgage.nationwidelicencingsystem.org/slr/common/policy/Pages/default.aspx)<sup>11</sup>  
[Mortgage Call Report Fields and Definitions](http://mortgage.nationwidelicencingsystem.org/slr/common/mcr/Pages/default.aspx)<sup>12</sup>

Persons submitting comments must include their contact information. Comments received, as well as the submitter’s name and company or organization (if applicable), will be posted on the NMLS Resource Center for public view. Comments submitted without contact information will not be considered.

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<sup>11</sup> The Uniform Licensing Forms and Business Activity Definitions can be found at <http://mortgage.nationwidelicencingsystem.org/slr/common/policy/Pages/default.aspx>

<sup>12</sup> The Mortgage Call Report Fields and Definitions can be found at <http://mortgage.nationwidelicencingsystem.org/slr/common/mcr/Pages/default.aspx>

All Form comments will be reviewed by the Forms Working Group comprised of state regulators and discussed with all state regulators. All Mortgage Call Report comments will be reviewed by the Mortgage Call Report Working Group comprised of state regulators and will be reviewed with all state regulators. The regulator working groups will consult with industry representatives during the comment evaluation period. The recommendations for proposed changes from the regulator groups will be sent to the NMLS Policy Committee for evaluation and approval or rejection.

Persons submitting comments are encouraged to provide these comments electronically via email to: [comments@stateregulatoryregistry.org](mailto:comments@stateregulatoryregistry.org)

Comments may also be submitted in physical form to:

State Regulatory Registry  
Conference of State Bank Supervisors  
Attn: Tim Doyle, Senior Vice President  
1129 20<sup>th</sup> St NW, 9<sup>th</sup> Floor  
Washington, DC 20036

**Comment submission deadline: June 11, 2013**

SRR will provide 60 days for public comments on the Forms and the Mortgage Call Report.

SRR expects to publish the proposed changes to the Forms and the Mortgage Call Report in the third quarter of 2013 and provide an additional 30-day public comment period on the proposed changes. SRR expects to integrate these changes into NMLS in the first quarter of 2014.