Response to Public Comment:

Mortgage Business-Specific Requirements

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Response to Public Comment Period
Mortgage Business-Specific Requirements

March 16, 2023 – May 15, 2023

In connection with efforts to modernize NMLS, on behalf of the NMLS Policy Committee[1] the Conference of State Bank Supervisors[2] (CSBS) invited public comments and feedback on proposed Mortgage Business-Specific Requirements between March 16 and May 15. Click here to access the proposal.

Goals

In connection with efforts to modernize NMLS, the NMLS Policy Committee and CSBS established the Licensing Requirements Framework. The Framework divides licensing requirements into three categories; Core Requirements, Business-Specific Requirements, and License-Specific Requirements. The NMLS Policy Committee also developed the Mortgage Business-Specific Requirements Proposal to support the goals of Networked Supervision by creating a national standard that allows the state system to operate as a whole. As stated in the proposal, it should be read in conjunction with the NMLS Core Requirements as detailed in the Licensing Requirements Framework.

The Mortgage Business-Specific Requirements Proposal sought feedback in the following areas:

1. Business Activities
2. Company Contacts
3. Periodic Reporting
4. Data Requirements
5. Document Requirements
6. Required Functionality
7. Location Reporting
8. Company-Operated Work Location Information
9. Key Individual Requirements

CSBS received 61 responses to the request for comment on the Mortgage Business-Specific Requirements Proposal. Of the 61 responses, eight stated they were in support of the proposal with no further comment, while five stated they were not in favor of the proposal with no further comment. Forty-eight responses provided feedback on all or some of the above-mentioned areas. The comment compilation for each item does not include those companies that did not answer a specific question related to the above-mentioned areas. Throughout this response document verbatim responses are in quotes, while other responses are summarized. For ease of reading, inadvertent typos or grammatical errors in the responses have been corrected. Thirty-five companies submitted general comments which are also summarized.

CSBS reviewed the comments received before presenting them to the NMLS Policy Committee

[1] Information about the NMLS Policy Committee can be found here.
[2] Information about CSBS and NMLS can be found here.

and included a recommended disposition for each comment.

For each area or item, details are provided for the responses received as well as the NMLS Policy Committee disposition of the response.

To tally responses, CSBS categorized the comments as Yes or No. Responses that included commentary but did not provide a definitive Yes or No answer are categorized as commentary.

Summary of General Comments

Thirty-five companies provided general comments. Multiple responses stated that CSBS/NMLS exceeded its statutory or regulatory authority in proposing some of the requirements. Six companies expressed concern about the proposal's impact on small businesses; citing increased costs and time to comply with additional requirements.

One respondent encouraged consideration of the fact "that a licensee representative, which, in some states, must be a Control Person, has to attest to the accuracy of the information and documentation made a part of the NMLS Company licensing record." The respondents asserted that "requiring additional information and documentation that is not explicitly required by statute or regulation or part of the license eligibility criteria substantially increases the time and extent of review required to make a filing through NMLS that requires an attestation. From this perspective, it seems more appropriate for the state agencies to request and review forms, documents, bank accounts, etc. as part of an operational review or an examination, as opposed to requiring that these materials be made a part of the licensing record. This would significantly reduce back-and-forth exchanges with state agencies to address items that may not be applicable based on activity or license type."

Several general comments were very supportive and others, while supportive, were somewhat leery that the ultimate goal of standardization can be achieved. Below are some of the general comments[3]:

- "We recognize the work done by the NMLS and CSBS to provide us with more detailed information and guidelines regarding the mortgage licensing and registration process. The proposal itemizes all the important steps required to improve further standardization of the application and registration process. After reading and reviewing each item in the proposal, I have nothing to add. It is very detailed and well explained. The NMLS Company Form for reference is very complete."

- "These standards, as part of the NMLS system of reporting, seek to create a national standard that allows the state system to operate as a whole. If states defer to this national standard and in fact create uniformity, everyone wins. If they do not, the regulatory burden rises, with no commensurate gain in consumer protection."

  "The above (referring to greater efficiencies) sounds promising, but lenders may be forgiven for wondering if various states will truly agree to give up their "varying, state-specific requirements." Community lenders want to believe that these new and augmented requirements for the NMLS will take the place of varied state requirements and are willing to work with the CSBS to encourage this adoption over time."

  "However, if many states refuse to defer to this modernized NMLS proposal, all we have accomplished is yet another step toward industry consolidation via ever-greater regulatory requirements for small lenders."

- "The press release for these CSBS proposed changes touts the proposal by claiming that "adopting a standardized approach for mortgage industry licensing will help increase

[3] The names of the Respondents have been deleted from the comments denoted throughout this document.

uniformity within the state system. . . In turn, uniform standards will streamline the licensing process for mortgage companies seeking licensure in multiple states."

"[Respondent Name] "supports these objectives. However, we are unclear how this proposal will achieve these objectives, since there is nothing to stop the myriad of states our nonbanks are licensed in from proliferating additional requirements in addition to the uniform standards in this proposal. We would look forward to hearing from CSBS about its efforts to promote uniformity in this regard."

"[Respondent] believes that the worthy objectives of uniformity and streamlining are undermined by the increased regulatory burden resulting from the Mortgage Business-Specific Requirements being proposed."

"This is compounded by the fact that the new requirements are overly broad, covering areas that can be non-material and that lack an adverse effect. Definitions in the proposed new reporting requirements should be sharpened, in order to achieve an appropriate narrowing to focus on substantive items. "

"We would note that by making these new reporting requirements overly broad, they undermine the underlying consumer protection and disclosure objectives, since they fail to distinguish between important and non-important disclosures and indiscriminately include both."

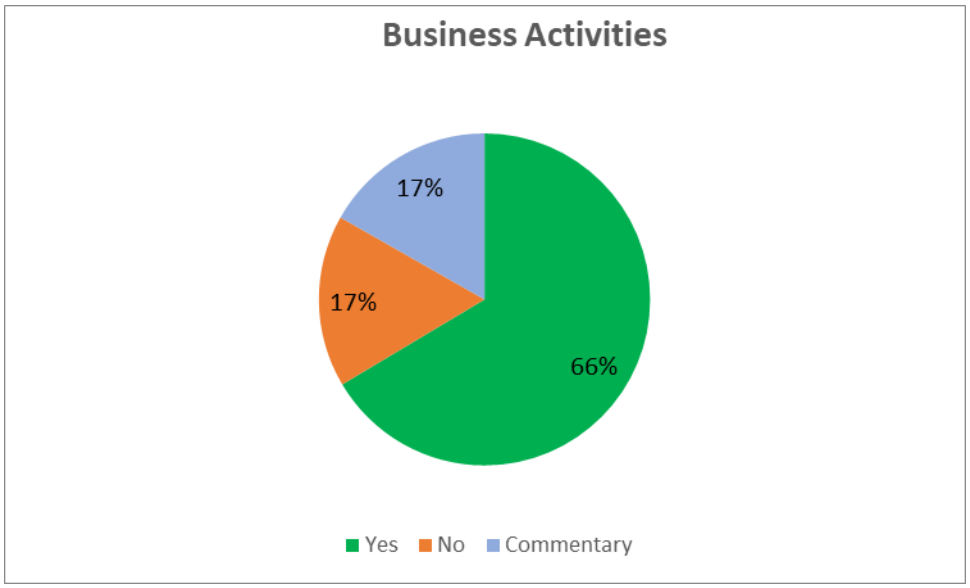
Response/Recommendation:

CSBS and NMLS have not exceeded their authority. CSBS develops and maintains the NMLS as required by the statutory authority of the SAFE Act. §5102(6). As stated on page 3 of the proposal, it was drafted by the NMLS Policy Committee who acts on behalf of the state agencies that use the NMLS. When the term "proposal" is used herein, it refers to the proposal drafted by the NMLS Policy Committee on behalf of the NMLS member state agencies.

While the proposed requirements may affect small companies more so than others, it is incumbent upon regulators to ensure companies, no matter the size, have the appropriate policies in place to ensure consumers are protected. As noted throughout this document, several of the proposed requirements were developed to aid small businesses. Requirements are specific not broad.

Item 1 – Business Activities

Do you agree that all companies engaging in mortgage lending and servicing business activities should be required to complete the Mortgage-Business Specific Requirements?



Commentary:
The mortgage lending and servicing business activities that are included in the Mortgage Business-Specific Requirements Proposal can be found here.

Twelve companies responded to this inquiry, eight of which agreed that all companies engaging in mortgage lending and servicing business activities should be required to complete the Mortgage Business-Specific Requirements.

One of the two respondents providing commentary expressed concerns that the requirements make no distinction between non-mortgage finance activities, such as commercial or consumer loans, and that the requirements should not be applicable to mortgage servicers who have no consumer contact.

A few respondents mentioned that there are no mortgage business-specific requirements for commercial and/or consumer loan activities, so it remains unclear how the NMLS will differentiate these activities.

One respondent stated “the requirements for obtaining and/or maintaining a licensee should bear a reasonable relationship to risk and responsibility of the activities in which the Licensee intends to engage. We would be surprised to find that many state agencies view mortgage brokers, which may include lead generators, lead aggregators, and contract processors and underwriters, as posing the same level of risk for consumers as Licensees that make, fund and/or directly service mortgage loans.”

Additionally, some comments, as noted below, stated the Proposal created issues for master servicers.

- "In general, [Respondent] strongly supports the proposal, with three important areas[4] which in our view merit additional attention by CSBS staff in crafting final directives for the industry." Below are the business activity areas Respondent stated as meriting additional consideration.

    - "The consideration of specific business requirements for Master Servicing entities, which allow for harmonization across all CSBS jurisdictions when master servicers submit business-specific information.

    - "[Respondent] views the scope of business activities proposed by the CSBS proposal to be appropriate; however, we note that, due to inconsistencies in state-level statutory and regulatory treatment of master servicing as an activity, there may be additional consideration required to enable consistency in responses from master servicers as opposed to direct servicers, originators, and sellers, who deal directly with mortgage borrowers in a manner different from that of master servicers."

    - "We would hope that the CSBS would use this modernization opportunity to clear up these areas of confusion and allow master servicers to have a more rationalized approach to responding to CSBS questions regarding our business model. We recognize that [Respondent's] role as a master servicer is highly specialized but hope that the CSBS modernization initiative can recognize the idiosyncrasies specific to our important role in capitalizing and providing liquidity to the mortgage banking industry."

- "We have concerns regarding the applicability of certain of the Mortgage Business-Specific Requirements to a Master Servicer[5], particularly those Master Servicers that are passive investors in Mortgage Servicing Rights ("MSRs") and do not engage in any consumer facing activities. While we recognize that some states require a Licensee to merely hold MSRs, a passive investor in mortgage loans and/or MSRs that relies on a subservicer to service on its behalf (i.e., has no consumer facing activities), most likely will not have a need to maintain a warehouse line of credit or sample forms/disclosures because the contract with the servicer requires that the servicer comply with applicable law. Also, where the consumer facing activity is conducted in the contract servicer's name, any consumer complaints are likely to arise from activities conducted by the servicer in the servicer's name."

- "Due to inconsistencies in state-level statutory and regulatory treatment of master servicing as an activity, there may be additional consideration required to enable consistency in responses from master servicers as opposed to direct servicers, originators, and sellers, who deal directly with mortgage borrowers in a manner different from that of master servicers."

[4] The other two areas identified were financial statements and locations. The comments provided are discussed in those sections herein.

[5] We note that the definition of Master Servicer included in the Proposal does not distinguish between an entity that holds MSRs (i.e., the right to service mortgage loans owned by others) and entities that have the right to collect on owned loans. In some states, the definition of servicing only applies to an entity that directly or indirectly services for others.

Finally, some comments expressed concern about consumer loans and commercial loans. Below is one of the comments:

> "The difficulties that we have in utilizing the NMLS system (Core Requirements, Business-Specific Requirements, and License-Specific Requirements) is the lack of differentiation between requirements, information requests and questions as they relate to (1) consumer loans (both unsecured as well as residential mortgage loans), (2) SFR loans, and (3) commercial mortgage loans (CRE CLOs). It would be extremely helpful in streamlining and clarifying system requirements if the questions/forms clearly differentiated at each level (Core, Business-Specific Requirements and License-Specific Requirements) between these categories of mortgage lenders."

Response/Recommendation:
Comments made regarding servicers and commercial business activities are still under review. More information will be shared as soon as it is available.

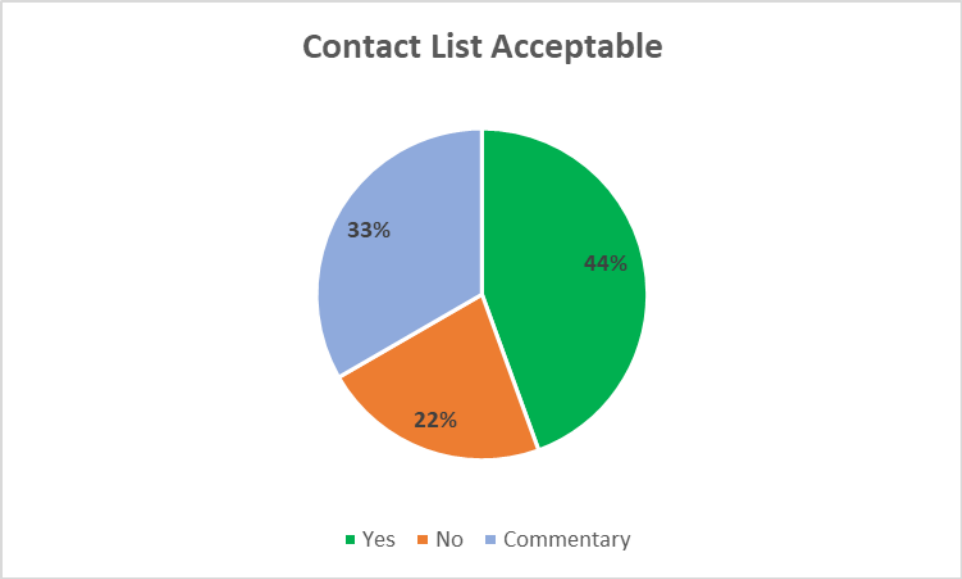
Item 2 – Company Contacts

The Mortgage Business-Specific Requirements Proposal provided a list of company contacts and inquired as to whether all the contacts listed should be required, whether the provided contact list was sufficient and whether it would be helpful to be able to list a third-party contact as a contact responsible for the required contacts. The proposal further stated when listing a third-party contact, a company will be deemed to have expressly authorized a state agency to contact the third-party without further approval from the company and inquired as to whether this raised any concern.

These four inquiries are covered herein as separate items (Items 2.1-2.4).

Item 2.1 – Acceptability of Contact List

Do you agree that all contacts listed should be required for companies completing the Mortgage Business-Specific Requirements?



Commentary:
The Mortgage Business-Specific Requirements Proposal stated that in addition to a primary company contact and a primary consumer complaint contact, an accounting, legal, and licensing contact will be added to Core Requirements, which are required to be completed by all companies obtaining and managing a license through NMLS. The proposal then recommended that the following additional contacts be required as part of Mortgage Business-Specific Requirements.

- Consumer Complaint – Regulator[6]
- Data Breach or Cybersecurity Incident Contact[7]

[6] This would be the individual at the company that would be contacted should an agency, be it state or federal, inquire about a consumer complaint.
[7] If not identified as a key individual or control person

- Exam Billing
- Exam Delivery
- Mortgage Call Report

Eighteen companies provided feedback on this item. One respondent said that the primary company contact should be the contact for legal and accounting issues.

One respondent stated, “companies should be able to list multiple contacts for each with the ability to distinguish whether the contact is “internal” or “external.” Also, for legal and licensing, Companies may use multiple providers [for] these services. Therefore, giving the Licensee the option of indicating whether the state agency may contact an external third party directly should be state-specific and/or action specific. Should a Licensee experience a data breach or cybersecurity incident, the Licensee may want to engage the services of a subject matter expert to evaluate and assist with the matter. To the extent that Licensee has an explicit obligation to report this type of incident, the Licensee should be able to identify within its formal notice the designated point of contact with responsibility for addressing the matter.”[8]

One respondent viewed “such additions as negatively impacting effective communication between regulators and licensees. The existing points of contact in NMLS ensure clear ownership regarding NMLS contacts and communications among mortgage licensees. By adding more contacts, especially when working with larger licensees, the chance of the notification being overlooked increases as communication with regulatory agencies is unlikely part of the Proposal’s additional contacts' day-to-day duties. Under the current set of contacts in NMLS, the primary company contact regularly works with state regulators and is always proactively monitoring for communication from such entities. This NMLS communication specialization allows licensees to intake inquiries from state regulators and respond to them more expediently by routing them quickly to the proper team or department for handling.”

Response/Recommendation:
The proposal as drafted accommodates small and large companies and provides companies maximum flexibility in listing the required contacts. Regardless of the size of a company, there is no requirement that different people be listed for each contact and hence no prohibition on listing the same individual more than once or for all areas. We will endeavor to accommodate the below functionality:

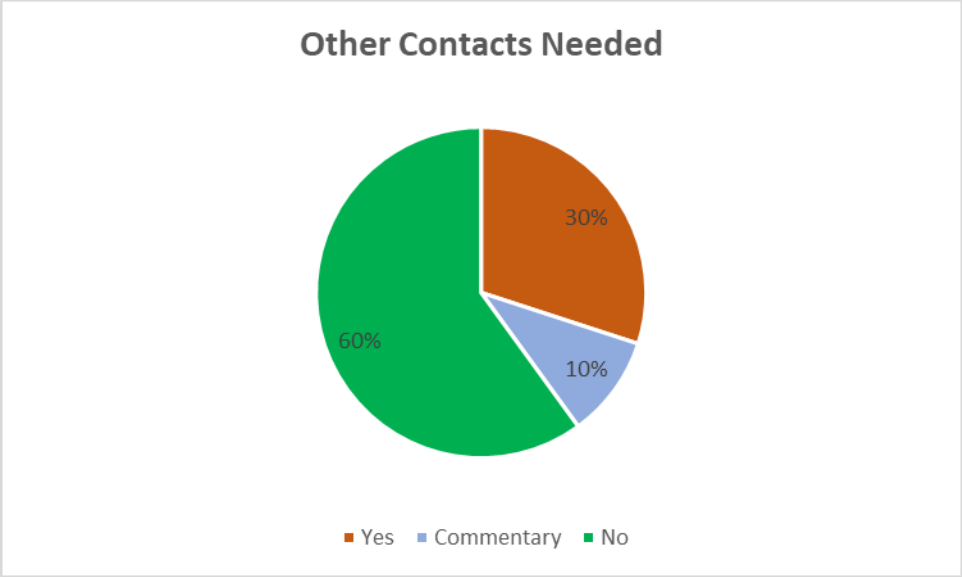
- Ability to list more than one contact for each item
- Ability to state whether the contact is internal or external

It was noted that other industries have not had an opportunity to comment on the additional contacts to be made part of core requirements and the NMLS Policy Committee will provide an opportunity to do so.

[8] This item will be addressed in the Reportable Incidents section.

Item 2.2 – Additional Contacts Needed

Are there any other contacts that are relevant to mortgage activities that should be required?



Commentary:
Ten companies provided feedback on this item. Three companies recommended a servicing contact be added.

There was a general comment that the proposed additional contacts, except for the mortgage call report contact, do not appear unique to the mortgage industry.

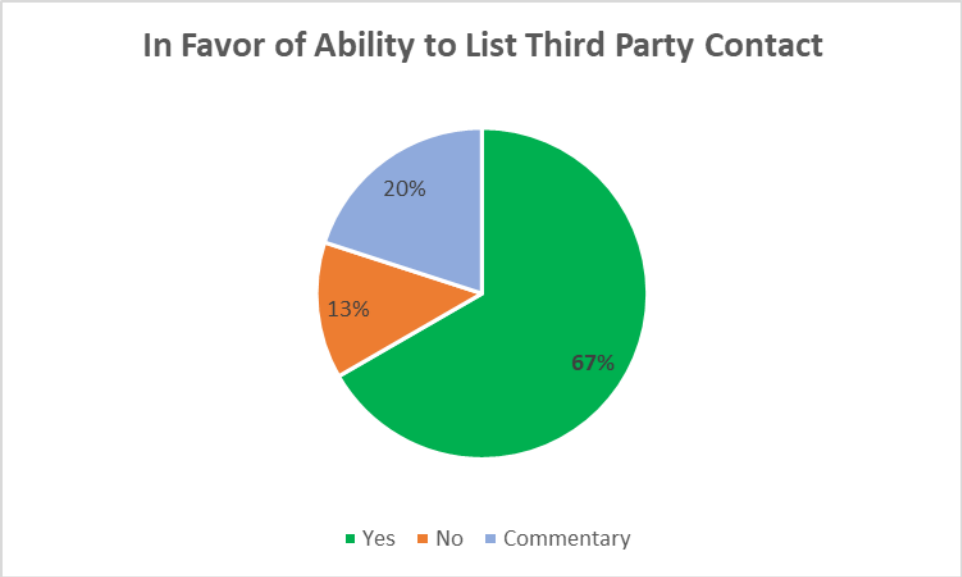
One respondent stated “to the extent that accounting and legal contacts are necessary, we believe that having a contact phone number and/or email address provided within the NMLS for any inquiries relating to accounting or legal matters should be sufficient”; presumably as opposed to listing a person).

Response/Recommendation:
A company should have the ability to list a servicing contact if they choose (i.e., this contact would be noted as “preferred, but not required”).

A contact phone number and e-mail address will be sufficient for all required contacts, however a company will also be able to provide the name of an individual responsible for the item, should they choose.

Item 2.3 – Ability to List a Third-Party Contact

Is it helpful to be able to list a third-party contact as a contact responsible for the contact types?



Commentary:
The majority of companies thought being able to list a third-party contact would be helpful. Below are some of the comments against this ability.

"[Respondent] appreciates the acceptance of third-party service providers as a mortgage company may contract externally for different services and need the ability to have communication lines open between the third-party and state regulating agency. While this acceptance is appreciated, the Proposal includes a sweeping authorization which may pose unintended consequences by potentially excluding the mortgage company from communication or stall communication for third parties who may not accept the authorization. The proposed authorization does not clarify how the mortgage company would be notified, if at all, with any incoming request nor does it allow varying authorization depending on the regulator inquiry."

"A mortgage company should be notified of any inquiry or request made on their behalf. Without this step, communication will inevitably break down and result in less coordination between a mortgage company and state regulators. The modernization efforts of CSBS should work to foster better working relationships between companies and regulators, which should include increased visibility and communication. CSBS should look to provide varying elections of authorization for any third-party contact, in lieu of automatic full authorization. This would allow the mortgage company to dictate which third-parties may have full authorization, if they would like to dictate authorization based on the nature of requests, or if they would like to be notified even with authorization."

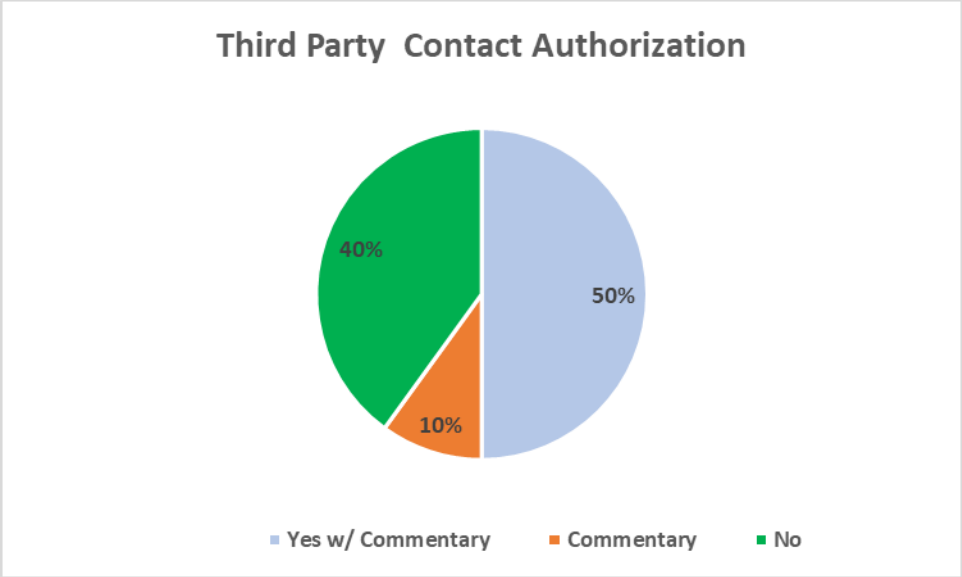
Response/Recommendation:
This is another area designed to accommodate small companies that may outsource some of these functions.

Third-party contacts should be allowed to be identified. Listing a third-party contact will be

optional. While third-party contacts may be identified, the company must also identify a contact within the company for the specific item, which can be the primary contact if the company so chooses.

Item 2.4 – Third-Party Contact Authorization

When listing a third-party contact, a company will be deemed to have expressly authorized a state agency to contact the third-party without further approval from the company. Does this raise any concern?



Commentary:
The proposal provided that, should a company list a third party as a contact, it will be deemed to have expressly authorized a state agency to contact the third party without further approval from the company.

Ten companies commented on this item. Concerns raised are as follows:

- "It would raise a concern. It will be helpful to execute an agreement between the third-party and the state agency stating that the authority to address any concern has to be reviewed and approved by the company."
- "As long as there is no conflict of interest, otherwise there is no concern."
- "It is clear that larger companies with multiple and diverse management processes and resources would potentially have concerns about third providers being directly contacted by state agencies and would have to create controls to ensure timely, complete communications. These structures are generally unnecessary in companies with one to two owners. It is unclear why listing a third-party contact would imply anything more that an authorization to engage. The question as presented seems to assume de facto that identifying someone with possibly deeper on different insights automatically provides the contact with control or decision making. Simply designating a contact does not mean management expects to either delegate or abdicate control and/or responsibility. The question's structure suggests it is directed more at larger users or regulators and not at the small companies which make up the vast majority of company licensees/registrants."
- "We agree with this change, but also recognize that while licensees are expected to keep information up-to-date, occasionally information may not be current,

resulting in a third-party contact that may no longer be associated with the company when contacted. Accordingly, we suggest the CSBS and any state regulatory agencies also follow up with the company directly if they do not receive a response from the third party. Our experience is that most state agencies already reach out to all available contacts when they do not receive a reply, as sometimes state agency emails may get caught in spam filters or otherwise not be received".

- "This raises concerns, mainly due to the fact that a third party will be replying to the agency and information could be misinterpreted or misrepresented, then put the company at possible liability situations."

Response/Recommendation:
A company will have the option to list either an in-house contact or a third-party contact for any of the required contacts. If a company lists a third-party, the company will be deemed to have authorized an agency to contact the third-party directly (i.e., without further approval of the company). The company will also be required to identify a contact within the company for the specific area of responsibility. This contact can be the primary company contact.

This functionality will aid small companies and startup companies that may contract out parts of their operations (e.g., accounting).

The NMLS Policy Guidebook will note the functionality as described above but will state expressly that while the company may list a third-party, the company is ultimately responsible for the area of responsibility.

Item 3 – Periodic Reporting

The Proposal sets forth a proposed reporting requirement for Reportable Incidents, defined as:

"An incident or situation that would present a material risk, financial or otherwise, to a company's operations or to the customers it serves. In addition to a data breach that must be reported under state or federal law, examples of items which may be material include, but are not limited to:

1. A Cybersecurity Incident
2. Termination of a line of credit or funding source
3. Catastrophic Event
4. As a result of notification from a third-party service provider, knowledge that the provider will modify or cancel an arrangement which would affect the company's ability to conduct its business (i.e., there is no back-up vendor in place or business continuity plan).

Reportable Incidents must be reported without unreasonable delay, but no later than five business days from a determination that an incident or situation has occurred."

Related Definitions:

- Catastrophic Event: "An unforeseen event, such as a data center destruction or an electrical grid failure, which results in extraordinary levels of damage or disruption to your business."

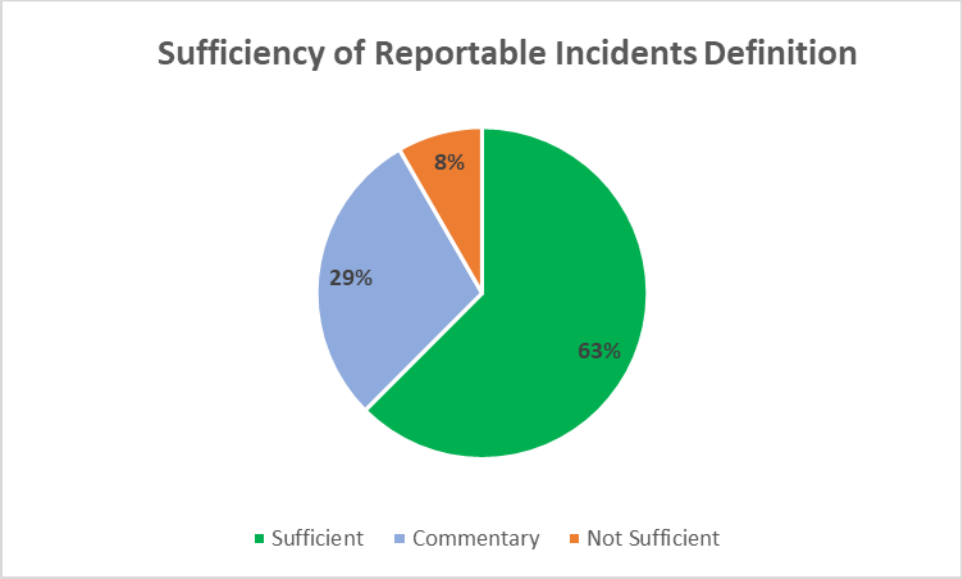
- Cybersecurity Incident: "Any intentional or unintentional compromise of the confidentiality, integrity, or availability of a service, system, or data which has a negative actual or potential impact on the organization or its clientele."

The Proposal recommended implementation of Reportable Incidents reporting functionality in addition to the currently required mortgage call report and annual audited financial statement reporting requirements. The two inquiries were:

- *Do you have any suggested modifications to the proposed definitions for Reportable Incidents, Catastrophic Event, and Cybersecurity Incident?*

- *Do you have any additional comments on this proposed new reporting requirement?*

The response to both inquiries is below.



Commentary:
Twenty-six companies provided feedback on the proposed reporting requirement for Reportable Incidents. The majority of respondents stated the proposed definitions are sufficient. Several companies stated the proposal was an overreach and that CSBS has no authority to require these items. As stated previously, this proposed reporting requirement and all items in the Proposal are being proposed by the NMLS Policy Committee, who acts on behalf of the state agencies that use the NMLS.

One respondent stated, "the definitions of "catastrophic" and "cybersecurity" appear as overly broad given that material risk is not well defined." The respondent further stated "the broad definition of material risk as written may lead to over or underreporting by IMBs [independent mortgage brokers] creating inconsistencies in the information and data collected by NMLS. Yet, if the CSBS makes clear in this proposal that the lender has sole authority to deem what is material and what is not, and encourage the states to specify the same, lenders can operate within this framework."

Two companies commented on the five-day reporting requirement stating it is too short, while another said Reportable Incidents should be reported in a matter of hours.

Two companies did not agree that Reportable Incident reporting should be added to NMLS, stated generally that:

- Reporting obligations vary by state, and, in some states, materials provided as part of the license record may be accessible to the public under a Freedom of Information Act (FOIA) request. Some states allow the Licensee to request confidential treatment of certain matters. By requiring the filing as part of the license record in the NMLS, the Licensee would not have the benefit of this option.

- The definition of Reportable Incident is incredibly subjective, and it would be impossible for a licensee to determine if a matter could be regarded as material to the customers it serves. For example, if a licensee decides that it will no longer offer a particular product, the customer that it serves may regard this as material, but it may not present a material risk to the company's operations.

- The definition includes a materiality risk standard, but then goes on to state that a notice from a third-party service provider may be an example of a material risk. The state specific laws and regulations are clear as to the minimum eligibility requirements for licensure, as well as matters that trigger a reporting obligation. Thus, this should be a state and license specific notice obligation.

- The Proposal as written would add regulatory elements to many states without addressing the regulatory or statutory process required.

Comments were also received on the four items listed in the definition.

One company suggested "should a licensee experience a Data Breach or Cybersecurity [Incident], the licensee may want to engage the services of a subject matter expert to evaluate and assist with the matter. To the extent that licensee has an explicit obligation to report this type of incident, the licensee should be able to identify within its formal notice the designated point of contact with responsibility for addressing the matter."

1. Cybersecurity Incident

There were several comments made about the proposed definition of a Cybersecurity Incident. A few respondents stated the definition was overbroad. One comment suggested the "verbiage be changed to reflect just those catastrophic events that could endanger the company or borrower security and not be so wide as to encompass third-party vendors and termination of lines that have already been replaced that have no ill-effect on the company or operations."

Another respondent suggested removing a Cybersecurity Incident as part of a Reportable Incident stating it is too broad. The respondent went on to say "the proposal states that "any" compromise involving availability, integrity, or confidentiality of a system that has a "negative actual or potential impact" would be reported. But incidents involving data, availability, and integrity are common; also, they are almost always negative. If the proposed definition stands, you could receive mostly meaningless but voluminous incident reports. State data breach laws already cover material cybersecurity incidents; these laws cover personal information that consumers care about (e.g., SSN, bank account numbers, biometrics). An additional reporting requirement for licensed entities does not appear to serve a purpose worth imposing the requirement."

Two respondents stated Reportable Incident reporting should not be added to NMLS and provided commentary on the Cybersecurity Incident definition. One of the companies suggested a disclosure question could be included "to ask whether the Licensee has experienced a Cybersecurity Incident and, if so, whether the Licensee has complied with any state specific notice obligation relating to same." The respondent went on to state "this would preserve the option to request confidential treatment where applicable and/or the ability to submit the notice without it being made a part of the licensing record. This is especially if the detailed information included in the notice provides information regarding vulnerabilities, internal control failures or other matters that could prove detrimental to Company, its vendors, or consumers if made available to individuals or entities seeking to obtain this information for nefarious purposes."

The second company stated, "The proposed definition of a "cybersecurity incident" is loosely defined and does not include those considerations. Compliance with the proposed definition by the industry could overwhelm state regulatory agencies with reports of incidents with no actual consumer harm. CSBS is disregarding the legislative process that created state data breach

laws when it seeks to nonetheless impose a second reporting obligation on companies, without either legislation or rulemaking to support it. The NMLS licensing system is not a substitute for law or regulation, and it should not be used in that manner. To the extent that a state legislature would like to expand existing reporting requirements to include notification to state regulatory agency financial regulators, they may enact legislation accordingly. To the extent that a state regulatory agency would like this reporting requirement to exist, they may promulgate a regulation imposing it. Until such time, we do not believe it is appropriate to insert these reporting mechanisms into a proposal that is designed to be a common floor for the entire mortgage industry, when these requirements do not exist in even a simple majority of current mortgage laws or regulations. At a minimum, we suggest that the proposal be amended to apply the periodic reporting requirements only to states where there is an existing statute or regulation imposing such a requirement."

Another company providing commentary stated, "a mortgage company must already comply with a patchwork of cyber security incident laws. While this Proposal seeks to standardize these divergent requirements, not every state obliges cyber security incident reporting to be submitted to the state regulator. In the event of a data breach, in Arizona for example, a mortgage company would not be required to provide notification to Arizona regulators. Without the written statutory language nor rules detailing regulatory expectations for this notification, a mortgage company does not have clear understanding of the process to comply with this new requirement, what steps the Arizona regulator may take after receiving the notification, or how it may impact their license. Additionally, the notification trigger for each state is different and is dependent on which state has residents impacted by a breach or how many are impacted. The inclusion of periodic reporting requirements without clarifying how these differences will be handled creates uncertainty for the mortgage company."

One of the respondents that stated Reportable Incident reporting should not be added to NMLS provided commentary on the inclusion of a data breach that must be reported under state or federal law in the definition of a Reportable Incident. The respondent stated "many state legislatures have enacted data breach laws and many of those legislatures expressly determined reports of data breach incidents must be made directly to their Attorney General's office, not the state regulatory agencies. In addition, those existing reporting requirements include specific definitions of the personal information covered, thresholds relating to the number of consumers impacted, and safe harbors for data encryption, redaction, and likelihood of consumer harm, among others. "

2. Termination of a line of credit or funding source

One respondent stated the requirement to report a "termination of a line of credit or funding source" is too broad and too onerous." They stated that "such reporting would be appropriate if a licensee's credit line or funding source is terminated by a lender because of a licensee/borrower's breach of a credit facility. Licensees should not, however, be required to report terminations of credit lines or funding sources that occur in the ordinary course of business when the termination is for a reason other than breach, for example, when a licensee/borrower and/or lender simply decides not to renew or extend a credit line or credit facility. Notably, the recent string of regional bank seizures could cause credit tightening, encouraged by bank regulators, that could increase the number of warehouse credit withdrawals - and that have nothing to do with the financial condition of the mortgage licensee."

3. Catastrophic Event

A few respondents stated the term was overbroad, but they did not expand on the statement.

One respondent stated “although the term Catastrophic Event is a much more clearly defined in the proposal, we do not recall this as a standard notice requirement under state specific statutes or regulations. It may be that we have never encountered this type of reporting obligation because it is so extraordinary or unique. Assuming that Catastrophic Events are rare, we question the need to incorporate such a notice obligation into standardized Business Specific Requirements. Also, absent an explicit statutory or regulatory reporting obligation, we do [not] believe this type of notice should be incorporated into a Company licensing record.”

As a result of notification from a third-party service provider, knowledge that the provider will modify or cancel an arrangement which would affect the company’s ability to conduct its business (i.e., there is no backup vendor in place or business continuity plan).

One respondent stated this item is too broad and it should be “narrowed to include both a materiality and an adverse effect requirement. It serves no purpose to require a licensee to be required to report a modification or cancellation by a third-party service provider that is not material, and it serves no purpose to require a licensee to be required to report such a modification or cancellation if it is not adverse to the licensee’s ability to conduct its business.”

It was suggested that language be added (shown in italics) so that this item reads as follows:

“As a result of notification from a third-party service provider, knowledge that the provider will modify or cancel an arrangement which would *materially and adversely* affect the company’s ability to conduct its business . . ..”

“As long as a licensee continues to comply with the basic license eligibility criteria, it should not be compelled to file notice of changes in a relationship with a service provider. Again, it seems as though this serves to create a reporting obligation that may not exist under state specific laws or regulation.”

It was also pointed out that ”two of the four examples listed (Termination of a funding source/line of credit, and Third party service provider cancellation/modification) already have reporting requirements at the Agency (Ginnie Mae, Fannie Mae, and Freddie Mac) investor, and state level; again, the proposal has value if it genuinely creates uniformity and efficiency, and leads to states acknowledging this proposal’s requirements suffice in the case of duplication or conflict.”

The [Respondent] “does recommend, at a minimum, that the cybersecurity language align to the existing CSBS non-bank cybersecurity framework, as well as the Federal Trade Commission’s (FTC’s) new Safeguard rule.”

Response/Recommendation:
States currently have requirements to report those items that are encompassed in the proposed Reportable Incidents definition.

Should Reportable Incidents be deemed Confidential Supervisory Information it is believed they would not be subject to FOIA laws.

The term Cybersecurity Incident in the definition shall be replaced with the term “Security Event”

as the term is used and defined in the *FTC Safeguards Rule*. The definition is currently as follows:

> "An event resulting in unauthorized access to, disruption or misuse of, an information system, information stored on such information system or customer information held in physical form."

The reporting requirement should allow for revision to the definition after notice if the FTC were to amend its definition.

The exception language in the *FTC Safeguards Rule* does not apply for purposes of the definition. All companies will be required to report a Security Event, regardless of how many customers for whom they maintain customer information.

The Reportable Incidents definition has a material risk element, so that any of the four enumerated items would only need to be reported if the existence of the item would present a material risk, financial or otherwise, to a company's operations or to the customers it serves. It is incumbent upon the Company to determine what is material. There is no requirement to report a termination of a line of credit if done so in the ordinary course of business.

In connection with any of the items that trigger a reporting requirement, the company will have the ability to provide the name of a specific contact within the company to whom questions about the event may be directed.

One respondent stated "many state legislatures have enacted data breach laws and many of those legislatures expressly determined reports of data breach incidents must be made directly to their Attorney General's office, not the state regulatory agencies. While this is a true statement, the changing regulatory climate and the explosion of cybersecurity awareness makes the reporting of a data breach to regulatory agencies a critical data point in supervising licensees.

Finally, Section 5111 of the SAFE Act (12USC 5111) addresses the Confidentiality of Information. This Section states:

§5111. Confidentiality of information

(a) System confidentiality

Except as otherwise provided in this section, any requirement under Federal or State law regarding the privacy or confidentiality of any information or material provided to the Nationwide Mortgage Licensing System and Registry or a system established by the Director under section 5108 of this title, and any privilege arising under Federal or State law (including the rules of any Federal or State court) with respect to such information or material, shall continue to apply to such information or material after the information or material has been disclosed to the system. Such information and material may be shared with all State and Federal regulatory officials with mortgage or financial services industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by Federal and State laws.

(b) Nonapplicability of certain requirements

Information or material that is subject to a privilege or confidentiality under subsection (a) shall not be subject to—

(1) disclosure under any Federal or State law governing the disclosure to the public of information held by an officer or an agency of the Federal Government or the respective State; or

(2) subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Nationwide Mortgage Licensing System and Registry or the Director with respect to such information or material, the person to whom such information or material pertains waives, in whole or in part, in the discretion of such person, that privilege.

(c) Coordination with other law

Any State law, including any State open record law, relating to the disclosure of confidential supervisory information or any information or material described in subsection (a) that is inconsistent with subsection (a) shall be superseded by the requirements of such provision to the extent State law provides less confidentiality or a weaker privilege.

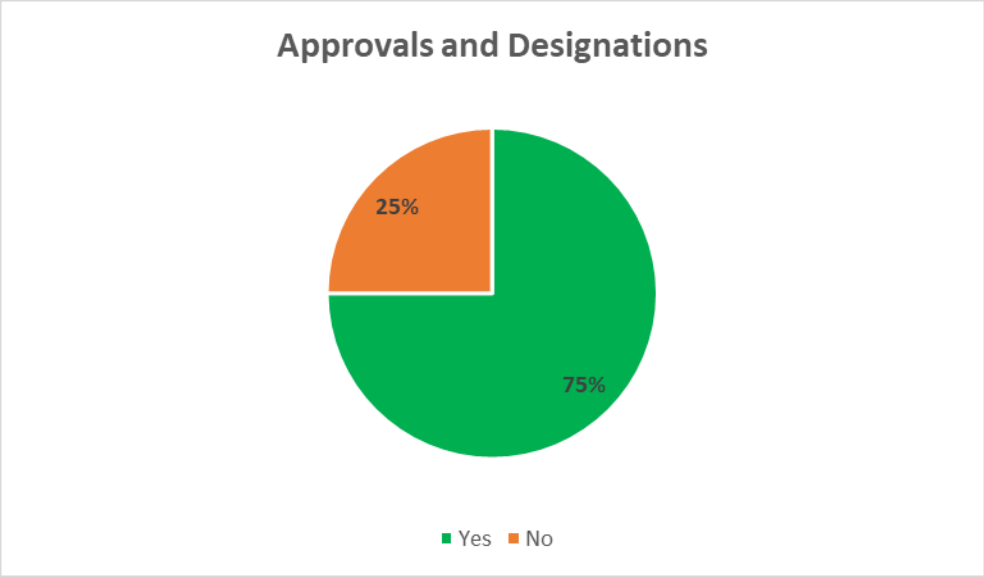
(d) Public access to information

This section shall not apply with respect to the information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators that is included in Nationwide Mortgage Licensing System and Registry for access by the public.

Item 4 – Data Requirements

Item 4.1 – Approvals and Designations

Do you agree that a company should be required to provide numbers for any approvals or designations the company holds?



Commentary:
As part of the Mortgage Business-Specific requirements, the proposal stated companies will need to provide numbers or approvals for any designations it holds.

Three of the four companies that responded to this inquiry had no objection to this requirement. The one company that objected stated the instruction is vague and that there is no basis for a vast array of approvals outside of the licensing realm to be included in the licensing system unless a specific state needs a specific approval.

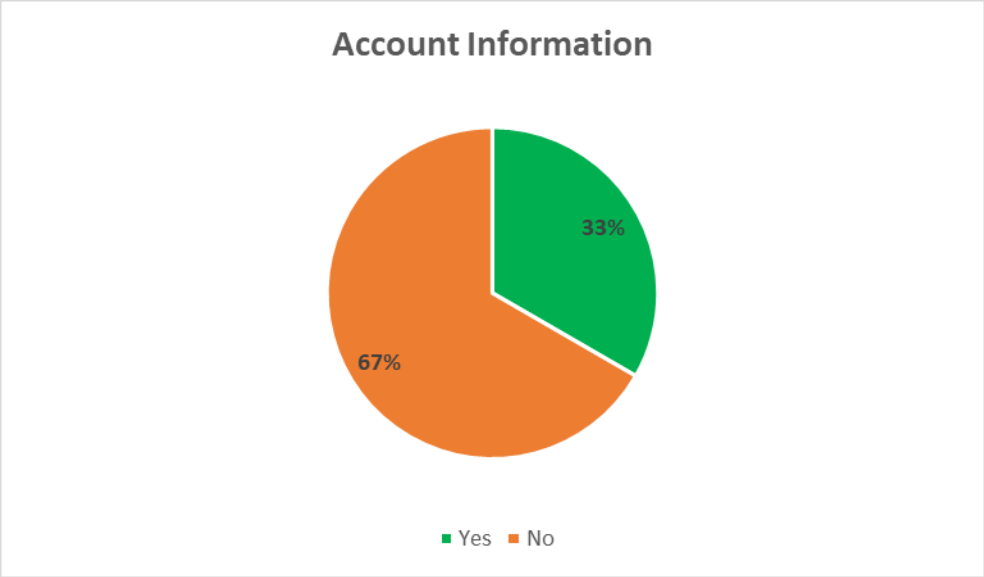
Response/Recommendation:
This requirement exists today[9] and is deemed Mortgage-Business-Specific because the vast majority of these approvals pertain to the mortgage industry only.

It is noted as shown on Exhibit 1 that a company can list any other approvals or designations it holds. As stated above, one respondent stated there is no basis for a vast array of approvals outside of the licensing realm to be included in the licensing system. Allowing other approvals or designations to be included in one's licensing record provides an opportunity for a company to provide detail on any other approvals or designations it holds that may be of interest to a regulator and would provide further indicia of a company's ability to qualify for the license it seeks.

[9] Exhibit 1 attached depicts the current requirement.

Item 4.2 – Account Information

Do you agree that as part of the Mortgage Business-Specific Requirements a company should be required to provide information on account(s) used for its mortgage activities, including operating, trust (e.g., client funds and escrow accounts) and line or letter of credit accounts?



Commentary:
The Mortgage Business-Specific Requirements Proposal stated companies would need to provide account information for their mortgage company accounts, including operating, trust (e.g., client funds and escrow accounts) and line or letter of credit accounts. Of the 9 companies that responded to this inquiry, 6 stated they did not agree with collecting this information, although it is required today. Some of the reasons provided were:

- It is not clear what the regulatory purpose is for collecting this information
- This information is highly sensitive and presents a significant security risk should the NMLS data repositories ever be compromised.
- Requiring a list of all bank accounts and letter of credit accounts goes far beyond basic licensing criteria

One respondent asserted that “many large companies have a significant number of bank accounts. Some are specific to certain state trust and/or origination requirements. To the extent that a state has this requirement, then the information is already made available to the state. Beyond that, there is no need to force the disclosure of every single bank account that a company may have. It is both unnecessary and burdensome.”

Response/Recommendation
If a company does not have a trust account or lines of credit, they would be able to indicate that.

As part of the licensing process, it is incumbent upon a regulator to ensure that the applicant has the requisite accounts, that the accounts are FDIC insured and are in the name of the company.

Item 5 - Documents

The Proposal addressed document samples, financial statements, and policies as part of Mortgage Business-Specific Requirements and further inquired as to whether any documents were missing.

These four inquiries are covered herein as separate items (items 5.1-5.4).

In connection with the document section, one company made the following general comments:

- "CSBS has stated that the documents proposed are "commonly required for companies engaging in mortgage lending and servicing business activities" which implies that each state will have access to the documents the Proposal seeks to standardize. However, each state does not currently require all such documents or additional elements in the Proposal. While states often have statutes that allow their regulator to ask for additional documentation, their statutes or regulations do not govern the review of those additional documents or require them for application consideration. The Proposal does not expressly state how this standardization will account for differences within each state."

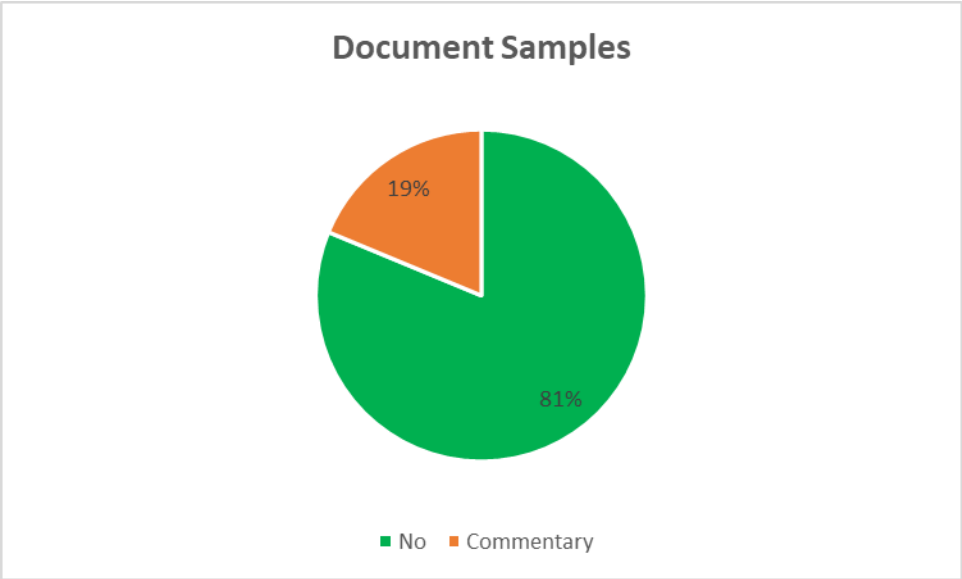
- "During the Town Hall on this Proposal, it was stated a state regulator will not receive certain elements of the application if their statute does not provide authorization. However, it was also stated the states may still receive documents or policies currently not required Respondent would like to understand what elements could be withheld, how they would be withheld from unauthorized states, and what elements would be shared without authorization. The Proposal includes many terms with revised definitions from current practice or no definition at all, which will lead to more varying interpretations we see today. CSBS should update the Proposal to reflect the complexities of state variation given the number of examples of where this lack of clarity becomes an issue."

Response/Recommendation:
The documents requested ensure that licensees comply with applicable books and records laws.

During the Mortgage Business-Specific Requirements town hall held April 18, 2023, the statement that a state regulator will not receive certain elements of the application if their statute does not provide authorization was mentioned in connection with credit checks and criminal background checks only.

Item 5.1 – Document Samples

Are there any document samples not listed in the Document Requirements section that should be included?



Commentary:
The Mortgage Business-Specific Requirements Proposal stated companies would be required to upload copies of documents used in the regular course of business, including but not limited to:

- Operating agreement (including all amendments)
- Consumer complaint notice – Consumer complaint notice that complies with the requirements
- Customer agreements – disclosure and agreements
- Third-party contracts – Sample contracts for consultants, solicitors, and third-party providers

Below are some of the comments received:

- "This seems to be left wide-open to interpretation of what is 'regular course of business.' Specifically, the documents listed in the Proposal as examples vary widely in how they are used and their potential regulatory relevance."

- "Customer Agreements" "can also vary widely – as a third-party originator, each of our wholesale lender partners provides certain disclosures during the loan origination process, which we may need to supplement based on individual wholesale lender capabilities, but we may not necessarily enter into agreements with our customers in the 'regular course of business'".

- "Third-Party Contracts" can encompass everything from purchased services (such as for Microsoft Office 365 or other software subscriptions) to our LO Agreements (which represent a material investment of time/energy/legal costs and which we consider to be proprietary and confidential business information).

- “As for document samples, we believe the request for a consumer complaint notice is not an unreasonable request; however, copies of all customer disclosures and agreements and sample contracts for consultants, solicitors and third-party providers is overly broad and burdensome when you take into consideration a nationwide lender with multiple product offerings. Also, sample contracts may contain proprietary information that could compromise a Licensee’s competitive advantage if these materials can be accessed by a Licensee’s competitors through the licensing records. This should be a license specific requirement or made a part of an operational review or examination.”

- “We have no objection to providing consumer complaint notices and agree that they would be beneficial for state regulatory agencies to assess in connection with the application process. However, we are not clear from the proposal exactly what the requirements of such notices would be. We suggest providing more specifics about how a consumer complaint notice would be deemed compliant, with references to the operative laws dictating the contents of those notices under federal or state law. Alternatively, we recommend removing the inclusion of consumer complaint notices from the requirements.”

- “We also suggest providing clarity regarding the customer agreements and disclosures that must be provided. Customer facing agreements are often updated due to enhancements, changes in product offerings, changes in law, or for other reasons. In addition, often industry participants use standard uniform promissory notes and security agreements in the mortgage industry or use third-party vendors. Clarification is needed regarding this expectation and ongoing expectations with respect to this requirement, otherwise the requirement should be eliminated. Notably, there will be significant regulatory burdens and burdens on regulatory agencies if there is an expectation to upload new customer agreements and disclosures for regulatory review each time a form changes in response to enhancements, changes to practices and changes to law.”

- “Finally, we suggest that third-party contracts be made available on request of the regulatory agency and that they be limited to contracts used repeatedly and within the scope of the applicable regulatory agency’s authority and jurisdiction, as provided by the legislature in each state. Contracts with third parties are often proprietary documents that result from negotiations between parties, are not executed repeatedly, and contain sensitive information. We understand this request to not include every third-party contract, but rather those used repeatedly and in the course of operations. Otherwise, we do not believe the inclusion of such a broad, undefined category is appropriate for a common set of requirements. For example, most companies have a contract for janitorial services, and we assume those would not be subject to uploading given they are not used in the ongoing operations of the company. Similarly, companies routinely use a variety of technology providers, but the agreements are specific to the vendor used and not a form contract used repeatedly. We assume these agreements would not be subject to reporting, as they are not a form agreement used repeatedly in the course of ongoing operations. We also note that a company also may not necessarily have a sample of such contracts. A similar issue exists with third-party contracts with counterparties in connection with commercial transactions, servicing contracts and loan sales, as contracts are individually negotiated between the parties and should be outside the scope of items provided in the NMLS.”

- “I would therefore suggest that each item requested should have a clearly stated ‘regulatory intent’ and should allow for alternative documentation that, in the business’ judgment, might better meet the stated ‘regulatory intent’.”

One respondent challenged the basic premise of the requirement. Another respondent suggested that document samples should not need to be provided. Certification should be the only requirement. Documents should not need to be uploaded.

Response/Recommendation:
The documents requested as part of the Mortgage Business-Specific Requirements are required so regulators can ensure the applicant has the wherewithal to comply with federal and state laws and hence consumers are protected. Operating agreements will not be deemed a Mortgage Business-Specific Requirement.

A Consumer Complaint Notice will not be a Mortgage Business-Specific Requirement since many states have specific statutory requirements for these notices. If a state requires a Consumer Complaint Notice in connection with an application, they can deem it a license specific item.

The third-party contract requirement shall be amended to state that applicant shall provide third party contracts for those vendors/consultants that provide a service or product to the applicant (e.g., servicing agreements, third party processing or underwriting companies) in connection with the financial services provided by the applicant company.

Item 5.2 – Financial Statements

Forty-one (41) companies provided comments on the financial statement requirements. The Proposal is not proposing a higher standard than that which currently exists for states, but rather to encourage states to adopt limited exceptions for their audited financial statements requirements.

The Proposal requested comments on four items listed below; each of which are covered separately.

Item 5.2.1: *Do you agree there should be an exception to the audited financial statement requirement for startup companies? If so, what type of financials should startup companies submit (i.e., compiled, reviewed or unaudited)?*

Item 5.2.2: *The proposal envisions that startup companies will be able to submit something less than audited financials (i.e., compiled, reviewed or unaudited). Do you agree with the proposed definition of a startup company?*

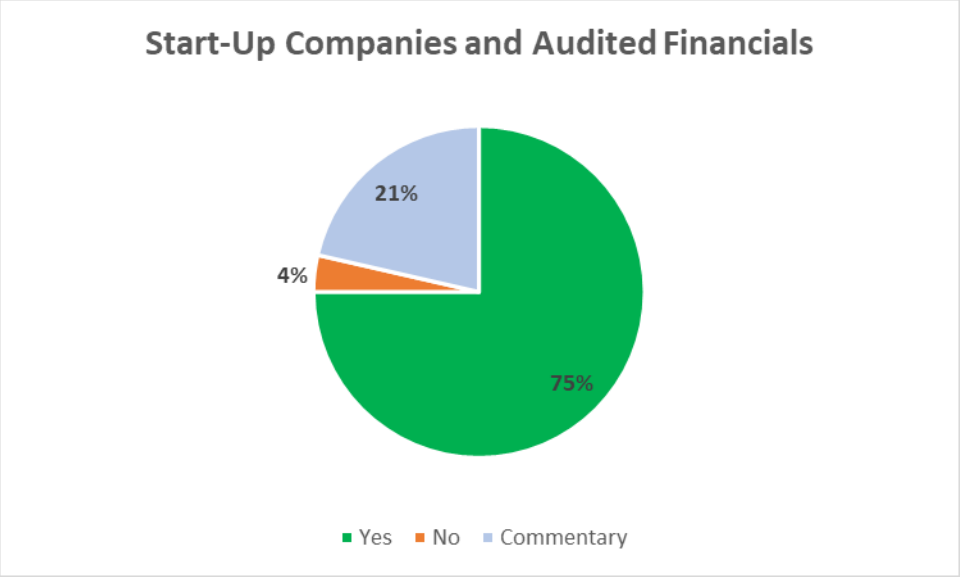
Item 5.2.3: *The proposal states a company obtaining a license that only permits brokering activities and that is not a startup may provide something less than audited financials. Do you agree with this exception? If so, what type of financials should these companies submit (i.e., compiled, reviewed or unaudited)?*

Item 5.2.4: *The proposal states a company solely engaged in third-party mortgage loan processing or underwriting and that is not a startup, may provide something less than audited financials. Do you agree with this exception? If so, what type of financials should these companies submit (i.e., compiled, reviewed or unaudited)?*

Item 5.2.1

Do you agree there should be an exception to the audited financial statement requirement for startup companies? If so, what type of financials should startup companies submit (i.e., compiled, reviewed or unaudited)?

The first item in the Proposal inquired as to whether those states that have an audited financial statement requirement in connection with a license application should make an exception for startup companies. A proposed definition of a startup company was included and the proposal further inquired as to what type of financials a startup company should submit (addressed herein as Item 5.2.2).



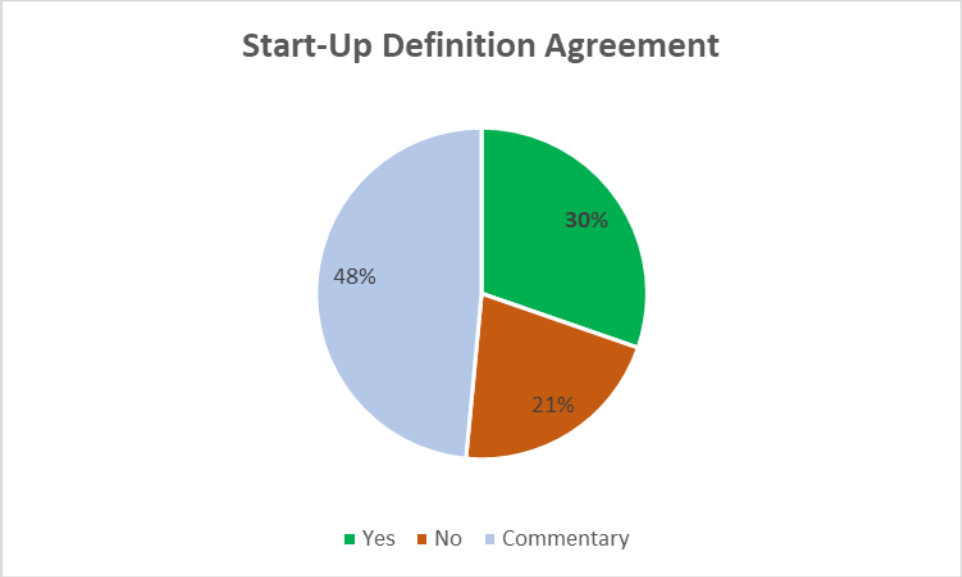
Commentary:
Twenty-one companies agreed there should be an exception to a new license audited financial statement requirement for startup companies. Six additional companies provided commentary but did not answer yes or no as to whether there should be an exception to a new license audited financial statement requirement for startup companies.

The vast majority of respondents were not in favor of audited financials; several cited the cost associated with them and the impact on small businesses. One respondent was in favor of audited financial statements for all entities stating “recently formed entities should indeed be held to the same high standards as operating entities, to provide assurances to CSBS regulators that the formation of such entities was conducted appropriately under state and, if appropriate, federal law. The auditing process does more than ensure correct financial numbers and processes: audits also ensure that entities are duly established, and that ownership has been validated by a third party knowledgeable in such matters.”

Response/Recommendation:
This is a requirement that was developed to aid smaller companies. Startup companies should submit something less than audited financials. The requirement should be that startup companies as defined herein shall submit the highest level of financial statements available to them.

Item 5.2.2

The proposal envisions that startup companies will be able to submit something less than audited financials (i.e., compiled, reviewed or unaudited). Do you agree with the proposed definition of a startup company?



Commentary:
The proposal defined a startup company as "a company that began conducting business less than two years prior to obtaining its first license, is not publicly traded, and has gross revenue of less than $500,000."

Thirty-three companies responded to the inquiry; ten agreed with the proposed definition and 16 companies provided commentary. Many respondents felt that the gross revenue number was too low, while a few respondents suggested that the definition should not be tied to gross revenue at all. Comments on the gross revenue figure include:

- "We note that the gross revenue limitation of $500,000 creates two concerns. First, there are different definitions of "gross revenue" and this will create ambiguity regarding what figures to use. Second, we note that the cost of an audit itself is expensive and time-consuming. We have seen audits cost more than $25,000, even for a startup company. When considering a $500,000 threshold, this would mean that 5% of the company's gross revenue (not net income) would be required for an audit. As a result, we recommend a higher threshold of $10,000,000 be used. This would be a more reasonable threshold in keeping with the cost of a financial audit."

- "The financial statement requirements outlined in the Proposal use the term 'startup company' and define this group based on their publicly traded status, years of operation, and gross revenue above or below $500,000 as the qualifiers. [Respondent] believes the definition should be clarified to reflect 'net' revenue as the revenue qualifier for the definition. Without such clarification, revenue would be inflated, and this would result in a distortion of the definition of a startup company as intended in the Proposal. Under

Generally Accepted Accounting Practices (GAAP), gross revenue generally reflects gain on sale/net revenue, which is the amount that is recorded and recognized on the income statement. The proposal should clarify that "gross revenue" as used in the definition of a startup company is in accordance with GAAP, and therefore is the grossed-up amount of the company's gross proceeds as reflected in its statement of cashflows. Including this clarification, i.e., gross revenue in accordance with GAAP (reflecting gain on sale), will ensure that the definition uses the correct amount for purposes of classifying an entity. This would help achieve the goal of this Proposal in recognizing true startup companies."

- "I would like to see an exemption to certain parts of Proposal 2023-1 as stated above for companies that originate & service business-purpose only loans and/or have limited annual revenues under $1,000,000."

Comments on the other aspects of the proposed definition were:

- A few suggested the definition state a startup company is one that has held at least one license for no more than 18 months.

- It was suggested two years is too short.

- It was suggested there should be a threshold based on number of transactions per year.

- A company that has completed two annual federal tax reporting cycles.

- There was some concern with states that take a long time to process applications and therefore it was requested that the definition of a startup company be tied to the application date.

One respondent suggested whether a company is a 'startup' company or not should not be a factor in determining the need for audited financial statements. The respondent went on further stating the requirement for audited financial statements should better reflect the risks that regulators are trying to address and suggested a company be required to submit audited financial statements if any of the following apply:

1. The company is publicly traded;
2. The company is otherwise required to provide audited financials to any equity investor, debt provider, or other entity;
3. The company holds the servicing rights for more than 50 mortgage loans concurrently at any time during the company's fiscal year (even a single day);
4. The company has more than 50 employees (inclusive of non-employee commissioned salespeople / loan originators).

- "One respondent stated that audited financials should never be required in connection with licensing, stating "audited financials are intended to inform and to some degree protect uninvolved shareholders who have no way to know the information is accurate. It is bad enough that some states require audited or compiled financials from such small companies, but the whole concept of external financial reporting from such small, closed held companies with no formal external shareholders or boards of directors flies in the

face of the vague “financial responsibility” requirements for individual licensees provided for in the SAFE Act. Additionally, most states require surety bonds and or E&O insurance or similar fund deposits to prove the financial wherewithal to protect consumers. The additional financial reporting and associated distractions and expense are simply unjustified. As opposed to asking if an exception is in order for “startups” the CSBS should advocate standardization across all states for the removal of the requirement in total. If CSBS or any other organization has data which can show a nexus between this required financial information, let alone raising it to the level of “Audit”, provides actional information to protect consumers, that data should be provided. However, there is no such historical evidence since the inception of the Act that financial reporting has accomplished any consumer protection. The CSBS has the latitude, except for state requirements, to abandon this unnecessary increase in work and financial burden placed on micro-sized companies. The SAFE Act at 12 USC 5104 (e) without defining content simply calls for “each licensee” (not company) to submit “reports of condition” in such form as the NMLS&R may require. There is nothing about audited financials being the standard. And if the CSBS refuses to consider removing this arbitrary requirement, the existing Mortgage Call Report required Standard Financial Condition Report, especially if the form was improved as it relates to small companies, should be more than adequate. It is understood that such financial reporting may still be required by states and even that should be reconsidered by each state.”

- “Requiring anything more than an “unaudited” financial statement will create a substantial financial burden on mom-and-pop shops. Furthermore, submission of unaudited Financial Statements should be on an annual basis, due within 90 days of the licensee’s fiscal year end. Due to the rapidly changing economic environment of the USA, coupled with increasing home values and loan amounts, there should NOT be a gross revenue threshold triggering an audited financial statement.”

When asked what type of financials a startup company should submit answers ran the gamut from compiled to reviewed to a balance sheet and profit and loss statement certified by an accountant to unaudited financials. Respondents asked for flexibility in what the licensed entity is required to provide.

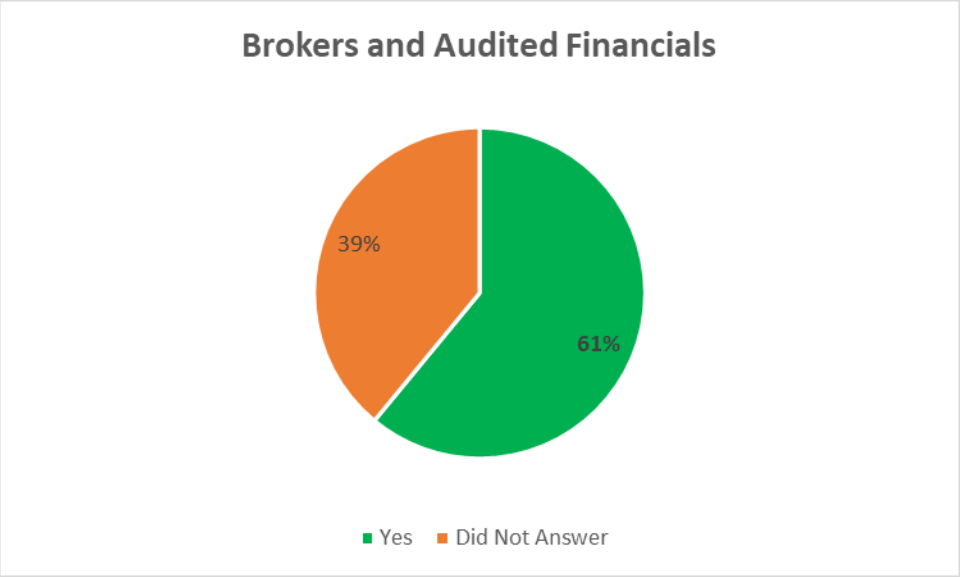
Response/Recommendation:
Audited financial statements provide assurance that the financial statements accurately and fairly represent the condition of the company and that appropriate internal controls are in place. Regulator experience reflects there is a clear link between financial condition and degree of compliance with required laws and regulations to ensure consumer protection at the federal and state level. Audited financial statements are also used to ensure compliance with net worth requirements.

The term gross revenue as defined by GAAP accounting principles is unambiguous. The $500,000 threshold was determined using data from mortgage companies in the system who were formed in 2021 or later (which numbered over 15,000).

Despite the value audited financial statements provide in the mortgage company license process, the cost for startup companies outweighs the value provided and therefore states that have an audited financial statement requirement for new applicants will be encouraged to adopt an exception for startup companies.

Item 5.2.3

The proposal states a company obtaining a license that only permits brokering activities and that is not a startup may provide something less than audited financials. Do you agree with this exception? If so, what type of financials should these companies submit (i.e., compiled, reviewed or unaudited)?



Commentary:
The proposal suggested a company obtaining a license that only permits brokering activities and that is not a startup may provide something less than audited financials[10] in connection with a new application. Respondents were asked if they agreed with this exception. If so, the Proposal asked what type of financials these companies should submit (i.e., compiled, reviewed or unaudited).

If respondents indicated they were against submitting audited financials, this was taken as agreement with the statement that brokers should submit something less than audited financials. Many comments were generic citing the burden and increased costs for small businesses and these companies are not in the tally.

Twenty-five companies stated yes and agreed that for those states that have an audited financial statement requirement in connection with a new application, there should be an exception for companies that only provide brokering services.

There were several comments received as to what type of financials brokers should submit. Several respondents stated that mortgage brokers are generally very small companies; sometimes only consisting of one or two individuals.

Several respondents pointed out the unique business model of brokers. By definition, mortgage brokers do not make mortgage loan decisions (approve loans), create mortgage programs or

[10] This item would only apply to those states that have an audited financial statement requirement for brokers.

products, or lend their own funds in any loan transaction, audited financial statements are irrelevant to the "safety and soundness" Dodd Frank seeks.

"A small business is defined by S121.102[11]; 'either in terms of the average number of employees over the past 12 months, or average annual receipts over the past three years.' Also, all federal agencies use SBA's size standards. At the minimum, SBA defines a small business as a company with $1,000,000 revenue, often closer to $40,000,000 revenue."

"The traditional broker channel and its supporting companies such as independent contract processors do not handle consumer funds and there is no supportable need for proof of financial stability. For those companies which may operate with warehouse facilities, and which do fund loans, the fact is that the existing state level requirements for bonding and/or E&O insurance provides more than adequate proof that the companies are able to withstand issues related to inability to achieve closings and the possible downstream consumer consequences that may relate to earnest money issues or costs of moving, etc. The is no meaningful justification for requiring the level of reporting that presently exists. To the extent this argument is not compelling, then simply require the level of reporting in the S-FC in the MCR after addressing the need to offer different formats based on the business model."

"Third party mortgage loan brokers are heavily screened by wholesale lenders. With credit reports, financial statements, references, and performance of our originated loans.
A couple of respondents pointed out that not all states have license categories for mortgage brokers. In fact, there are 18 States that do not have broker-specific licenses, but instead, Brokers and Lenders have the same license type[12].

It was suggested that NMLS require that every state adopt a broker-specific license option. It would not only add welcome clarity to the audit process, but it would also make data-collection and channel comparison far more straightforward. There was some concern that this could only work in states that have licenses that only permit brokering.

In lieu of full adoption of broker-specific licenses, one respondent suggested the following alternatives to identify a company that strictly permits brokering activities:
1. Attestation – A formal attestation [the company will engage only in brokering activities] at the risk of steep penalties/license revocation for false statements.
2. Surety Bond Coverage – If a company engages in lending activities, it will be reflected in its Surety Bond coverage. It would be clear from the surety bond coverage whether a company engages in lending activities or not.
3. Call Reports – Quarterly call reports require the disclosure of credit lines. The lack of credit lines is evidence that a company strictly engages in brokering activities.

I am against requiring audited financial statements from third party originating brokers. The last audit I had as a "lender" cost $12,000. I would rather you have a minimum cash balance in a checking account at the end of each year…etc. Mortgage brokers remain a source of lower cost mortgages to the public because our cost to operate is lower than banks and lenders.

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[11] This refers to the *13 CFR 121* Small Business Size Regulations
[12] Respondent stated, "The states in question are Alaska, Colorado, Connecticut, Hawaii, Illinois, Kansas, Louisiana, Maryland, Minnesota, Missouri, Nebraska, Nevada, New Mexico, Ohio, Oregon, Tennessee, Texas, and Utah." This information has not been verified.

Having to produce audited financial statements and enhanced documentation requirements as set forth in the proposal will be overly burdensome and costly for small companies with limited revenue. It would drive costs up on an already expensive process for consumers in an already challenging market.

That financial burden, especially for smaller brokerages, not only risks putting existing companies out of business, but it also serves as an obstacle for other entrepreneurs in those 18 states who may be considering the launch of their own brokerage. Ultimately, those restrictions hurt consumers the most, as the strength of most affordably buying and owning a home comes from having maximum access to options.

The requirements for reporting will be too costly for smaller mortgage broker and lending companies. Audited financials cost several thousands of dollars and this will place a burden on small broker and mortgage lenders. I believe there should be threshold of loan origination volume. An example would be any lender funding over 200 million dollars must be required to complete audited financials. Also requiring smaller companies to include disaster recovery/business continuity, Gramm-Leach Bliley is an overkill especially for mortgage broker companies. Mortgage brokerages which do not originate loans in their name or service any loans should not be required to follow the same rules as funding institutions. These companies are only pass through and not the holder of the notes.

As indicated in responses to the subject of financial statements, there is no need for financial reporting except in the minds of those not responsible for operating such entities. The traditional broker channel and it is supporting companies such as independent contract processors do not handle consumer funds and there is no supportable need for proof of financial stability. For those companies which may operate with warehouse facilities, and which do fund loans, the fact is that the existing state level requirements for bonding and/or E&O insurance provides more than adequate proof that the companies are able to withstand issues related to inability to achieve closings and the possible downstream consumer consequences that may relate to earnest money issues or costs of moving, etc. The is no meaningful justification for requiring the level of reporting that presently exists. To the extent this argument is not compelling then simply require the level of reporting in the S-FC in the MCR after addressing the need to offer different formats based on the business model.

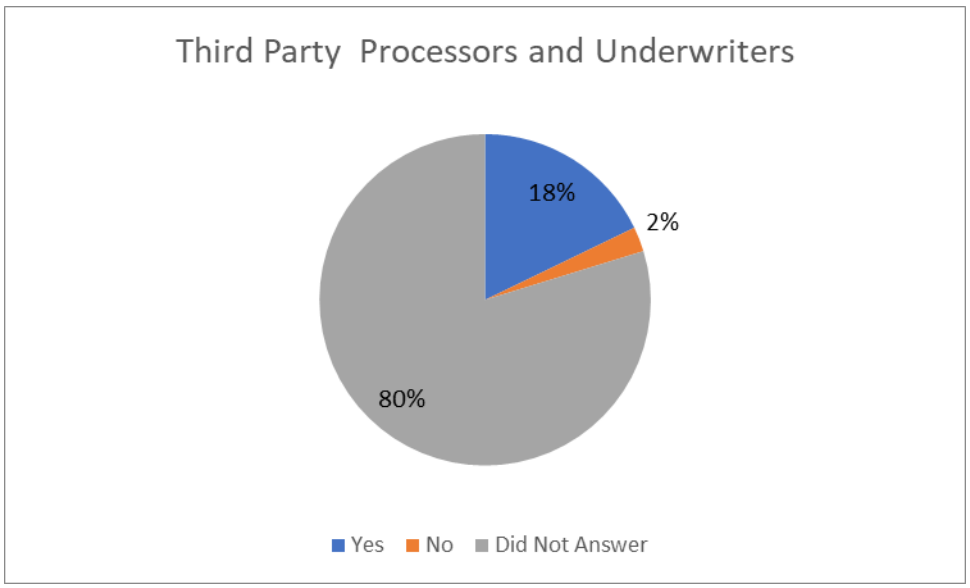
Suggestions as to type of financials to submit:

1. an Annual Balance Sheet and a year-to-date Balance Sheet and an Annual Financial Statement is all we need.
2. unaudited financial statement certified to be true and accurate is enough to show the company’s financial status.
3. Compiled
4. Reviewed

Response/Recommendation:
The requirement should be that companies that solely engage in brokering activities as determined by the company’s chosen business activities shall submit the highest level of financial statements available to them.

Item 5.2.4

Do you agree that a company that is solely engaged in third-party mortgage loan processing and underwriting activities and that is not a startup need not submit audited financials? Assuming so, what type of financials should they submit?



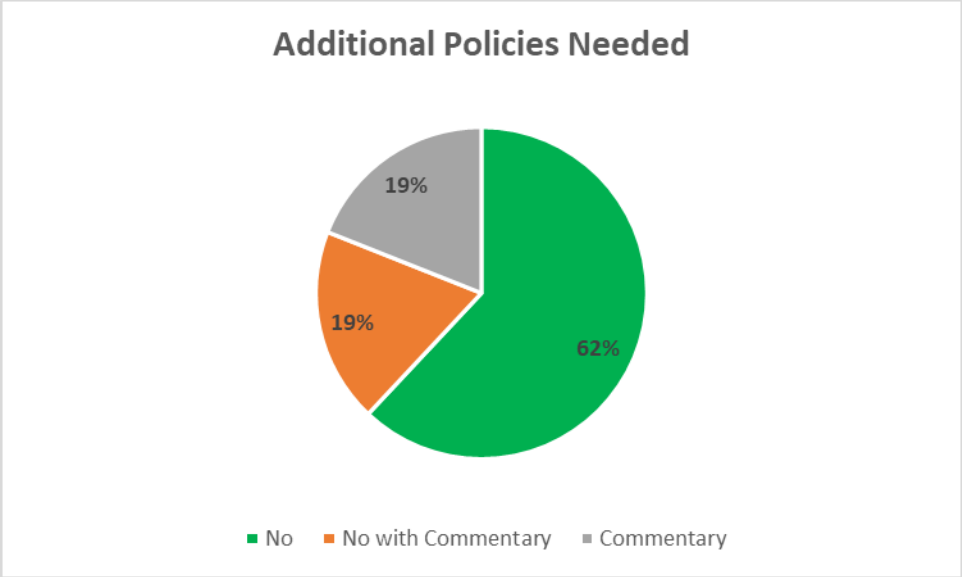
Commentary:
The last item in the proposal inquired as to whether respondents agreed that a company solely engaged in third-party mortgage loan processing or underwriting and that is not a startup should be able to provide something less than audited financials.

Response/Recommendation:

Approximately 80% of respondents did not answer this question, therefore it is recommended that no changes be made.

Item 5.3 – Policies

a. *Are there any policies not listed in the Document Requirements section that should be included?*



Commentary:
As part of the Mortgage Business-Specific Requirements Proposal, companies would be required to provide the following policies:

- BSA/AML Policy
- GLB Privacy Policy
- Disaster Recovery/Business Continuity Plan
- Consumer Complaint Policy

The proposal also stated, "to account for smaller companies that may have documentation, but not in the form of a Policy per se for the required items, submission of documentation evidencing compliance will be adequate." As an example, the BSA/AML Policy requirement would read "Submit a BSA/AML Policy or documentation evidencing compliance with BSA/AML requirements."

Sixteen companies responded to this inquiry. The vast majority of respondents stated no additional policies were needed. A few respondents stated that to require these policies is burdensome. One respondent stated this should be left to the state regulators who have a need and the authority to get the information.

Response/Recommendation:

The NMLS Policy Committee, acting on behalf of the state agencies and to foster consumer protection, has determined ensuring companies have basic policies in place as mandated by

federal law should be a minimum requirement for a regulator to make a licensing decision.

The purpose of these required items is as follows:

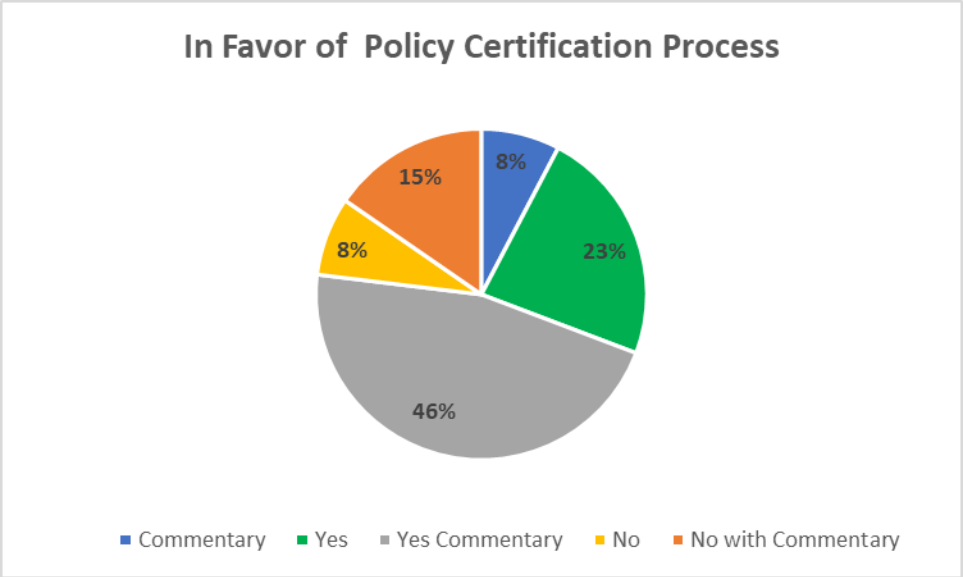
- A BSA/AML Policy is required so a regulator can ensure that an applicant has the proper policies and procedures in place to comply with reporting requirements to help detect money laundering.

- A GLB Privacy Policy is required so a regulator can ensure that an applicant has the proper policies and procedures in place to ensure the security and confidentiality of consumer records and information.

- A Disaster Recovery Plan is required so a regulator can ensure that an applicant has the proper policies and procedures in place to ensure that in the event of a disaster, the applicant can safeguard operations and to ensure it can get back to business with its customers with as little interruption as possible.

- A Consumer Complaint Policy is required so a regulator can ensure that an applicant has an appropriate vehicle in place to protect the client and customer's rights, including the right to comment and complain; to provide an efficient and fair process for resolving client and customer complaints; and to monitor complaints in an effort to improve the quality of operations and services the company provides.

b. Are you in favor of the proposed policy certification process?



Commentary:

Thirteen companies responded to this inquiry.

To accommodate all agencies, the Proposal recommended a policy certification process whereby:

1. For each of the policies required, the applicant will have to provide a certification as to the key provisions of the policy. The certification forms to be developed will contain a list of items for which the applicant will indicate “Yes” or “No” as to whether the items are addressed/included in the policy.

2. Applicant must attach a complete copy of the policy. This will provide those agencies that want to review the policy in its entirety at the application stage the ability to do so.

It will be explicitly stated on each policy certification form that approval or granting of a license does not mean that the policy contents have been approved.

The certification forms will set forth the minimum requirements for these policies as established by federal law and will help all companies, but especially small companies, in establishing the required policies. A few comments stated that if not all states review the policy at the time of application why should submission of the Policy be required. A few companies suggested the certification forms should be sufficient, one citing a concern that policies may contain proprietary information.

One company provided commentary and did not state whether they were in favor of the concept or not. The company stated that since the certification forms have not been developed yet, they

suggested that there be a new round of comments once the specifics have been published. There was also a request that CSBS provide sample policies that would be compliant with the requirements and which companies can modify as necessary and adopt. Finally, we note that some policies may not apply to specific companies, and we request the NMLS provide an option for companies to indicate that particular policies and procedures would not apply based upon the company's specific business activities.

Response/Recommendation:

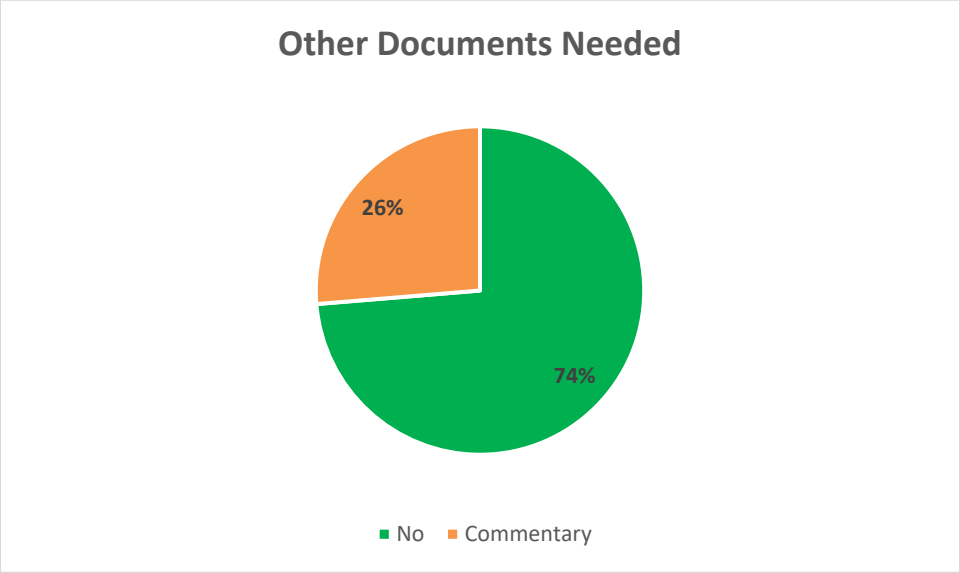
The policy requirements will provide a statement that if a particular policy or items in the certification are not applicable because of the company's business model, the company can indicate it is not applicable with a brief explanation.

The policy certification concept will help companies of all sizes, but especially small companies.

Attached as Exhibit 2 is a draft of a BSA/AML certification. Any developed certification forms will undergo a public comment period.

Item 5.4 – Missing Documentation

Are there any other documents commonly required for companies engaging in mortgage lending and servicing business activities not included in the Mortgage Business-Specific Requirements?



Commentary:

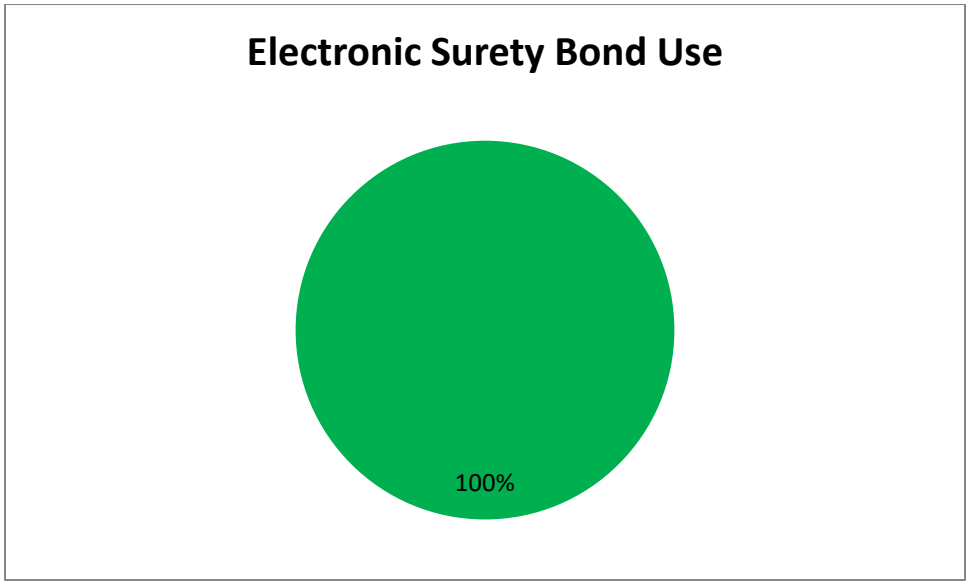
Nineteen companies responded to this inquiry. None of the companies suggested additional documents be included.

Response/Recommendation:

No additional documents will be added to the Mortgage Business-Specific Requirements.

Item 6 – Required Functionality

Do you agree with the use of electronic surety bonds?



Commentary:

Only four companies responded to this question and were in favor of the requirement.

Response/Recommendation:

The use of electronic surety bonds will be strongly encouraged.

Item 7 – Location Reporting

The Proposal provided a list of locations that companies engaged in mortgage business activities would have to disclose and inquired whether additional locations were needed and whether the location definitions provided were sufficient. These two inquiries are covered herein as separate items (items 7.1 and 7.2).

Item 7.1: Are there locations not in the location list that should be added for the mortgage industry?

Commentary:

The proposal stated "as part of Core Requirements, all companies will be required to provide those locations where licensed activity will be performed, records are stored, or where support staff for licensed activities are located. It also stated as a result of regulator comment on the Proposal, an accounting, cloud services and legal location would be added as part of Core Requirements. The proposal had no mortgage business-specific locations.

Below are some of the comments provided:

1. [Respondent] "does not believe that companies should need to provide more information in the NMLS for accounting and legal services than is already being required in the contact information for accounting and legal services. This contact information includes location information for the contact individual. The contact information required to be provided should suffice if a regulator has any questions or concerns about accounting or legal services."

2. "The third requirement for support staff can encompass literally every location for every other employee as all employees support licensed activity as licensed activity is the

purpose of the company."

3. "The Proposal's location reporting requirements do not appear to recognize the widespread adoption of remote work flexibility in the aftermath of the shelter-in-place and other restrictions imposed by the COVID-19 pandemic."

4. [Respondent] "recognizes the need to include location requirements regarding the location of any physical record keeping or branch offices within their state as well as the principal office location. To avoid impeding progress on remote work flexibility, the location reporting requirement should be updated to reflect only these requirements and not based on locations of 'licensed activity.'"

5. "As to the Accounting requirement, it is unclear as to whether more than one location is required. In house Accounting has some responsibilities and third-party accounting services have other responsibilities. There is no clarity as to what is being sought here and for what purpose. There is certainly no basis in state law for this requirement."

6. "The Cloud Services requirement similarly lacks a purpose and lacks state statutory authority. It is extremely vague as to what is being requested and as to whether a company can even provide this information and keep it current on an ongoing basis."

7. "Finally, the Legal requirement, like the accounting requirement, is extremely vague. In a large company, some matters are handled entirely in-house and other matters are sent to various outside law firms as needed. Providing the identity of outside counsel is protected by attorney client privilege and again lacks a purpose and lacks statutory authority."

8. "With regard to accounting and legal services, since a Licensee may list the name of a law firm without any acknowledgment from the legal service providers and without any reference to the scope of legal services provided, we trust this section also will make clear that the HRE over finance and/or legal remains responsibility for the functional area, regardless of whether an external third-party's location is listed in the licensing record. We also do not believe it is appropriate to include a "Start date" as Licensees may not have precise date to report, particularly if they have not yet commenced operations for the location."

Response/Recommendation:

There are no additional locations that need to be added as part of Mortgage Business-Specific Requirements.

The requirements were not intended to thwart work remote allowances in place. Company operated work locations are defined as those locations where the company either owns the location or leases it. This does not envision work remote locations.

It is recommended that the requirement be reworded as follows:

As part of Core, all companies will be required to provide the following:

- Accounting: The applicant/licensee will provide the primary location for accounting services that are provided to the company.

- Cloud Services: In connection with the books and records requirement, the applicant/licensee will be asked to provide details regarding cloud storage services, including services used for data collected from customers.

- Legal: The applicant/licensee will provide the primary location for legal services that are provided to the company,

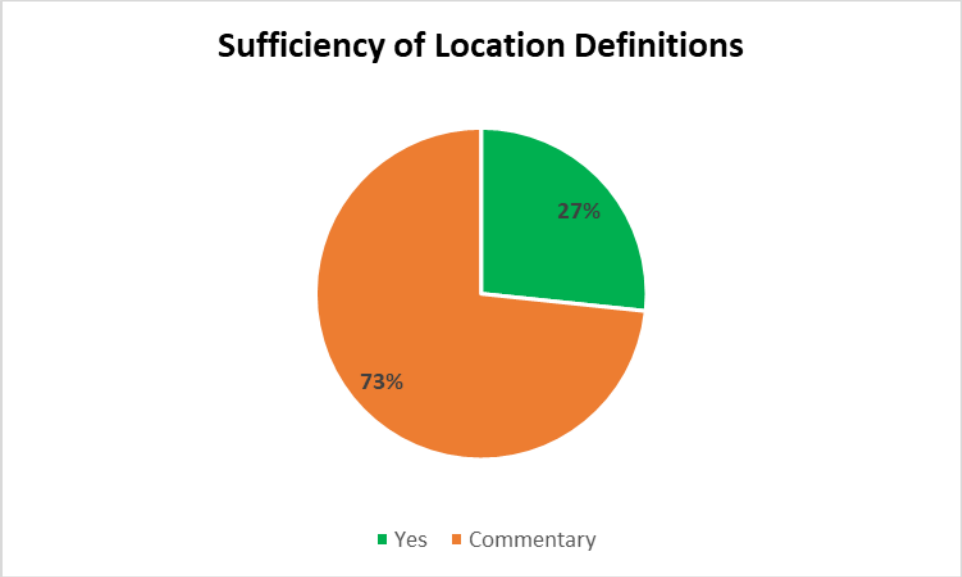
- Those company-operated work locations where licensed activity will be performed and/or records are stored.

For the accounting and legal location, if the company contact for the area is in-house, the Company will be asked if the designated point of contact is at this location.

Companies will also be able to indicate whether licensable activity is being conducted at the location.

CSBS is working on system requirements for work remote locations.

Item 7.2: Are the location definitions provided sufficient?



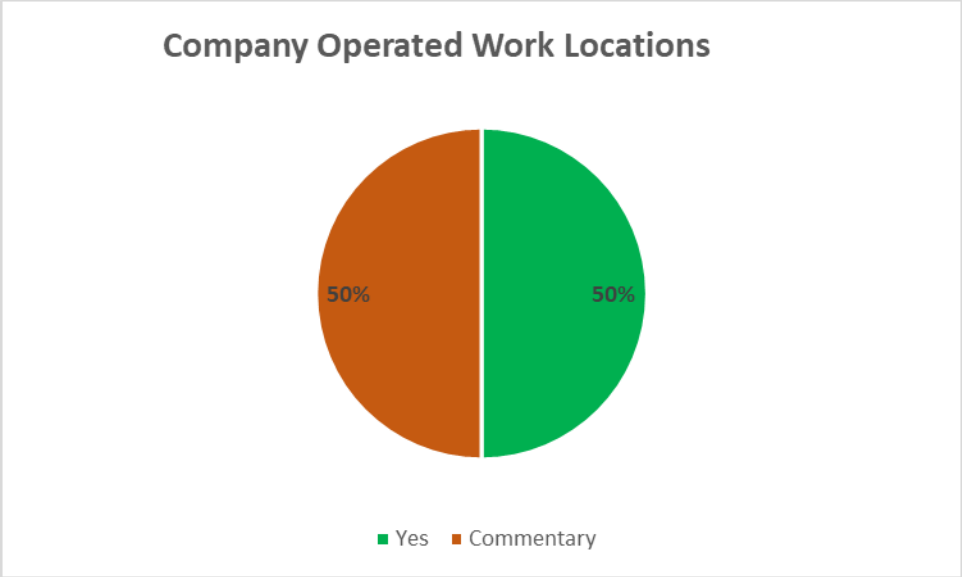
Commentary:
Sixteen companies responded to the question of the sufficiency of the definitions. Eleven companies provided commentary on the item.

As stated above, several respondents stated the location requirements do not appear to recognize the widespread adoption of remote work flexibility.

Response/Recommendation:
There are no items that need a response or for which a recommendation needs to be made that have not been addressed in item 7.1 herein.

Item 8 – Company Operated Work Locations

Is the required information for Company Operated Work Locations adequate?



Commentary:

The proposal stated the following information would be required for each company operated work location:

Requirement	Format/ Description
Business Activities	Selected from business activities reported by the company.
Operating Under which License Authority?	Selected from license authority held or applied for by the company.
Physical Address	Street address where the company operated location is physically located.
Mailing Address	Mailing address for the company operated location, if different from physical address.
Books and Records Information	Selected from books and records locations reported by the company or provide a new record custodian for this location.

Doing Business As (DBA)	Selected from names of DBA(s) reported by the company under which the Ccmpany owned location commonly operates. *This field is optional.*
Branch Manager Name	Name of the individual responsible for licensed activity at the company operated location.
Phone Number	Primary phone number for the company operated location.
Email Address	Primary email for the company owned location. *This field is optional.*
Start Date	Date that represents the starting date that licensed activity began at the physical address.
End Date	Date that represents the ending date that licensed activity was no longer performed at the physical address. *This field is only required if the location is no longer in operations.*

Only 12 companies responded to this item. Below are the key comments:

1. "[Respondent] would appreciate additional information regarding specific requirements for branch managers, as many state regulators currently have varying requirements. For example, are regulators agreeing as to what those requirements will be or will companies still have to possibly have multiple branch managers to fulfill state-specific requirements, such as mortgage loan originator status or experience requirements."

2. "If this proposal is intended to apply to only licensed work locations, the categories that are listed are generally already included in branch information on the NMLS for licensed branch offices. For locations that need not be licensed, many of these categories simply do not apply. Business activities are defined as an overlay on a licensed location, not for the Human Resources or Legal Departments for example. In addition, there are not branch managers at unlicensed locations."

3. "Additionally, we suggest that in lieu of requiring a "branch manager name," a "primary contact" be designated by the company instead. Many companies no longer operate under a traditional branch model, and thus there is no company need for a "branch manager" absent state law requirements to have them, a primary contact may be more practical for a licensee to identify."

4. We recommend removing the requirement to provide a "start date" and "end date". Companies have fluid operations in many locations that vary based upon market conditions. For example, the significant rise of interest rates over the past year has resulted in a number of companies ceasing certain activities conducted within each location. Given that companies hold the requisite licenses which provide authority to conduct the activities contemplated within those branch licenses, we do not believe having a start and end date would provide any value. Therefore, we suggest that the date be generated by NMLS upon approval of licensure and surrender of licensure.

Response/Recommendation:
It will be noted that all of the location information may not be applicable to a particular location

and if it is not applicable applicant shall indicate so.

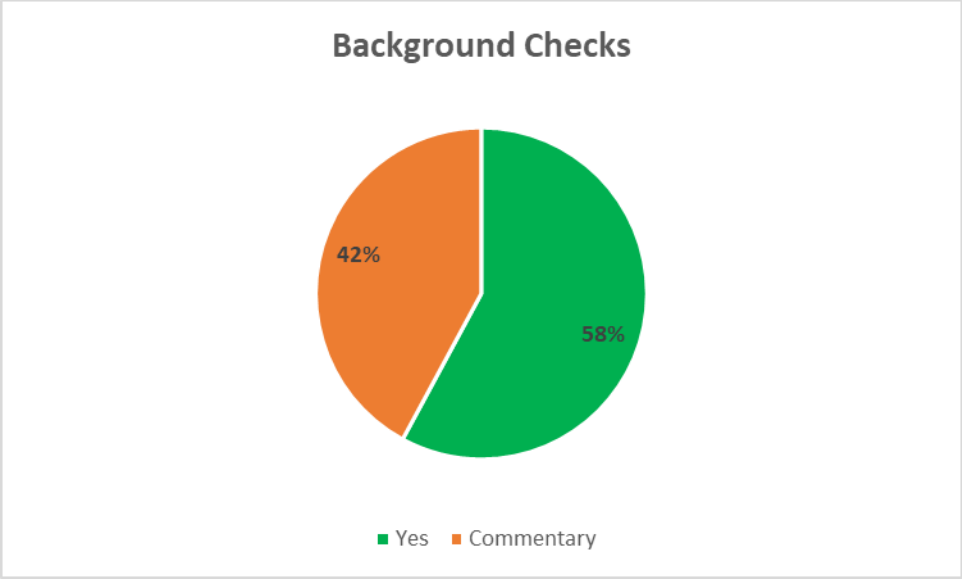
The branch manager item will be reworded to read “If license activity is conducted at the location, name of the individual responsible for licensed activity at the company operated location.”

An additional item will be added as follows:

Office Manager - “If license activity is not conducted at the location, name of the individual responsible for managing the company operated location.”

Item 9 – Key Individual Requirements

Item 9: Do you agree with the minimum requirements proposed for the Third-Party Investigatory Background Checks to be provided when a key individual has resided outside the United States at any time in the last ten years?



Commentary

The proposal outlined key individual requirements and provided a list of requirements for an investigative background report to be provided when a key individual has resided outside the U.S. at any time in the last 10 years. Only 19 companies responded to this inquiry. Of the 19 companies, eight provided commentary and did not answer the question about the adequacy of the description of the investigative background report.

Several companies that were in favor of the minimum requirements for third-party investigatory background checks asked that states that have state-specific background checks remove those requirements, stating “it is burdensome for key individuals and mortgage loan originators to have to go to multiple locations for fingerprinting.”

While there were a few comments that were supportive of the KIWI, there were many critical comments.

Response/Recommendation:

Given the responses, there is no need to amend the requirements for an investigatory background check.

KIWI does not provide a new category of individual that must be vetted while retaining the current control person requirement. Some companies will have to disclose fewer individuals, while some may have to disclose more. KIWI brings clarity to a confusing process of identifying control persons.

KIWI is a collaborative effort between industry and regulators ("KIWI Working Group"). Working under a premise of understanding that both industry and regulators have specific needs that need to be addressed, KIWI guides the applicant through a series of questions to identify the appropriate individuals within the organization based upon a set of agreed to business rules.

KIWI is an attempt to address a long-standing pain point between industry and regulators regarding who associated with an applicant needs to be disclosed and vetted and why. As part of the initiative, KIWI seeks to move beyond the traditional definition of "control persons" to look more broadly at functional areas of responsibility and risk associated with the applicant's business activities and ownership influence that are of most concern to regulators. Another objective of KIWI is to identify those individuals who may have undue influence based upon percent of ownership.

As a practical matter the terms "control person" and "key individual" are synonymous.

Below is an overview of the KIWI sections and comparison to who must be identified as a control person today:

1. Highest Ranking Executive
    a. Just like today, the applicant will identify the Highest-Ranking Executive of the applicant

2. Management Structure
    a. Similar to today, the applicant with be asked to identify the company's management structure. A drop down will be provided (e.g., Board, General Partners, Members)
    b. The applicant will identify how many individuals are in the management structure

3. Ownership Hierarchy
    a. The Wizard using built-in business rules will drive the applicant to identify those owners that have a10% or more interest in the applicant. This is the current requirement for direct owners. Indirect owners are addressed below as item c.
    b. The applicant will account for 100 percent ownership, using a minority interest entry for those owners that own less than 10 percent. While the minority interest concept is new, this does not require the identification of any additional owners
    c. The applicant will total up the percentage of ownership interests held by individuals or entities, neither of whom own 10% or more and enter the percentage. The KIWI will also ask how many owners are in the minority interest entry and do a high-level reasonability test. This test will be a straight math test and will merely determine if identified the percentage of ownership held by the group divided by the number of owners is less than ten percent (10%).
    d. At the indirect owner level, the KIWI used the concept of dilution and in certain instances, a company may have to disclose more indirect owners. The concept

of dilution means that instead of listing owners of direct owners that have a 25% or more interest in each direct owner of the applicant as is required today, only those indirect owners that have a 10% or more interest in the applicant would have to be disclosed ("dilution"). The purpose of dilution is to more accurately reflect the diminishing influence an owner has over the applicant the further they are removed from the applicant. However, in the event an indirect owner has an ownership interest in more than one entity associated with the applicant, KIWI will note it and the indirect owner may be required to be vetted.

e. The KIWI also incorporates the notion of a passive investor. Unlike today, those owners that own between 10 and 25% of the company will not be considered key individuals if they are deemed passive investors.

4. Affiliate and Subsidiary Information
   The KIWI will drive the identification of a company's affiliates and subsidiaries as currently required today.

5. Functional Areas
   a. Using specific questions, the KIWI will drive the applicant to identify key individuals in the areas of operations, finance, information security and compliance
   b. Without mentioning titles, the questions are designed to drive the applicant to identify the CFO, CISO, CCO, COO or their functional equivalent. These are individuals that are deemed control persons today.

6. Identification of Business Activity Managers
   a. While the KIWI will drive the identification of business activity managers, these individuals are merely identified and will not rise to the level of key individuals and will be used to complete a required organization chart.

Exhibit 1

9. Approvals and Designations	
Provide the information below for any approvals and/or designations the company currently holds.	
☐	(A) Federal Housing Administration (FHA) Approval (if selected, indicate Approval Type: Government Lender Investing Lender Nonsupervised Lender Supervised Lender; and provide Main Approval #: _____)
☐	(B) Ginnie Mae approved Issuer/Servicer (if selected, provide Main Approval #: _____)
☐	(C) Fannie Mae approved Seller/Servicer (if selected, provide Main Approval #: _____)
☐	(D) Freddie Mac approved Seller/Servicer (if selected, provide Main Approval #: _____) I am out of the office today.
☐	(E) Veterans Administration (VA) Approved Lender (if selected, provide Main Approval #: _____)
☐	(F) FinCEN Registration (Money Service Businesses only) (if selected, provide Confirmation #: _____ and Filing Date:_____)
☐	(G) Uniform Debt-Management Services Act Accreditation
☐	(H) Guaranteed Rural Housing (GRH) Approval (if selected, provide Main Approval #: _____)
☐	(I) Other Approval/Designation (if selected, provide the name of approval/designation and number below) Name of Approval/Designation: Approval/Registration #:

Exhibit 2

Policy Certification[1]
BSA/AML Policy

In connection with the BSA/AML Policy attached, _____(Insert Applicant Name)_____ hereby states as indicated below with a Yes or No answer those items which are covered in the attached Policy.

1. The Board or equivalent governing body[2] has adopted a written BSA/AML Compliance Program.
☐ Yes ☐ No
2. The information in the BSA/AML Program agrees with the business activity information provided in the Business Plan.
☐ Yes ☐ No
3. The BSA/AML Program meets the requirements of Pillar One: Policies and Procedures and Internal Controls, namely:
    a. The company has policies and procedures relevant for Suspisious Activity Reports, Currency Transaction Reports, Currency and Money Instrument Reports, Foreign Bank Account Reports. ☐ Yes ☐ No
    b. The company has policies and procedures to comply with Office of Foreign Asset Control requirements.
    ☐ Yes ☐ No
    c. The company has accurate record retention policies for all related document categories.
    ☐ Yes ☐ No
    d. The company has a policy directing how to appropriately handle law enforcement requests.
    ☐ Yes ☐ No
    e. The company has policies and procedures relating to agency due diligence.
    ☐ Yes ☐ No
    f. The company has policies and procedures relating to agent training.
    ☐ Yes ☐ No
    g. The company has done a risk assessment.
    ☐ Yes ☐ No
    h. The company has policies and procedures relating to “know your customer/customer due diligence.”
    ☐ Yes ☐ No
4. The BSA/AML Program meets the requirements of Pillar Two: Designation of a BSA Compliance Officer (CO), namely:

[1] This document must be completed by a Control Person or Key Individual
[2] “Equivalent governing body” refers to those entities that do not have a Board.

a. The Board or equivalent governing body has designated a BSA CO and the CO must give regular updates to said Board/equivalent governing body.
   □ Yes □ No
b. The CO has appropriate independence and a clear line of communication to the Board/equivalent governing body.
   □ Yes □ No

5. The BSA/AML Program meets the requirements of Pillar Three: Training of Appropriate Personnel, namely:
   a. The company has policies and procedures relating to training of appropriate personnel, including, but not limited to, tracking and updating of training materials.
      □ Yes □ No
6. The BSA/AML Program meets the requirements of Pillar Four: Independent Testing Program for Compliance, namely:
   a. The company policy contains an independent testing program for compliance.
      □ Yes □ No

The Company understands that approval or granting of a license by an agency does not mean the policy has been approved by the agency or that the policy submitted meets all necessary requirements of a BSA/AML Policy. They company further understands that the Policy in its entirety, may not be fully reviewed by the agency until the company's first examination.

I hereby certify that the facts and answers herein are accurate, complete, and not misleading.

_____
(Signature)

_____
(Full Name)

_____
(Title)

_____
(MM/DD/YY)

_____
(Company NMLS #)