

DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION

Mortgage Industry Advisory Board

BOARD MEETING MINUTES – Teleconference

ROLL CALL

November 17, 2010

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Nicole Nahodil
Michael Winks
Pava Leyrer

OFIR Staff:

Pam Baker
Diane Lane
Mark Weigold - Excused
Paige Colley- Excused
Jean Boven- Excused

Call to order @ 2:00pm

- Approval of Agenda for 11-17-10 teleconference meeting – seconded and approved

Unique Identifier (NMLS Number):

- Reviewed and discussed drafted memo regarding Unique Identifier (NMLS) interpretation of MLOLA Sec. 41; in order to seek clear guidance for compliance it is being sent to the Commissioner for OFIR interpretation - motion to approve, seconded, and approved

Action Item:

- Move forward with request of Section 41 of the MLOLA to the Commissioner

Other Issues:

- If there is feedback to the interpretation of Section 41 of the MLOLA there may need to be a conference call prior to the February 9, 2011 meeting

Next Meetings:

- February 9, 2011 @ 8:30am – 11:00am face to face
- May 11, 2011 @ 8:30am – 11:00am face to face

Adjourned @ 2:10pm



Pava Leyrer, Secretary

Date

Diane Lane, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION**

Mortgage Industry Advisory Board

BOARD MEETING MINUTES

November 10, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Nicole Nahodil
Michael Winks
Pava Leyrer

OFIR Staff:

Mark Weigold
Diane Lane
Paige Colley- Excused
Jean Boven- Excused

Call to order @ 8:30am

- Approval of Board Meeting Minutes from 7-29-10, 8-18-10 and 9-15-10 as amended motion to approve, seconded, and approved

OFIR –MIAB Roles/Memo:

- Reviewed and discussed drafted memo
- Status update given by Mark Weigold
- Memo was sent to the Commissioner from MIAB
- Copies will be sent to all MIAB Members of the revised memo

Unique Identifier (NMLS Number):

- Reviewed and discussed drafted memo
- Discussion regarding MLOLA Sec. 41 – Pava will draft a request for interpretation review by OFIR
- Status update was given by Mark Weigold
- Memo was sent to the Commissioner from MIAB
- Copies will be sent to all MIAB Members
- Consumer Finance will notify licensees

NMLS Call Reports—Draft Reporting Form:

- Update and Discussion on Report Content and Frequency
- Frequency could be Quarterly as required by NMLS. OFIR recommends annually but must follow NMLS requirements.

MLOLA Implementation and Loan Officer Registration Transition:

- Total new applications/transitions submitted are approximately 3,400; approximately 2,874 loan originators have been approved
- OFIR has reviewed all applications/transitions and has tracked what requirements are outstanding on each pending transition or new application
- Most of the pending applications/transitions are individuals who have not completed all requirements of the MLO license, the main issues are the testing and bonds
- Discussion of files that are taken to General Council for review; the procedures that OFIR has to follow to be consistent with each application and with the statute
- Discussion of Criminal Records specifically Retail Fraud files are reviewed individually to determine whether it was Larceny or Fraud
- Discussion of Felony files that are 100% reviewed by the Commissioner; Felonies within the past 10 years are an automatic non-approval
- Currently there has not been any application/transition that has been denied based solely on credit report issues
- Discussion regarding the population who will have to renew right away or choose to wait until January 1, 2011 for approval; but they will be unable to conduct any business
- Discussion of Legislation regarding caps on the amount of Company Bonds; Senate Bill 1525 will be reviewed by HUD or new agency
- Discussion of Mortgage Fraud Legislation that could result in a Felony charge punishable by up to 15 year's imprisonment; House Bill #6518 – 6521 and Senate Bill #1518 – 1522
- Discussion of Renewal Process
- Discussion of Continuing Education for 2011; there will be 8 hours of Continuing Ed approved by NMLS that required to be taken within the calendar year of renewal

Motions and Action Items:

- January 1, 2011, Continuing Education FAQ's or Bulletin type reminder to be posted on OFIR website with link to NMLS Course Suppliers
- Discussion and approval that MIAB will request an interpretation of Section 41 of MLOLA

Other Issues:

- Retirements taking place at OFIR

Next Meetings:

- February 9, 2011 @ 8:30am – 11:00am face to face
- May 11, 2011 @ 8:30am – 11:00am face to face

Adjourned @ 10:30am



Pava Leyrer, Secretary

Date

Diane Lane, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION
Mortgage Industry Advisory Board**

BOARD MEETING MINUTES

September 15, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Nicole Nahodil

OFIR Staff:

Mark Weigold
Lori Thelen

Call to order @ 10:00am

Roll Call

- Pava Leyrer- Excused
 - Mike Winks- Excused
 - Paige Colley- Excused
 - Jean Boven- Excused
-
- Board Meeting Minutes from 7-29-10 will be redistributed to board members for review and will be approved at next meeting

OFIR –MIAB Roles/Memo:

- Reviewed and discussed drafted memo
- Office of Financial and Insurance Regulations corrected to Office of Financial and Insurance Regulation
- Bullet item under OFIR role was revised to- Support Mortgage Licensee locator on OFIR website or NMLS website
- Memo will be sent to commissioner from MIAB

Unique Identifier (NMLS Number):

- Currently there is no update on the request that was sent to the commissioner for review; OFIR will follow up for next meeting

Loan Officer Registration to Mortgage Loan Originator License Transitions:

- Total new applications/transitions submitted are approximately 3,400; approximately 2,200 have been approved
- OFIR has reviewed all applications/transitions and has tracked what requirements are outstanding on each pending transition or new application
- Most pending applications/transitions are individuals who have not completed all requirements of the MLO license
- Discussion of files that are taken to General Council for review; the procedures that OFIR has to follow to be consistent with each application and with the statute
- Currently there has not been any application/transition that has been denied based solely on credit report issues only

Motions Approved:

- Approval of 8-18-10 minutes as revised motion to approve, seconded, and approved
- Motion to approve OFIR-MIAB Roles/Memo as revised on 9/15/10; motion to approve, seconded, and approved

Other Issues:

- Revise OFIR – MIAB Roles/Memo
- Unique Identifier (NMLS Number) update from commissioner

Next Meeting:

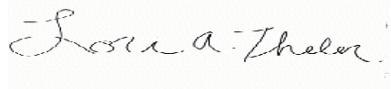
- November 10 @ 8:30am – 11:00am face to face

Adjourned @ 10:30 am



Pava Leyrer, Secretary

Date



Lori Thelen, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION
Mortgage Industry Advisory Board**

BOARD MEETING MINUTES

August 18, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Michael Winks
Nicole Nahodil
Pava Leyrer

OFIR Staff:

Mark Weigold
Lori Thelen
Paige Colley - Excused
Jean Boven – Excused

Call to order @ 8:37am

- Board Meeting Minutes from 7-29-10 will be approved at next meeting

MIAB Bylaws:

- Reviewed and discussed MIAB Bylaw revisions that were drafted

Unique Identifier (NMLS Number):

- Recommendation to Commissioner was submitted 2 weeks ago; response has not been given at this time

OFIR –MIAB Roles/Memo:

- Revise and delete items in the memo that are not relevant
- Reviewed and discussed draft for summary of OFIR and MIAB roles
- OFIR role- has to have registration changed to license on state of MI website; have OFIR create an FAQ on website for questions concerning independent contract processors
- Currently it shows all licensees that have been approved but is titled as registrants
- MIAB roles- reviewed and discussed information, asked members for additional input on the roles to carry out going forward
- MIAB will go to industry associations to see what individuals may be concerned with then report information back to the board meetings

NMLS Call Reports:

- The NMLS Call report will not be available to complete Michigan's annual report for 2010 data; it is expected to be available for 2011 data.
- Exempt institutions are not statutorily required provide this report.
- Discussion continues concerning if the call report will be completed quarterly or annually and whether by the company or by the individual loan originator.
- There will have to be a training period for companies and individuals to understand how to use this report and what requirements are needed.

Loan Officer Registration to Mortgage Loan Originator License Transitions:

- Total new applications/transitions submitted are approximately 3,200; approved is 1,717
- NMLS provided a report on individuals who have approval certifications available, but it cannot be uploaded until the NMLS certification invoice is paid
- Certification invoices that have not been paid for testing are 1,352 and 835 invoices that have not been paid for pre-licensing education.
- Applications that have not been approved are mainly due to certification fees unpaid, credit report issues; or FBI criminal check issues.
- The Bulletin from the Commissioner for 60 days was discussed. This is not an extension. Licensure was required on 7/31/10, the Commissioner advised OFIR is not going to take enforcement action against individuals who originate during this 60-day period.
- Transition is no longer available. Individuals have to apply for a new mortgage loan originator license however education and testing can still be certified for approval.
- Notifications were sent out both electronically and hard copy to all companies and individuals explaining after 7/31/10 there is no longer a loan officer registration.
- Loan originator employment transfers are handled through NMLS by terminating sponsorship and creating new sponsorships by the new employer, no longer through OFIR.
- There was discussion of bank loan originators becoming licensed as company loan originators and how that process should work.

Company and Mortgage Loan Originator Renewals:

- Renewals for companies in Michigan will have fees collected outside of NMLS because it is not a standard fee. Surety bonds for a company will be sent directly to OFIR.
- Mortgage Loan Originator renewal is handled through NMLS. LO's will pay a flat fee and attest for the renewal, but the surety bond has to be received by OFIR from the company or individual not put into NMLS unless it expires December 31, 2011.
- Fees have not been established for renewal at this time for LO's or companies. Fees for companies will still be statutorily capped from approximately 4,200 to 4,300.
- There are 931 active 1st and 2nd Mortgage Broker/Lender/Service, and Consumer Finance licensees/registrants.
- 63 companies have not transitioned to NMLS and will not be able to renew if they are not transitioned onto NMLS prior to the 2010 renewal period. They will then have to reapply.

Other Issues:

- Revise and reformat OFIR-MIAB roles memo
- Distribute minutes to board from July and current meeting

Next Meeting:

- September 15 @ 10:00am – 10:30am conference call

Adjourned @ 10:25 am



Pava Leyrer, Secretary

Date



Lori Thelen, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION
Mortgage Industry Advisory Board**

BOARD MEETING MINUTES

July 29, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Michael Winks
Nicole Nahodil
Pava Leyrer

OFIR Staff:

Mark Weigold
Lori Thelen
Paige Colley - Excused
Jean Boven – Excused

Call to order @ 10:05am

MIAB Bylaws:

- Discussion of adopting revised MIAB Bylaws to reflect statutory changes
- MIAB board member will send out a clean copy of the revised MIAB Bylaws

Unique Identifier (NMLS Number):

- Reviewed MIAB recommendation draft to the commissioner
- Revise recommendation to take “phone” out of section 2(b)
- Recommendation draft to commissioner will be sent in memo format

OFIR-MIAB Roles/Memo

- Requested volunteers from MIAB board to review and revise OFIR-MIAB Roles/Memo by next meeting 8/18/10

NMLS Call Reports:

- Review and discussion of NMLS PDF link with comments that have been made for Michigan
- OFIR had no additional information to report on NMLS call reports; it is still in discussion with the board to prepare for next week’s meeting in St. Louis, MO.

Loan Officer Registration to Mortgage Loan Originator License Transitions:

- Company bonds are now available for individual loan originators
- Two weeks ago OFIR was current on all applications; all files were reviewed and submitted for approval if complete, or files had deficiencies placed when incomplete (most files were missing the bond)
- Credit reports are a major issue in the process of approving applications along with some criminal background check response issues
- OFIR now has a back log of applications because company bonds have been submitted
- OFIR had encountered issues with certifying testing and education through NMLS; currently all uploads have been completed through NMLS
- Individuals are required to pay the certification fee before the “certified” record is uploaded into NMLS
- As of 7/31/10 individuals who are not approved as a mortgage loan originator licensee have no authority to originate loans
- Memo was sent from commissioner stating over the next 60 days from 7/31/10 there will be no enforcement for unlicensed activity for individuals who originate loans during this time while working towards completing the MLO requirements
- An individual may be compensated for the origination of a loan application that has been originated prior to 7/31/10 that was originated in accordance to law. After 7/31/10, individuals are required to be licensed in order to originate and be compensated.
- NMLS will send e-mail notification when an individual's status changes from approved-conditional to approved
- After 7/31/10 change of employment forms; form FIS2130 and FIS213, are no longer required. The 10 day notification from individual and 20 day notification from company are not required under MLOLA law
- Company bond for loan originators- if the CO does not terminate the individual in NMLS, the loan originator is still covered under that CO bond
- Depository institutions can start to register with NMLS in January of 2011; no testing or education is required

Motions Approved:

- Approval of 7-7-10 minutes as amended motion to approve, seconded, and approved
- Motion to adopt revised MIAB Bylaws as sent out to board; motion to approve, seconded, and approved
- Motion to approve MIAB recommendation draft of MLOLA Sec. 41 to the commissioner as amended, motion to approve, seconded, and approved

Action Items:

- Discussion of independent processors being required to be licensed – tabled to next meeting

Next Meeting:

- August 18 @ 8:30am – 11:00am face to face

Adjourned @ 10:53 am



Pava Leyrer, Secretary

Date



Lori Thelen, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION
Mortgage Industry Advisory Board**

BOARD MEETING MINUTES

July 7, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Michael Winks
Nicole Nahodil
Pava Leyrer

OFIR Staff:

Mark Weigold
Paige Colley
Lori Thelen
Jean Boven – Excused

Call to order @ 8:40am

- Approval of 6-9-09 minutes as amended motion to approve, seconded, and approved.

Company Transitions for Michigan currently:

- 70 companies that are not transitioned to NMLS
- 12 of the companies have requested transition, but have not been approved

Loan Officer Registration to Mortgage Loan Originator License Transitions:

- 1,400 LOR's have requested transition to Mortgage Loan Originator License (MLO)
- 161 LOR transitions to MLO have been placed as "approved-conditional" until 7/31/10
- 460 individuals have submitted an MLO application
- 15 individuals have been placed as "approved-conditional" for MLO license until 7/31/10
- Surety bonds and certifications (testing or education) are the two main requirements that are preventing applications from being approved

Requirements for Mortgage Loan Originator License:

- Credit reports may be available through NMLS in October and MLO's will have to have them pulled again through NMLS. This will not change the approval issued by OFIR.
- OFIR is working with the industry in drafting a loan originator company bond form. This bond form has not been finalized or approved, and it has not been sent to the public.
- Advantages and disadvantages of having a company bond available were discussed.

- Fees should be established in August/September and available.
- Renewal fees for 2011 have not been determined; Broker, Lender, and Servicer renewal fees will be statutorily capped at approximately \$4,200 in 2010, fees will be set within the cap and based on population of licensees
- All loan originator licensees will renew through NMLS, renewal will be in November/December of 2010
- Discussion if there will an extension for LOR to MLO transition, but this has not been determined by the Commissioner.

MLOLA NMLS # Requirements:

- Discussion of FAQ on compliance with statutory requirements for Unique Identifier (NMLS Number) as it relates to application forms, solicitations, and advertisements.
- MIAB to draft proposed recommendations to OFIR to provide industry guidance in complying with this requirement. Teleconference scheduled to discuss and vote on guidance recommendations
- Solicitations- any correspondence that is soliciting for business must have NMLS ID #
- Marketing and advertising must also comply with NMLS# if for an individual MLO

NMLS Call Reports:

- Discussion of annual versus quarterly reports; this is being voted on by states and will be decided by NMLS
- Discussion of companies filing the report or individuals filing the report
- MIAB discussed putting together a comment for the NMLS call report committee in case comments reopen

MIAB Transition after 7/31/10:

- Review/Revise MIAB by-laws
- Review/Revise OFIR MIAB memo; proposal/suggestions for revising original memo for post 7/31/10 for new role of MIAB, clarifying new position
- Discussion of refined MIAB role and objectives per statute
- Discussion on MIAB interaction/outreach opportunities such as trade association newsletters, OFIR website, etc.

Next Meetings:

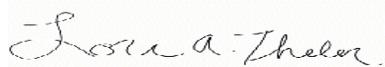
- July 29, 2010 @ 10:00 a.m. – 11:00 a.m. conference call
- August 18 @ 8:30 a.m. – 11:00 a.m. face to face
- November 10 @ 8:30 a.m. – 11:00 a.m. face to face
- February 9 @ 8:30 a.m. – 11:00 a.m. face to face
- May 11 @ 8:30 a.m. – 11:00 a.m. face to face

Adjourned @ 10:53 a.m.



Pava Leyrer, Secretary

Date



Lori Thelen, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION
Mortgage Industry Advisory Board**

BOARD MEETING MINUTES

June 9, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Mark Jansen
Michael Winks
Pava Leyrer

OFIR Staff:

Mark Weigold
Lori Thelen

Call to order @ 9:00am

Roll Call

- Nicole Nahodil – Excused absent
- Jean Boven – Excused
- Paige Colley - Excused

Minutes

- Approval of 4-21-10 minutes, motion to approve, seconded, and approved.

Company Transitions for Michigan currently:

- 943 total- 1st and 2nd Mortgage, and Consumer Finance active licenses
- 116- active companies have not requested transition
- 35- active companies have requested transition but are not approved
- If a company does not transition to the NMLS, LOR's will not be able to transition to the MLO license requirements.
- If a company does not transition to NMLS by the end of the year, that company will not be able to renew their license and will have to reapply.

Loan Officer Registration to Mortgage Loan Originator License Transitions:

- LOR application expiration deadline was 5/31/2010, new applications will follow MLO
- LOR language for Mortgage, Brokers, Lenders, and Servicers Act will be repealed as of 7/31/2010
- About 1,113 LOR transitions have been requested

- Individuals will have no authority to originate loans if their transition is not completed and approved by 8/1/10.
- OFIR is pulling credit reports for transition and for new applications, at no cost to individuals.
- It is undetermined if there will be an extension for LOR's applying for MLO transition, or if they will have to reapply if they do not make the 7/31/10 deadline.
- NMLS has sent out invoices to individuals who qualify for certification of the MI state component exam for the \$5 fee.
- A deficiency will be placed on each individual's transition or license request until the invoice is paid.
- Education certification is not available through NMLS currently; estimated to be available the week of June 18th for a \$15 fee which will be invoiced.
- A deficiency will be placed on each individual's transition or license request until the invoice is paid.
- MI will not accept a letter from another state, giving certification of pre-licensing education for an individual it has to be certified through NMLS.
- OFIR requested all course roster information from each pre-licensing education provider and from Pearson Vue to compare data for accurate accounting.
- 20hr Pre-Licensing Education has been and will be uploaded through NMLS.
- MLO license renewal will be in November/December; fee has not been established from the commissioner.
- Continuing Education is not required for 2010 or to renew for 2011 but will be required before 12/31/2011 to renew for 2012.
- Depository Institutions- loan originator employees are required to register but do not require testing, credit reports, or education.
- NMLS is not set up for registration of depository institutions currently, nor have the fees been established, expectations are not until roughly the end of the year.
- OFIR agency goal is to have all companies and individuals transitioned to NMLS.
- OFIR does have examiners out investigating companies to see if they have LOR's to originate loans and are transitioning, if not companies are being fined for non-compliance.
- Discussion of land contract issues and how it relates to MI law and SAFE, any further determination to be made by the commissioner.

Requirements for Mortgage Loan Originator License:

- Commissioner is reviewing company bond requirements for individuals again.
- Bond instructions break down the procedure and explain the requirements of each dollar amount, but for the year 2010, individuals are only required to have \$10K, and the bond can be 18 months for the same amount until OFIR can obtain reporting to verify amounts.
- The bond form is available on OFIR website for individuals, it is form FIS2135.
- The schedule of fees went out to all licensee's and LOR's.
- OFIR will only pull one FBI check using the one through NMLS.
- Credit reports are not based on a specific score, individuals should clear up any outstanding requirements, such as state and federal tax liens.

- OFIR will request a letter of explanation of what happened with outstanding debt requirements on credit reports from each individual that may need to send one in.

NMLS Call Reports:

- NMLS requested comments; all comments are read and reviewed by the committee.
- There are 8-12 states reviewing comments for call reports.
- All 50 states meet for a call to review issues with calls reports.
- MI has had many comments generated concerning this report to date.
- The call report started with 300-350 questions and has been trimmed from there.
- Discussion was if this report should be on an annual basis instead of a quarterly basis.

MIAB Members / Transition:

- Discussion of the nomination and appointment process of a new board member
- Michigan Mortgage Lenders Association submitted 3 nominations; then are given to the Governor's office; the appointed by the commissioner
- Nicole Nahodil, Operations Manager for Tranex Financial and Hantz Financial Services Inc. was appointed to MIAB from recommendations by MMLA for the open board seat.
- Tim Ross chose not to run again for MIAB Chairman and Allan Daniels was nominated for Chairman. Nomination was seconded and Allan was elected.
- Nomination for Mike Kus to remain as Vice President was seconded and approved.
- Nomination Pava Leyrer to remain as Secretary was seconded and approved.

MIAB Transition after 7/31/10:

- After 7/31/10 MIAB will focus on being more of an advisory board for the industry with the purpose of informing the Commissioner/OFIR of industry issues and concerns such as privacy issues and reporting suspicious activities as examples.
- Provide assistance to companies regarding compliance with rules and regulations.

Motions Approved

Next Meeting:

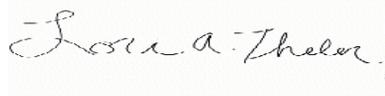
- July 7, 2010 @ 8:30am – 11:00am face to face

Adjourned @ 10:46 am



Pava Leyrer, Secretary

Date



Lori Thelen, Recording Secretary

Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION**

Mortgage Industry Advisory Board

BOARD MEETING MINUTES

April 21, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Bruce Rosenblat
Mark Jansen
Michael Winks
Pava Leyrer

OFIR Staff:

Mark Weigold
Paige Colley
Lori Thelen

Call to order @ 8:46 am

Roll Call

- Jean Boven – Excused
- Michael Winks - Excused

Loan Officer Registration Renewal:

- OFIR has 2,900 renewed Loan Officer Registrations; possible 3,000 registrants eligible for transition to Mortgage Loan Originator License

Loan Officer Registration; Michigan:

- Individuals can still apply for an LOR until 7/31/10; OFIR is advising individuals to apply directly for an MLO license and avoid the LOR and extra fees
- There is no continuing education required for 2010, 8hrs of continuing education will be required in year 2011

Loan Officer Registration to Mortgage Loan Originator License Transition:

- Process for an LOR to transition to a MLO must be completed by 7/31/10
- Pre-Licensing Education and Testing Certification – test certification is a \$5 NMLS fee, education certification is a \$15 NMLS fee
- NMLS allows LOR's to request transition with a fee of \$39 for FBI check, or a new application for \$250 license fee and an NMLS \$30 processing fee

- Surety Bond form – there is only one form available an individual loan originator bond
- OFIR spoke with different states that allowed Companies to handle the bond for each LO and it created many difficulties
- Individual MLO Surety Bond- will allow each person to take their bond with them if they transfer companies
- Surety Bond form is not electronic, it is a hard copy that must be mailed into OFIR
- Surety Bond form- 3 segments \$10,000, \$25,000, or \$50,000
- For year 2010 each individual is required to have a \$10,000 bond across the board; we do not have annual report information for the individuals or know the value of business each individual has done
- Renewal for 2010 has been proposed to have bond stay at \$10,000
- Depository Institutions- are not required to complete MLO testing, Pre-Licensing Education, Surety Bond, and receive no License. Individuals of a depository institutions are only required to register through the NMLS
- All requirements are available for individuals to request transition, but OFIR has not started to review or approve any transitions yet
- OFIR will be pulling (soft pull) credit reports at no charge. Starting October 2010 a credit report will be done through NMLS and each individual will be charged at that time
- Discussion if there will be reciprocity with other states for some requirements
- Pre-Licensing education 20hr course is only required one time for all states an individual is licensed in, if an individual took a 24hr course, OFIR will certify that education and all other states will accept this for their education requirement
- Transition time for each state is not uniform, but all states will be on NMLS by 2011
- After 7/31/10, MI still has the qualification that an individual with any felony within 10 yrs would be prohibited from becoming an MLO

Company Transition to NMLS:

- Companies (CO) need to transition to NMLS; OFIR extended the deadline through 5/31/10
- If companies do not transition to NMLS an LOR cannot transition to a LOL and be sponsored
- Companies will not be able to renew their license at the end of the year if they have not transitioned to NMLS
- In order for CO to renew their licenses they must scan and upload a financial statement to NMLS (90 day Fiscal Year End)

Instructor Application Follow-Up:

- Mortgage U – submitted a 4hr course for approval through MIAB; discussion concerning if there was a need to have a 4hr course; MIAB member is going to confirm with the provider that they still want to have this course approved

MIAB Transition after 7/31/10:

- Discussion over the need for MIAB to continue through the LOR to MLO transition; agreed that the industry needs an advisory board to bring recommendations to the commissioner and meetings will be held on a quarterly basis
- Discussion of MIAB members whose term is expiring on 5/19/10; if these 3 individuals elect to continue on the board
- Discussion over MIAB member whose term is expiring on 5/19/10; the individual no longer meets one or more of the qualifications of the statute for being a board member. The individual would like to remain on the MIAB if it is possible.
- Discussion of nominations from the Michigan Mortgage Lenders Association

Motions Approved

- Approval of Minutes – 02-17-10, motion to approve, seconded, and approved.
- Motion requested that incase MIAB does not meet by the end of term that current officers remain in positions in respective roles through next scheduled meeting under current MIAB Bi-laws, approve, seconded, and approved.

Next Meeting:

- June 9, 2010 @ 8:30am – 11:00am face to face

Adjourned @ 10:47 am



Pava Leyrer, Secretary

4/21/10
Date



Lori Thelen, Recording Secretary

4/21/10
Date

**DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
CONSUMER FINANCE SECTION**

Mortgage Industry Advisory Board

BOARD MEETING MINUTES

February 17, 2010

ROLL CALL

Present:

Tim Ross
Allan Daniels
Michael Kus
Bruce Rosenblat
Mark Jansen
Michael Winks
Pava Leyrer

OFIR Staff:

Mark Weigold
Paige Colley
Lori Thelen

Call to order @ 8:35 am

Roll Call

- Jean Boven – Excused

Loan Officer Registration; Michigan:

- Loan Officer Registration to Loan Originator on NMLS, an individual will not have to re-apply; only transition.
- MI will certify a LO registrant who has passed the state exam portion and met the educational requirement for the transition to a loan originator license.
- If the 24hrs of education can not be certified then each LO will be required to take the 20hrs of approved NMLS education.
- There have been no 4hr courses submitted to approve an education course for MI
- If a provider submits a 4hr course MIAB would need to review the content because MI guidelines may be different from NMLS
- There have been no complaints against approved educational providers for MI
- Loan Originator Test – Unsure of current National and State pass rates

Loan Officer Registration Renewal / Continuing Education:

- OFIR has approximately 3,400 LO's that were eligible to renew their registration; LO's have until 2/28/10 to reinstate on-line through the NMLS, after 2/28/10 LO's will have to manually renew with OFIR
- LOR fee was reduced from \$350 to \$250 for 2010
- OFIR does not want NMLS to require any CE for year 2010. The goal is to have all individuals come in at the same time. There is debate through NMLS/CSBS/AARMR over individuals who had education before 2010, that they may need CE's in 2010.

Loan Officer Registration to Loan Originator License Transition:

- Individuals will not have to pay an additional \$250 to transition from LOR to a MLO license
- Individuals can apply as an LOR through 7/31/10, FBI check for MLO is available through NMLS
- MLO FBI fee is \$39.00 through NMLS
- MLO transition will be available starting 5/1/10.
- Individuals who are applying for LOR have to pay for the FBI NMLS fingerprints; but have the option to wait to get them completed until transitioning.
- Credit Reports- a vendor has not been selected yet; it is unavailable through NMLS currently; but will be pulled on every LO and will be reviewed by OFIR. The fee is not known and may be more than one vendor.
- Credit Reports regarding privacy issues; OFIR uses the last four digits of an individual's social security number and the letters are sent back to the individual, not the company regarding any credit questions or issues.
- Approval or Denial of an MLO application will not be based on a specific credit score. Michigan is not using credit scores for approval or denial.
- If an MLO is going to be denied based on his/her credit report; the individual will be able to provide clarification and an explanation of their current situation before denial is issued. They can also appeal any decision.
- There was discussion over soft pull or hard pull for credit reports and suggestion was made to recommend soft pulls.
- SAFE Act only requires credit authorization be submitted however most states are requiring actual credit reports. NMLS is responsible for pulling credit reports on each MLO but does not review the results and makes available the report to the states.
- If an MLO is denied for licensing a final order from the Commissioner will be published on OFIR's website and NMLS will make it public as well.
- It is possible for an MLO to be approved in one state and denied in another state based on specific guidelines for each state
- Bonds for MLO: currently OFIR has 2 bond forms in progress, an individual bond form and a company bond form.

- OFIR has encountered difficulties creating the company bond form. The main issue is having multiple LO's on one bond; what happens as LO's transfer or leave companies?
- S.A.F.E. Act does not set a cap for companies to bond LO's. Michigan Law did not set a cap either. Each LO would have to have a bond for the appropriate amount based on their volume/production.
- Employer's only have to record the production the LO did for their specific company.
- Call Reports: NMLS has 50-75 questions gathered from all states for call report filing.
- Each company will complete a call report for the amount of activity they did; the form will be available electronically along with the financial statement.

Company Transition to NMLS:

- Companies (CO) who have applied for transition 449; approved transitions 292
- When a CO submits a Lender License they receive a Broker/Lender License
- If a CO is a Broker and they want to have a Broker/Lender License; the CO would have to apply for it, they cannot transition to it.
- A question arose about privacy and security on NMLS regarding password lockout. Board members will individually check NMLS for Lock Out procedures.
- For privacy issues, CO's cannot see other CO's social security numbers.

Instructor Application Follow-Up:

- MIAB member requested to get pre-registration education instructor application that was previously withdrawn approval from the board
- There was discussion of possible conflict of interest and implications of board work.
- Suggestion was made to wait until 8/1/10 to submit application for instructor through NMLS when courses are approved through NMLS.
- Board members agreed that the MIAB applicant would be an asset to teach pre-registration education to the mortgage industry, but did not want to vote because of the conflict of interest possibility and requested that the Commissioner review and make the final determination.

MIAB Officer Expiring Terms:

- Discussion of which board members had 2 year terms and which board members had 4 year terms.
- For any MIAB member whose term is expiring on 5/19/10 and would like to continue on the board; send an e-mail to OFIR.

Motions Approved

- Approval of Minutes – 11-3-09, motion to approve, seconded, and approved.
- If NMLS does not have credit reports available in time for loan officer registration to loan originator licensing transition, OFIR is allowed to pull a “Soft Pull” credit report outside of NMLS without having a second transition credit report pulled through NMLS at a later date, motion to approve, seconded, and approved.
- If an MIAB member or future MIAB member submits a pre-registration or continuing education provider or instructor application, the board will refrain from voting due to conflict of interest; and will have the Commissioner make the determination of approval or denial, motion to approve, seconded, and approved.

Action Items:

- Invite OFIR Mortgage Examination and Investigation Director Kirt Gundry to next meeting to answer Board concerns on new RESPA requirements and OFIR mortgage investigations and audits

Next Meeting:

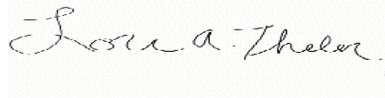
- April 21, 2010 @ 8:30am – 11:00am face to face (Can schedule a Conference call if needed prior to this face to face meeting)

Adjourned @ 11:15 am



Pava Leyrer, Secretary

4/23/10
Date



Lori Thelen, Recording Secretary

4/23/10
Date