



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
STANLEY "SKIP" PRUSS, DIRECTOR

KEN ROSS
COMMISSIONER

February 24, 2009

TO: All Mortgage Broker, Lender, and Servicer Licensees and Registrants

RE: **ALARMINGLY LOW NUMBER OF MORTGAGE LOAN OFFICER
REGISTRATION APPLICATIONS RECEIVED BY OFIR**

The Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173, as amended, MCL 445.1651 *et seq.* (MBLSLA) and the Secondary Mortgage Loan Act, 1981 PA 125, as amended, MCL 493.51 *et seq.* (SMLA) require each mortgage broker, lender, and servicer licensee/registrant to register its individual loan officers with the Office of Financial and Insurance Regulation (OFIR) by April 1, 2009. To "register" as a loan officer means receiving formal notification from OFIR stating that the individual is approved as a loan officer registrant.

I am very concerned with the low number of mortgage loan officer registration applications that have been submitted by mortgage broker, lender, and servicer licensees/registrants pursuant to the MBLSLA and SMLA. To date, less than 1,000 loan officer registrant applications have been submitted in the Nationwide Mortgage Licensing System (NMLS), with only 55 of these applications being complete and receiving formal OFIR approval. Based on past mortgage broker, lender, and servicer annual reports, we estimate that approximately 10,000 loan officers should be applying for loan officer registration.

Each mortgage broker, lender, and servicer licensee and registrant is responsible and is accountable for getting its loan officer registered with OFIR. An individual that is not a registered loan officer is not authorized to be compensated for a mortgage loan transaction originated beginning April 1, 2009.

Violation of the MBLSLA or SMLA by an unregistered loan officer is a misdemeanor, subject to fines/penalties and up to 1 year imprisonment¹. Violations of the MBLSLA or SMLA intended to circumvent the loan officer registration requirements, including utilization/compensation of an unregistered loan officer, can lead to civil fines and possible revocation of a mortgage company license/registration².

Links to the loan officer amendments to the MBLSLA and SMLA have been sent to every mortgage broker, lender, and servicer licensee and registrant. Also, OFIR sent each licensee/registrant multiple e-mail and postal mail notifications that provide updated information and instructions regarding the loan officer registration requirements and timeframes.

¹ Section 29, MCL 445.1679(1)(a).

² Section 29, MCL 445.1679(2)(a) and (b).

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DO NOT DELAY IN GETTING YOUR LOAN OFFICERS TO OBTAIN FINGERPRINTS, TAKE THE PRE-REGISTRATION EDUCATION COUSE, PASS THE LOAN OFFICER EXAMINATION, AND SUBMIT THE NMLS (MU4) AND OFIR (FIS 2080) REGISTRATION SEGMENTS OF THE APPLICATION. OFIR has dedicated staff available for your questions and to process your loan officer application. There is no assurance that your loan officer will have its loan officer registration application processed prior to April 1, 2009 if an application is received after March 1, 2009, as loan officer registration application processing may take 30 days.

Additional information, frequently asked questions, and instructions are available at: http://www.michigan.gov/dleg/0,1607,7-154-10555_22535_51508---,00.html

All currently approved loan officer registrants are listed on the OFIR website under "Who We Regulate". OFIR examiners will be reviewing mortgage company records to ensure that all loan officers are properly registered beginning April 1, 2009.

If you have any questions concerning this letter, please contact the Consumer Finance Licensing Unit at (877) 999-6442.

Sincerely,

A handwritten signature in black ink, appearing to be "Ken Ross", with a long horizontal line extending to the right.

Ken Ross
Commissioner