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GOVERNOR

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

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COMMISSIONER

Important Notice to All Licensed and Registered Mortgage Brokers, Lenders, Servicers and Affiliated Mortgage Loan Officers

Current statutory language under the Mortgage Brokers, Lenders, and Servicers Licensing Act requires the registration of loan officers effective **January 1, 2009**. Based on this language, loan officers that are not registered loan officers on or after January 1, 2009, will not be authorized to receive compensation, and licensed or registered mortgage brokers, lenders, and servicers will not be authorized to compensate loan officers for the origination of a mortgage loan.

To be registered as a loan officer, an individual must meet all of the following:

1. Completed a 24 hour loan officer pre-registration education course*.
2. Passed the required Michigan loan officer examination.
3. Completed and submitted the loan officer registration application (Form MU4) via the Nationwide Mortgage Licensing System (NMLS) and the Michigan specific loan officer application (Form FIS 2080).
4. Paid the appropriate NMLS and loan officer registration fees.
5. Has been fingerprinted and has had a criminal history check completed;
6. Has not been convicted of or pled no contest to a felony within the preceding 10 years.
7. Has not been convicted of or pled no contest to a felony or misdemeanor which involves embezzlement, fraud, forgery, financial transaction, or securities.
8. Has not been prohibited by the Commissioner.

* Loan officers that have been originating mortgage loans for 4½ out of the previous 5 years immediately preceding April 3, 2008, are not required to take the 24 hour loan officer pre-registration education course if the individual has submitted all required documentation and passed the loan officer examination on or before December 3, 2008.

The current statutory language is deficient in allowing loan officers and his or her employer/sponsor to obtain criminal history checks. This matter is currently being addressed by the Michigan Legislature (please see pending Senate Bills 1552, 1553, 1554, and 1555 and House Bills 6562 and 6618). Proposed legislation includes amendments to the Mortgage Brokers, Lenders, and Servicers Licensing Act and the Secondary Mortgage Loan Act, which include the immediate authorization for FBI and Michigan Department of State Police criminal history checks and the delay in loan officer registration from January 1, 2009 until April 1, 2009. Please be aware that unless the Governor signs these Bills, the loan officer registration effective date requirement is still **January 1, 2009**.

Due to the current deficiency in allowing loan officers and his or her employer/sponsor to obtain criminal history checks under the Mortgage Brokers, Lenders, and Servicers Licensing Act, a loan officer will be considered in compliance on January 1, 2009, if the loan officer has:

1. Completed a 24 hour loan officer pre-registration education course.
2. Passed the required Michigan loan officer examination.
3. Created, but not submitted, the loan officer registration application (Form MU4) via the Nationwide Mortgage Licensing System.
4. Has not been convicted of or pled no contest to a felony within the preceding 10 years.
5. Has not been convicted of or pled no contest to a felony or misdemeanor which involves embezzlement, fraud, forgery, financial transaction, or securities.
6. Has not been prohibited by the Commissioner.

Loan officers that have been originating mortgage loans for 4½ out of the previous 5 years immediately preceding April 3, 2008, will be considered in compliance on **January 1, 2009**, if the loan officer has on or before **December 3, 2008**:

1. Passed the required Michigan loan officer examination.
2. Created, but not submitted, the loan officer registration application (Form MU4) via the Nationwide Mortgage Licensing System.
3. Has not been convicted of or pled no contest to a felony within the preceding 10 years.
4. Has not been convicted of or pled no contest to a felony or misdemeanor which involves embezzlement, fraud, forgery, financial transaction, or securities.
5. Has not been prohibited by the Commissioner.

Under current statutory language, loan officers who have been originating mortgage loans for 4½ out of the previous 5 years immediately preceding April 3, 2008, that do not meet requirements 1 and 2 above are required to take the 24 hour loan pre-registration education course. Please be advised that the proposed legislation, if signed by the Governor, will alter the December 3, 2008, date and change this requirement.

Current statutory language **does not allow** an extension to the December 3, 2008 date. Therefore, an extension to taking and passing the loan officer examination and the creating of the Form MU4 will not be granted unless the current statutory language is amended.

Finally, please be advised that individuals that meet the 24 hour loan officer pre-registration education course exemption are to be cautioned. The S.A.F.E. Mortgage Licensing Act, which was signed by the President of the United States in July 2008, requires a minimum 20 hours of loan originator pre-licensing education. It is anticipated that the individuals that have taken Michigan's 24 hours of pre-registration education will meet the S.A.F.E. Mortgage Licensing Act requirement. **Individuals who are currently exempt from the 24 hour loan officer pre-registration education course exemption may, in the future, be required to meet the minimum 20 hours of loan originator education.**

Questions concerning this Notice are to be addressed to Lori Thelen, Departmental Technician by telephone at 877.999.6442 or e-mail at thelenl4@michigan.gov of the Office of Financial and Insurance Regulation.

Sincerely,



Mark W. Weigold, Director
Consumer Finance Section