



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

March 27, 2009

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

RE: Loan Officer Registration, Loan Officer Notification, and Loan Officer Enforcement

The Office of Financial and Insurance Regulation has since early April 2008 been providing to mortgage broker, lender, and servicer licensees and registrants statutory requirements and procedures regarding the registration of Michigan loan officers. These loan officer registration requirements and procedures were issued pursuant to 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). The "registration" of a loan officer means receiving formal notification from OFIR stating that the individual is approved as a loan officer registrant. The submitting of a loan officer registration application, taking and passing the loan officer exam, taking the 24 hour pre-registration loan officer course, and receiving criminal history results is not in and of itself approval as a loan officer registrant.

To those licensees and registrants that have received approval notification that your loan officers have been registered: Congratulations!

To those licensees and registrants that have not received notification that your loan officers have been registered: Unless an individual is exempt from the definition of loan officer, you are hereby advised it is a violation of the MBLSLA and/or SMLA for a licensee or registrant to compensate a non-registered loan officer and it is a violation for a non-registered loan officer to accept compensation from a licensee or registrant for the origination of a mortgage loan beginning April 1, 2009.

The MBLSLA and/or SMLA allow a non-registered individual to originate mortgage loans for 90 days after March 31, 2009, only if the individual is not compensated for the origination and if the individual meets "notification" requirements. "Notification" requirements mean that an individual has had his/her fingerprints taken, the fingerprints are submitted for Michigan State Police and FBI criminal history checks, the results of the criminal history checks have been received by the employing licensee or registrant and meet the felony/misdemeanor standards as set in the MBLSLA and/or SMLA, and the employing licensee or registrant provides notification to OFIR that the individual will originate mortgage loans for the employing licensee or registrant as a loan officer. "Notification" is to be completed electronically through the OFIR website. Please go to: <http://www.michigan.gov/dleg/0,1607,7-154-10555---,00.html> and look under "What's New".

In the coming months, OFIR will be conducting targeted investigations to verify industry compliance with loan officer registration requirements. Loan officers that are found originating mortgage loans without the required loan officer registration, or prior to OFIR receiving confirmation from the employer that fingerprints were taken, a satisfactory criminal history check has been completed, and electronic notification has been submitted will be fined \$250 for the individual's first violation and \$500 for the individual's second violation. The employing licensee or registrant will be fined \$500 per individual for its first violation, \$1,000 for its second violation, and will face revocation for any future violation.

As a reminder, registration as a loan officer in Michigan requires the following:

- a. Fingerprints are required to be taken for a criminal history check. The results of the criminal history check are to be returned to and retained by the individual's employer or sponsor. Procedures to obtain fingerprints are available at the following link:
http://www.michigan.gov/documents/dleg/fingerprint_procedures_FINAL_260819_7.pdf
- b. The results of the criminal history check do not contain:
 - i) A conviction or a pleading of no contest to a felony within the 10-year period preceding the date of the individual's loan officer application, or
 - ii) A conviction or a pleading of no contest to a felony or misdemeanor involving embezzlement, forgery, fraud, a financial transaction, or securities.
- c. The individual was not subject to any prohibition orders.
- d. Complete the required 24 hours of pre-registration education.
- e. The individual has taken and passed the Michigan loan officer examination with a minimum score of 75%.
- f. The individual has submitted a complete, signed loan officer registration application (Form MU4) via the Nationwide Mortgage Licensing System (NMLS).
- g. The individual has submitted a complete, signed Loan Officer Request for Registration and Michigan-Specific Supplement to Form MU4 (FIS 2080). To obtain form FIS 2080, the individual must first complete the electronic Form MU4, which will then link the individual to form FIS 2080.
- h. Pay the required NMLS fees. The fees must be submitted online following completion of the MU4 form and prior to submission of the MU4 form.
- i. Pay the required Michigan loan officer registration fee (\$350). The fee must be submitted online following completion of the MU4 form and prior to submission of the MU4 form.
- j. Receive loan officer registration approval from OFIR.

If you have any questions concerning this letter, please contact Mark Weigold at (877) 999-6442.

Sincerely,



Ken Ross
Commissioner