



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

DATE: October 16, 2009
TO: All Licensed Mortgage Brokers, Lenders, and Servicers
FROM: Michigan Office of Financial and Insurance Regulation
RE: Nationwide Mortgage Licensing System

The Office of Financial and Insurance Regulation (OFIR) is proud to announce that we will begin using the CSBS/AARMR Nationwide Mortgage Licensing System (NMLS) for the licensing and registration of Michigan mortgage brokers, lenders, and servicers beginning January 4, 2010. NMLS, developed through the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR), will allow your company to conveniently manage its mortgage license and registration in an electronic format through a secure website. The Nationwide Mortgage Licensing System is online at: www.stateregulatoryregistry.org/NMLS.

Office of Financial and Insurance Regulation Transition Plan

As a part of the implementation of NMLS, each company or individual holding a first mortgage broker, lender, or servicer license or registration; a secondary mortgage broker, lender, or servicer registration; or a class I or class II consumer financial services license in Michigan must create a company record (Form MU1) in NMLS for themselves and electronically submit it to the Michigan Office of Financial and Insurance Regulation between January 4, 2010 and February 28, 2010.

NMLS is available immediately for you to begin completing your record.

Completing and submitting this record through NMLS will take place in addition to the renewal process this year. A copy of Office of Financial and Insurance Regulation's transition plan can be found on the NMLS website at: www.stateregulatoryregistry.org/NMLS.

How to Access NMLS

In order to gain access to NMLS for the first time you must complete a ***Company Account Request Form*** and identify a *Primary Account Administrator* and a *Secondary Account Administrator*. This form can be submitted electronically through the NMLS website in the "Getting Started" section. This form needs only to be submitted once per company, regardless of the number of NMLS participating states in which you are licensed. **IF YOUR COMPANY ALREADY HAS ACCESS TO NMLS, THEN YOU DO NOT NEED TO DO THIS STEP.**

Once you complete and submit this form, the *Primary Account Administrator* will receive NMLS login information within 3 business days. The *Primary Account Administrator* for your company will have full rights to (1) access the System, (2) submit information to this Agency and other participating state mortgage regulators, and (3) set-up other company users in the System.

Instructions and tutorials on how to access and use the System are also available on the NMLS website.

License Authority Changes

License categories have been condensed so that all categories of mortgage licenses are included even if the company does not operate with all categories. For example, when a licensee or registrant is a mortgage lender, that authority will include mortgage broker and lender categories, even if the company operates only as a mortgage lender. A company licensed or registered as a mortgage servicer will obtain the mortgage broker, mortgage lender, and mortgage servicer authority, even if the company operates only as a mortgage servicer.

Forms to Complete and Fees

Once you are able to access NMLS, you will need to submit the following MU Forms through NMLS to OFIR by February 28, 2010. Instructions and tutorials on how to complete these forms are available online at the website listed below.

1. *Licensed or registered mortgage brokers, lenders, or servicers* submit a **Form MU1**.
2. Companies submit for each **Control Person*** (such as an executive officer, qualified individual and branch manager) a **Form MU2**, as part of their Form MU1 filing.
3. Companies submit for each **Branch** a **Form MU3**.
4. Mortgage Loan Originators provide access to their company to allow the company to “sponsor” their license.

* Before a Control Person’s Form MU2 is submitted to OFIR, the subject individual must first attest to the information contained in the form.

You may begin completing these forms prior to January 4, 2010, but will not be able to submit them to Office of Financial and Insurance Regulation until that date.

You will receive communication for your Mortgage Loan Originators outlining the process and timelines for additional requirements which must be met in order to meet SAFE Act requirements for licensure. [Mortgage Loan Originators will receive a license in an “Approved – Conditional” status while requirements are satisfied and approved. Full “Approval” will be issued once all additional requirements have been met.]

Additional requirements for Mortgage Loan Originators will include:

- *Pre-licensure certification.*
- *A Passing Score on the NMLS approved National loan originator Test.*
- *A Passing Score on the approved State loan officer/originator Test.*
- *Satisfactory criminal background check including fingerprints.*
- *Michigan Office of Financial and Insurance Regulation satisfactory review of a credit report.*
- *License Sponsorship in NMLS by your company.*

If you have submitted these forms in another state, then you **do not need to re-enter your company, branch or loan officer/originator records** into NMLS. You will only need to identify the appropriate license type in Michigan and complete a few state specific fields.

Costs

For companies transitioning an existing license onto NMLS, a system processing fee of \$100 per company license will be required to be paid electronically through NMLS upon submission. The NMLS processing charges are applied on a per license or per registration per state basis.

On an ongoing basis, NMLS will annually charge a processing fee of \$100 per company license, \$30 per loan originator license, and \$30 each time a mortgage loan originator changes employment.

There are no other NMLS processing fees. These processing fees pay for NMLS' operations, including licensee system access 362 days per year, ability to maintain, renew and run reports on your licenses, and call center support.

NMLS Training

The Office of Financial and Insurance Regulation will be participating in a Training Workshop Audio Program & Webinar conducted by the State Regulatory Registry LLC for Michigan licensees and registrants on December 9, 2009. This webinar will provide licensees and applicants with tips on using NMLS to transition and manage one or more licenses or registrants. The fee for this workshop is \$75.

NMLS Website

The NMLS website (www.stateregulatoryregistry.org/nmls) provides step-by-step instructions on how to access the system, guides on how to complete the MU Forms, each state's transition plans and requirements, tutorials, current and future participating states, system alerts, system processing fees and general background information.

If you have any questions feel free to contact Consumer Finance Licensing Unit at (877) 999-6442.

Very Truly Yours,

/s/

Mark W. Weigold, Director
Consumer Finance Section



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Nationwide Mortgage Licensing System (NMLS) Transition Plan: Michigan Office of Financial and Insurance Regulation

NOTE: Michigan will begin accepting submissions through NMLS on January 4, 2010. However, current licensee/registrants can obtain access and begin completing all necessary MU Forms prior to that date.

Current Mortgage Broker, Lender, and Servicer Licensee/Registrants:

Companies and sole proprietorships holding a first mortgage broker, lender, or servicer license/registration, a secondary mortgage broker, lender, or servicer license/registration, or a Class I or Class II consumer financial services license in Michigan have until **January 1, 2010** to complete through NMLS a Form MU1 for themselves or their company and a Form MU2 for each of their control persons. These forms must be submitted to OFIR through NMLS between **January 4, 2010 and February 28, 2010**.

It is important that current licensee/registrants provide each Michigan license/registration number when completing their Form MU1. If a license/registration number is not provided, the NMLS will presume the form to be a new application and full application fees will be charged.

Any licensee/registrant that needs to amend or surrender a license/registration, establish or terminate a sponsorship of a mortgage loan officer registration, or other action previously completed in paper form must, from **December 21, 2009** onward, complete these actions within NMLS. Paper forms will not be accepted after **December 18, 2009**.

We encourage you to update your information with our office by December 18, 2009, so at the time of transition there will be no pending changes to submit or require Office of Financial and Insurance Regulation approval.

Completing and submitting these forms is in addition to completing the renewal process for calendar year 2010.

Note: If you have submitted these forms in another state, then you *do not need to re-enter your company record* into NMLS. You will only need to identify the appropriate license/registration in Michigan and complete a few state specific fields.

Current Mortgage Loan Officers:

If you are a Michigan approved mortgage loan officer, you do not have to complete the MU4; however, you will need to give access to the sponsoring company through NMLS. Your company will then be required to submit a sponsorship request to MI OFIR.

Mortgage Loan originators must meet the requirements listed below by **July 31, 2010**.

Additional requirements will include:

- *Pre-licensure certification.*
- *A Passing Score on both National and State components of the SAFE Test.*
- *Satisfactory criminal background check including fingerprints.*
- *Michigan Office of Financial and Insurance Regulation satisfactory review of a credit report.*

License Sponsorship in NMLS by your company

New Mortgage Loan Originator Requirement

Mortgage Loan Originators should consult with their employer before logging into the NMLS and completing a Form MU4.

Loan officers in Michigan complete and submit a Form MU4 through the NMLS. Companies employing loan originators are required to Sponsor their license in NMLS. Be advised that the Company MU1 and the Loan originator MU4 must all be submitted prior to the company Sponsoring the loan originator license.

Note: If you have submitted a Form MU4 in another state, then you do not need to re-enter your record into NMLS. You will only need to identify the appropriate license in Michigan and complete a few state specific fields. If you are currently an approved Loan Officer Registrant, this information does not apply to you.

Loan originators can complete and submit Form MU4 themselves or their company can complete Form MU4 and have the loan originator log in to the NMLS and electronically attest to its accuracy.

Loan originators must meet the requirements listed below by **July 31, 2010**.

Additional requirements will include:

- *Pre-licensure certification.*
- *A Passing Score on both Nation and State components of the SAFE Test.*
- *Satisfactory criminal background check including fingerprints.*
- *Michigan Office of Financial and Insurance Regulation satisfactory review of a credit report.*
- *License Sponsorship in NMLS by your company.*