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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
STEVEN H. HILFINGER, DIRECTOR

KEN ROSS
COMMISSIONER

DATE: March 21, 2011

LETTER NO.: 2011-CU-01

TO: The Board of Directors and Management of Michigan State-Chartered Credit Unions

SUBJECT: Secure and Fair Enforcement for Mortgage Licensing Act Requirements on Michigan Credit Union and Subsidiary Mortgage Loan Originators.

The purpose of this letter is to announce the availability of the Nationwide Mortgage Licensing System & Registry (NMLS) federal registration website, clarify the federal registration requirements relating to Michigan chartered credit unions and state licensing requirements of their subsidiaries, and to provide appropriate references to the Michigan credit union industry.

On January 31, 2011 the federal bank, thrift and credit union regulatory agencies, along with the Farm Credit Administration, announced the NMLS registry began accepting federal registrations.

Credit Union Employee MLOs

Under the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) and the agencies' final rules, residential mortgage loan originators (MLOs) *employed by credit unions* are not required to be licensed in Michigan as a mortgage loan originator, but must register with the NMLS, obtain a unique identifier from the federal registry, and maintain their registrations. Federal registration requirements must be met by July 29, 2011. Following this deadline, employees of a credit union will be prohibited from originating residential mortgage loans without first meeting these requirements. Further information regarding the registry and the registration process is available at the registry's website:
<http://mortgage.nationwidelicencingsystem.org/fedreg/Pages/default.aspx>.

Credit Union Service Organization Employee MLOs

Based on the regulations, and NCUA legal opinion letter #08-0843, residential MLOs *employed by credit union subsidiaries*, referred to as credit union service organizations (CUSOs), do not qualify for federal registration and must be state licensed. Further information regarding the Michigan state licensing process is available at the NMLS state licensing website:
<http://mortgage.nationwidelicencingsystem.org/slr/Pages/DynamicLicenses.aspx?StateID=MI>.

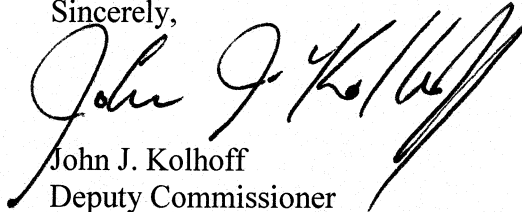
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To ensure appropriate phase-in of the state licensure requirement, Office of Financial and Insurance Regulation Commissioner Ken Ross has established a forbearance period ending July 29, 2011 for credit union subsidiary (CUSO) MLOs to meet the licensing requirements. Following the forbearance deadline, unlicensed CUSO employees will be prohibited from originating residential mortgages.

A link to the NCUA opinion letter can be found at:
<http://www.ncua.gov/Resources/RegulationsOpinionsLaws/OpinionLetters/2008/08-0843.pdf>.

Questions regarding this letter may be directed to the Credit Union Division at 517-373-6930.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Kolhoff". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John J. Kolhoff
Deputy Commissioner
Credit Union Division