



## **CSBS/AARMR Nationwide Mortgage Licensing System**

### **Improving Supervision of the Mortgage Industry through Collaboration and Technology**

In order to protect their citizens and bring greater accountability and transparency to the mortgage industry, state mortgage regulators developed the Nationwide Mortgage Licensing System ("NMLS"). NMLS increases and centralizes information available to state regulators and the mortgage industry about the professionals and companies that originate home mortgages.

State regulators recognized that the rapid expansion and evolution of the mortgage industry demanded a regulatory framework that was efficient and effective. In 2003, a nationwide taskforce of regulators began developing a uniform licensing registry, which was launched on January 2, 2008 as the Nationwide Mortgage Licensing System.

### **NMLS**

Nineteen states currently use the system to manage their mortgage licenses. In January 2009, four more states will join. Thus, in the first year of operations, nearly half of the states will be part of a system that:

- Improves the efficiency and effectiveness of supervision of the mortgage industry;
- Enhances consumer protection;
- Fights mortgage fraud and predatory lending that costs consumers and the industry hundreds of millions of dollars each year;
- Increases accountability among mortgage industry professionals; and
- Unifies and streamlines state license processes for mortgage lenders and brokers.

In the first 11 months of operations, NMLS is already managing:

- Over 11,300 mortgage companies
- Over 10,200 mortgage company branch locations
- Over 50,800 loan officers

Through NMLS, licensed mortgage lenders, bankers, broker companies and loan officers in participating states are able to complete a *single* uniform form electronically, regardless of the number of states in which they are licensed. This information is housed in a secure centralized repository available to mortgage regulators. Licensees are able to access their own record 7 days a week through the NMLS website to update, amend and renew their licenses, or apply for new licenses.

## **Increasing Transparency and Accountability in the Mortgage Industry**

As mortgage companies and/or individuals create a record for themselves and submit to their regulators, NMLS will permanently assign a unique identifying number to each record. The unique identifying number allows regulators to definitively track companies and professionals across states and over time.

Additionally, consumers and the industry will eventually be able to check on the license status and history of the companies and professionals with which they wish to do business in order to make a more informed decision.

## **Raising Standards through the S.A.F.E. Act**

On July 30, 2008, the President signed into law the Housing and Economic Recovery Act of 2008. Title V of this Act, entitled *The Secure and Fair Enforcement Mortgage Licensing Act of 2008* ("S.A.F.E. Act"), recognizes and builds on states efforts by requiring all mortgage loan originators, regardless of the type of entity they are employed by, to be either state-licensed or federally-registered. All mortgage loan originators must be licensed or registered through the expanded Nationwide Mortgage Licensing System and Registry.

Under the S.A.F.E. Act, all states must implement a mortgage loan originator licensing process that meets certain minimum standards and must license loan originators through NMLS.

More information about NMLS is available at <http://www.stateregulatoryregistry.org/NMLS>.

# # #

---

*Conference of State Bank Supervisors is the national organization for state banking, representing the bank regulators of the 50 states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands, and approximately 6,200 state-chartered financial institutions. The Conference is responsible for defending state authority to determine banking structure and the products and services state-chartered institutions can offer and for improving the quality of state bank supervision by providing the departments with performance evaluation and accreditation programs and supervisory education/training programs for state banking department personnel.*

*American Association of Residential Mortgage Regulators is the national organization representing state residential mortgage regulators. AARMR's mission is to promote the exchange of information between and among the executives and employees of the various states who are charged with the responsibility for the administration and regulation of residential mortgage lending, servicing and brokering.*