



## State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE  
LEGISLATION AND REGULATION

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*Commissioner*

### BULLETIN NO. 10-16

TO: ALL LICENSED LENDERS WITH MORTGAGE BANKER, CORRESPONDENT MORTGAGE BANKER, MORTGAGE BROKER AND/OR SECONDARY LENDER AUTHORITY AND ALL REGISTERED MORTGAGE SOLICITORS

FROM: Thomas B. Considine, Commissioner

SUBJECT: Applications for Licensure as Residential Mortgage Lenders or Brokers and as Mortgage Loan Originators Under the Residential Mortgage Lending Act, N.J.S.A. 17:11C-51, et seq.

The purpose of this Bulletin is to provide updated information on the RMLA license application process to firms and individuals currently licensed or registered under the Licensed Lenders Act, N.J.S.A. 17:11C-1, et seq. ("the LLA."). Its additional purpose is to emphasize to such firms and individuals the importance of taking steps **immediately** to either commence the application process or to cure any deficiencies and unmet requirements in their previously submitted applications.

Commencing with the issuance of [Bulletin No. 09-16](#) on May 12, 2009 and continuing thereafter through the issuance of several orders, the Department of Banking and Insurance ("the Department") has provided information to licensees and registrants under the LLA about the enactment of and the licensure requirements imposed by the Residential Mortgage Lending Act, N.J.S.A. 17:11C-51, et seq. ("the RMLA.") In [Order No. A09-112](#) issued on September 30, 2009, licensees and registrants under the LLA intending to transition to licensure under the RMLA were notified of the need to submit complete applications for licensure as a business entity or a qualified individual licensee by April 30, 2010, or for licensure as a mortgage loan originator by May 15, 2010. (Applications received by those respective dates are referred to below as "timely filed".) The Order further indicated that there was no guarantee that complete applications received after those dates could be timely approved, so as to enable the applicants to engage in mortgage lending, brokerage or origination activity after July 31, 2010, when all licenses and registrations issued under the LLA will expire. These timeframes were reiterated in [Order No. 10-02](#) issued on February 9, 2010. As of April 30, 2010, of the approximately 729 business entities licensed under the LLA, only 489 had commenced the application process through the [National Mortgage Licensing System and Registry \("NMLS&R"\).](#) The Department has completed its review of essentially all of those timely filed applications. Of those it has

reviewed, none were 100% complete and to date only 150 subsequently fulfilled all requirements and cured all deficiencies and have been conditionally approved. As applications are reviewed, applicants are notified via e-mail from the NMLS&R of unmet requirements and deficiencies. (A “requirement” is something that must accompany an application, such as evidence of appropriate surety bond coverage as required by the RMLA. A “deficiency” refers to an error or omission on an application or in information supporting an application. Note that because the NMLS&R is unable to process authorizations for it to obtain credit reports at this time, qualified individual licensee and mortgage loan originator license applications are not considered deficient because they lack an authorization for credit reports to be obtained. Thus, the references to “deficiencies” in this bulletin should not be read to include the lack of the credit report authorization.) Applicants for a business entity license who timely filed but could not be conditionally approved have been notified of the unmet requirements and/or deficiencies found in their applications via e-mail from the NMLS&R. The Department anticipates completing its review of the applications for business entity licenses received after April 30 but prior to the date of this bulletin by on or about July 30, 2010.

In addition, of the approximately 13,100 mortgage solicitors currently registered and 800 individuals currently licensed under the LLA, only approximately 4,900 made timely application for a mortgage loan originator or qualified individual license under the RMLA. Of those, the Department has completed its review of approximately 3,800, with the rest pending review. **One or more deficiencies or unmet requirements have been noted on the vast majority of these reviewed applications and notice of those defects has been provided to the applicants via e-mail from the NMLS&R.**

The applications received to date fall into the processing status categories set forth below, with the actions that should be taken by the applicants in each category specified.

Category 1. Application was timely filed and is complete and applicant has been notified via email from the NMLS&R of their having been conditionally approved. **Further action required:** None.

Category 2. Application was timely filed and the applicant has been notified of unfulfilled requirements and/or deficiencies via email from the NMLS&R. **Further action required:** IMMEDIATELY FULFILL ALL REQUIREMENTS AND/OR CURE ALL DEFICIENCIES.

Category 3. Application was timely filed and applicant has received no notification that they are conditionally approved or that there are deficiencies in their application. **Further action required:** Monitor your email inbox. You will be notified via email from the NMLS&R either that the application has been conditionally approved or that there remain one or more unfulfilled requirements and/or deficiencies upon the Department completing its review of your application. Upon being notified that there remain unmet requirements or deficiencies, IMMEDIATELY FULFILL ALL REQUIREMENTS AND/OR CURE ALL DEFICIENCIES.

Category 4. Business entity license or qualified individual licensee application was filed after April 30, 2010, or mortgage loan originator license application was filed after May 15, 2010. **Further action required:** Revisit the jurisdiction-specific requirements for New Jersey posted on the NMLS&R website and on the Department's website, note any identified items that have not been satisfied, and then IMMEDIATELY FULFILL ALL UNMET REQUIREMENTS AND CURE ALL REMAINING DEFICIENCIES. You will be notified via email from the NMLS&R either that you have been conditionally approved or that there are one or more remaining deficiencies in your application after all previously filed applications have been reviewed. Upon being notified of remaining requirements or deficiencies, IMMEDIATELY FULFILL ALL REQUIREMENTS AND/OR CURE ALL DEFICIENCIES.

Category 5. The application process has not yet been commenced through the NMLS&R. **Further action required:** IMMEDIATELY commence the application process by signing on to the NMLS&R at <http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>, obtaining a unique identifier and providing all required information and submissions. You will be notified via email from the NMLS&R either that you have been conditionally approved or that there remain one or more unmet requirements or deficiencies in your application after all previously filed applications have been reviewed. Upon being notified of any such defects, IMMEDIATELY FULFILL ALL REQUIREMENTS AND CURE ALL DEFICIENCIES.

If you have not met the state and/or federal testing requirements, be advised that pursuant to N.J.S.A. 17:11C-60, a candidate who fails a license examination cannot again take that same test for 30 days. Accordingly, applicants who have not yet fulfilled the testing requirements should make an appointment to take the test or tests that they have not yet passed as soon as possible. Individuals who passed the New Jersey individual Licensed Lender examination between November, 2004 and December 31, 2009 and have submitted an application filing to New Jersey through the NMLS&R should complete the state license test certification process in accordance with the directions provided in the notification sent to such applicants by the NMLS&R.

In order to qualify for the lower application fees on business entity and branch office license applicants transitioning from licensure under the LLA to licensure under the RMLA, an application **MUST** be submitted through the NMLS&R by close of business on July 31, 2010. The system is available for the submission of applications during weekdays from 7:00 AM to 2:00 AM Eastern Time, with reduced hours on weekends. Specific information on hours of availability is posted on the NMLS&R website. The application fee for a transitioning mortgage banker, correspondent mortgage banker or mortgage broker business entity license is \$600, compared to the \$1200 application fee for a new business entity license. The application fee for a transitioning branch office license is \$100, compared to the \$1000 application fee for a new branch office.

To the extent possible, calls and e-mails to the Department merely to inquire about the status of an application should be limited. Applicants should follow the instructions included in the e-mail notification(s) received from the NMLS&R notifying them that there are unmet requirements and/or deficiencies in their applications. Doing so will enable applicants to view the list of the particular unfulfilled requirements and deficiencies.

LICENSEES WITH AUTHORITY AS MORTGAGE BANKERS, CORRESPONDENT MORTGAGE BANKERS OR MORTGAGE BROKERS ARE DIRECTED TO PROVIDE COPIES OF THIS BULLETIN TO ALL MORTGAGE SOLICITORS REGISTERED WITH THEIR FIRMS.

July 20, 2010  
DATE



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Thomas B. Considine  
Commissioner

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