



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

OFFICE OF THE COMMISSIONER

PO BOX 325

TRENTON, NJ 08625-0325

TEL (609) 292-7272

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

KENNETH E. KOBYSLOWSKI
Commissioner

BULLETIN NO. 13-18

TO: ALL BUSINESS ENTITIES AND INDIVIDUALS LICENSED UNDER THE RESIDENTIAL MORTGAGE LENDING ACT, N.J.S.A. 17:11C-51 ET SEQ. AS RESIDENTIAL MORTGAGE LENDERS, CORRESPONDENT RESIDENTIAL MORTGAGE LENDERS, RESIDENTIAL MORTGAGE BROKERS, QUALIFIED INDIVIDUAL LICENSEES OR MORTGAGE LOAN ORIGINATORS

FROM: KENNETH E. KOBYSLOWSKI, COMMISSIONER

RE: 2014 LICENSE RENEWALS

The purpose of this Bulletin is to advise all business entities and individuals currently licensed under the Residential Mortgage Lending Act, N.J.S.A. 17:11C-51 et seq. ("the Act"), whose current status in the Nationwide Mortgage Licensing System and Registry ("NMLS") is approved, approved-conditional, approved-deficient or approved-inactive of important information related to the renewal or expiration of their license to transact residential mortgage-related activity in New Jersey.

All such business entities and individuals are advised as follows:

1. The ability to request renewal of approved licenses, and of approved-conditional, approved-inactive, or approved-deficient licenses will commence on November 1, 2013. Renewal applications will be available for electronic submission to New Jersey through the NMLS through December 31, 2013. Instructions for the completion of renewal requests are currently posted on the NMLS website at <http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx>.

2. All companies, branch offices, and individuals must review their NMLS filings prior to renewal to ensure that any requirements or deficiencies set by this Department have been addressed. If any information previously submitted to the NMLS on a MU1, MU3 or MU4 filing has changed, for example a subsequent name change, or if a previously unreported bankruptcy filing or criminal conviction has occurred, or if any previously supplied answers to disclosure questions need to be updated, in order to ensure the efficient processing of your renewal request and avoid future questions regarding your qualifications for continued licensure your NMLS record must be updated BEFORE a renewal request is submitted. This is necessary because, as part of the renewal, each applicant is required to attest that the information on file with the NMLS as of the date

the renewal request is submitted is current and accurate. Attesting to the accuracy of information in a renewal request that, in fact, is not correct will, at a minimum, require the submission of corrective information and can be grounds for the denial of the renewal by the Department and for the imposition of sanctions on the applicant pursuant to N.J.S.A. 17:11C-70.

3. All companies must file any outstanding Mortgage Call Reports (MCRs) before renewal. If there are any outstanding requirements and/or deficiencies set by NMLS or the Department regarding the MCR these must be satisfied prior to filing for renewal. If these are left unsatisfied, the processing of the company renewal will be delayed and designated as “on hold” in the NMLS pending further regulatory action. Please note that if this occurs, the processing of the renewals of all branches and all associated individuals will also be delayed and so designated in the NMLS, which could impact their ability to do business in New Jersey.

4. Qualified Individuals and Mortgage Loan Originators are required under the Act to complete twelve hours of Continuing Education (“CE”) in order to renew their licensed status. The twelve hours includes eight hours of CE required by the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. 1501, et seq. (“the SAFE Act”), plus an additional four hours of CE required by New Jersey. The CE specific to New Jersey MUST include two hours of instruction on New Jersey laws and regulations. The other two hours can be any additional SAFE Act CE above the eight hours OR any combination of state-specific CE courses from other states. Individuals who have completed Pre-licensure Education in 2013 and who first became licensed in 2013 are not required to complete CE to renew for 2014.

5. All Qualified Individuals and Mortgage Loan Originators who are currently in approved conditional or approved deficient status are requested to authorize a new credit report no later than November 1, 2013 in order that an updated review of financial responsibility can be completed in connection with renewal. Any additional information that the Department may require as a result of its review of updated credit information should be submitted within 30 days of the Department’s request. The processing of renewal requests with outstanding requirements for information will be delayed and the individuals will be designated as “on hold” in the NMLS until such information is submitted.

6. Pursuant to N.J.S.A. 17:11C-70a(2)(b), one of the grounds on which the Commissioner may refuse to renew the license of a Qualified Individual Licensee or a Mortgage Loan Originator is a finding that the holder of the license has “Failed at any time to meet the requirements for licensure set forth in sections 6 through 15 of this act... .” Section 7 of the Act, N.J.S.A. 17:11C-57, provides, in pertinent part, “that the Commissioner may renew the licenses of such individuals if no information has been provided by the Division of State Police regarding an arrest in this State for a disqualifying felony offense and an FBI criminal history background check similarly contains no information indicating that the applicant has been convicted or pled guilty or nolo contendere to a disqualifying felony offense. Consequently, in order to confirm that applicants for renewal have not failed to meet the requirements for licensure pertaining to the absence of a disqualifying criminal history, all Qualified Individuals and Mortgage

Loan Originators who completed their FBI fingerprinting scan in 2010 will be required to complete a new electronic scan of fingerprints through the NMLS process in order to be eligible to renew their licenses. The NMLS records of affected individuals will either reflect “Current Fingerprint Record Expiration Date: Expired” or an expiration date in November or December of 2013. Note that the existing prints of persons whose Current Fingerprint Record has expired or will expire in 2013 cannot be used for a current criminal history record check. Consequently, the completion of a new fingerprint scan is necessary to ensure that results received from a new FBI criminal background check continue to demonstrate an individual’s compliance with the license eligibility standards related to criminal history as established by the Act as set forth above. Individuals should schedule the new fingerprint scan for the completion of a current FBI criminal history record check through the NMLS process as soon as possible.

7. A business entity renewal request will not be approved unless there is also a renewal request for that entity’s Qualified Individual Licensee and it can be determined that the Qualified Individual Licensee has satisfied both the SAFE Act and New Jersey’s CE requirements and otherwise qualifies for renewal. No renewal requests that are submitted for branch licenses of the business entity or for Mortgage Loan Originators can be approved until the business entity and Qualified Individual with whom they are associated have been renewed.

8. In the event that the Department does not complete its review of timely filed and complete renewal requests by January 1, 2014, the individual applicant or the business entity applicant and all individuals affiliated with the business entity applicant who also timely-filed complete renewal requests will remain in “renewal requested” status. In accordance with N.J.S.A. 52:14B-11, the authority of such individuals and business entities, and the authority of all business entities and individuals who timely filed complete renewal requests but who are designated as “on hold” in the NMLS as referenced in paragraphs 3 and 5 above, to continue to engage in residential mortgage-related activity under the Act will continue until a decision on the filing has been made by the Department.

ALL BUSINESS ENTITIES THAT RECEIVE THIS BULLETIN ARE DIRECTED TO DISSEMINATE COPIES OF IT TO ALL LICENSED INDIVIDUALS WHO ARE AFFILIATED WITH THEIR FIRM.

11-12-13
Date



Kenneth E. Kobylowski,
Commissioner