

# DEPOSITORY INSTITUTION LOAN ORIGINATOR REGISTRATION UNDER THE S.A.F.E. ACT

## FACT SHEET

UPDATE: On June 9, 2009, the FDIC, NCUA and other federal regulators jointly published a notice of a **proposed** rule for mortgage loan originator registration in the Federal Register. The proposed rule is open for comment until July 9, 2009. After that, the federal regulators will have to take further action to finalize the rule and implement it.

To see the proposal, go to the Federal Register on the GPO Access website ([www.gpoaccess.gov](http://www.gpoaccess.gov)). The rule appears in Volume 74, Number 109, starting on page 27,386. The link to the PDF is as follows: <http://frwebgate4.access.gpo.gov/cgi-bin/TEXTgate.cgi?WAISdocID=644691120686+1+1+0&WAIAction=retrieve>

The S.A.F.E. Act\* requires that by July 31, 2009, the federal banking agencies (including the FDIC and NCUA) must adopt and enforce rules requiring registration of loan originators who work at depository institutions and who work at subsidiaries “owned and controlled” by a depository institution. The term “depository institution” has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any credit union. It does not include bank holding companies, however.

The rule will require the registration to take place through the Nationwide Mortgage Licensing System and Registry (NMLSR).

- The proposed rule deals with the procedures, requirements and deadlines for the registration of depository institution loan officers through the NMLSR. The rules that are adopted will be enforced by the NCUA and the FDIC.
- Loan originators will be required to maintain a registration (not a license) that includes the following:
  - fingerprints
  - personal history and experience (including reports of publicly adjudicated disciplinary and enforcement actions)
  - unique identifier number, which will be assigned by the NMLSR.
- Loan originators who do not work at depository institutions or their subsidiaries are required to submit to a more extensive license process through the NMLSR. State law is currently being enacted and implemented to regulate the license process. This law had an initial deadline of April 1, 2009.
- A “loan originator” is an individual who takes a residential mortgage loan application, or offers or negotiates terms of a residential mortgage loan for compensation or gain.
- A “loan originator” does not include a person who performs purely administrative or clerical tasks on behalf of a person who is a “loan originator”. It also does not include a person who performs only real estate brokerage activities or a person who is solely involved in extensions of credit relating to timeshare plans.

**\*For more information,** and a link to the S.A.F.E. Act, the Conference of State Bank Supervisors (CSBS) has a wealth of information about S.A.F.E. and the NMLSR on its website, at [www.csbs.org](http://www.csbs.org).