

Oregon's Transition Timeframe under new S.A.F.E Act

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The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 ("S.A.F.E. Act") encourages all states to have in place a licensing system for mortgage loan originators that meets minimum standards. The S.A.F.E. Act also encourages all states to join the Nationwide Mortgage Licensing System & Registry (NMLSR).

Although Oregon has an existing registration system for mortgage loan originators, Oregon does not currently license loan originators or use the NMLSR. Transitioning from Oregon's current system to these new standards means many changes during the next 18 months for new and existing Oregon mortgage loan originators. In order to qualify for a mortgage loan originator license, the applicant must have passed the SAFE MLO Test including the National Test Component and the Oregon State Component, and completed 20 hours of pre-licensure education.

Oregon intends to certify that any person who has completed 20 hours of an educational course provided by the Oregon Mortgage Lending Examination Board (MLEB) by December 31, 2009 to have met the 20 hour pre-licensure education requirement. Oregon also intends to certify that any loan originator that has passed the examination proctored by Applied Measurement Professionals (AMP) has met the requirement to pass a state examination.

The following is the timeframe for loan originators licensing in Oregon:

July 2009

Oregon originators may begin taking the NMLSR national test component using their NMLS unique identifier. New originators must also take the Oregon-specific Applied Management Professionals (AMP) test to satisfy the Oregon requirement. An NMLSR-Oregon specific test will be available in July 2010. Until that time, loan originators are to take the AMP test to meet the state test requirement.

November 2009

Oregon mortgage companies should begin applying for a new bond consistent with the new S.A.F.E. Act standard that the bonding amounts reflect the dollar amount of loans originated by the company. Those new amounts should be available by October 2009.

December 18, 2009

The Division of Finance & Corporate Securities will no longer accept changes or amendments to licenses in preparation for the mortgage company transition period (January – March 2010).

December 31, 2009

Oregon originators must complete 20 hours of Oregon MLEB approved education in order for the Division to certify that the person has met the 20 hours of pre-licensure education required for an Oregon mortgage loan originator license. After this date, any person who has not completed 20 hours of Oregon MLEB-provided education will be required to take 20 hours of

NMSLR approved pre-licensure education courses in order to obtain an Oregon mortgage loan originator license and must have an NMLS unique identifier.

January 2010

Oregon companies may begin transitioning their existing license(s) onto the NMSLR. The transition must be completed by March 31, 2010. Companies are encouraged to begin this transition early in the transition period.

February 1, 2010

Mortgage loan originators may create an individual account in NMSLR in order to take the national component of the SAFE Test and authorize a background check.

March 31, 2010

Oregon mortgage companies must have completed their transition to the NMSLR.

April 1, 2010

Oregon begins accepting licensing applications for Oregon mortgage loan originators. Those originators who have not yet provided credit check authorization, applied for fingerprinting or taken the national test and state tests must do so before May 31, 2010. Mortgage loan originators who are not certified for pre-licensure education by the state of Oregon must also complete the twenty hours of NMSLR approved pre licensure education.

May 31, 2010

Applicants for an Oregon mortgage loan originator license must have submitted all materials for license application (fingerprints, credit authorization, testing, etc.)

July 31, 2010

Oregon mortgage loan originators who successfully completed all requirements by May 31, 2010 will have received their Oregon mortgage loan originator license. Oregon originators who have not been granted an Oregon license as of August 1, 2010 may not originate loans.

Frequently Asked Questions about Oregon's Transition

Licensing

Q. What is the licensing period in the NMSLR?

A. The licensing period in the NMSLR is January through December, and the renewal period in NMLS is always between November 1st and December 31st. For example, if you apply for a new broker's license in April 2011 you will renew that license in December 2011 for the 2012 licensing year.

Q. My broker license will renew in December 2009. Will I be applying for a new two year license?

A. Your new license will expire in December 2010 and your fee will be based on 2009 licensing fees rather than the new *higher* fees which become effective in January 2010.

Q. Why do you have to “freeze” our licensing information in your system on December 18, 2009 disallowing any changes through the transition period?

A. In order for existing Oregon licensees to be treated as transitioning companies rather than new applicants, the Division must validate information in the NMLSR against existing records with DFCS to allow a smooth transition period.

Q. If I was issued a two-year license in April 2008 that renews in April 2010, when will I need to apply for renewal?

A. All companies whose current licenses expire between January 1, 2010 and June 30, 2010 will apply for a license during the transition phase between January 4, 2010 and March 31, 2010 rather than transition your existing license. The license you will be issued will ensure that you are licensed through the end of 2010 when all companies will renew during the normal NMLSR renewal period of December 2010.

Education

See detailed information on the education transition plan on the DFCS NMLSR website at: <http://www.cbs.state.or.us/external/dfcs/nmls.html>

Testing

Q. When will the new national NMLSR test be available for Oregon loan originators?

A. The National Component of the SAFE MLO Test became available in July 2009. Oregon loan originators are eligible to take the test once they've logged into the NMLSR system and created an individual account and obtained a unique identifier for themselves.

Q. If I take the national test will I still have to take the Oregon AMP administered test?

A. Yes, all loan originators must pass both the new National Component of the SAFE MLO test and a state test. The only state test that will be available before the licensing deadline is the Oregon AMP administered test. If you have previously taken and passed the Oregon AMP administered test, you do not have to take it again.

Surety Bonds

Q. Why is Oregon changing the broker surety bond amount?

A. The S.A.F.E. Act requires that bonds are based on the volume of loan origination. Current requirements were based upon the number of licensed locations of the company.

Q. When will the new Oregon bonding requirements be set?

A. The Division is currently drafting administrative rules to set the new surety bond amounts. This rulemaking includes a public comment period so stay tuned to the website to provide input about bond amounts. The final bond amounts will be published around January 1, 2010 and companies will be required to change their bonds to comply with the new bond amounts as part of the renewal of the company license at the end of 2010.

Fingerprinting/Criminal background checks

Q. Where can I get more information on the new mortgage loan originator fingerprinting requirements?

A. See document entitled “fingerprinting process” on this website.

Q. If I’ve already been fingerprinted for another reason do I need to redo my fingerprints?

A. Yes

Q. Does my company still need to perform a state background check on their loan originators based on Oregon Administrative Rule 441-880-0050?

A. Yes, however you only have to search the records of the states where the loan originator has lived in the past 10 years. You are no longer required to do a check of federal records.

Q. Will Oregon disqualify individuals from licensing for misdemeanor convictions outlined in Oregon Administrative Rule 441-880-0050?

A. No. Oregon will follow the SAFE Act which prohibits the state from issuing a mortgage loan originator license to a person with a felony conviction involving an act of fraud, dishonesty, or a breach of trust, or money laundering or any felony conviction within the past 7 years.

Q. If I am denied a mortgage loan originator license based on my federal criminal history report, will I be able to see the information that was the basis for the licensing decision?

A. Yes

Credit Checks

Q. What types of credit issues may disqualify me from licensing if they appear on my credit report?

The division is still writing rules to implement this requirement. We anticipate those rules will consider bankruptcies, although the filing for bankruptcy alone will not be the deciding factor in granting or renewing a license, current outstanding judgments except judgments solely as a result of medical expenses, current outstanding tax liens or other government liens and filings, history of and current collection accounts, foreclosures within the past three (3) years, two or more accounts more than 60 days past due.

Q. Will I be able to get a copy of my credit report if I am denied a mortgage loan originator license based on the information it contains?

A. Unknown

Q. Will there be a process for me to explain my financial history?

A. Yes. If your financial history contains disqualifying factors, the Division will ask you to provide additional information explaining the circumstances of your financial history.