

**TITLE 160. DEPARTMENT OF CONSUMER CREDIT
CHAPTER 55. MORTGAGE BROKERS**

RULEMAKING ACTION:

EMERGENCY adoption

RULES:

Subchapter 1. General Provisions

160:55-1-2 [AMENDED]

Subchapter 3. Licensing

160:55-3-1.1 [AMENDED]

160:55-3-1.2 [REVOKED]

160:55-3-1.3 [REVOKED]

160:55-3-1.4 [REVOKED]

160:55-3-3 [REVOKED]

160:55-3-4 [AMENDED]

160:55-3-8 [AMENDED]

160:55-3-9 [REVOKED]

160:55-3-9.1 [AMENDED]

160:55-3-10.1 [REVOKED]

160:55-3-12 [NEW]

160:55-3-13 [NEW]

Subchapter 5. Advisory Committee [REVOKED]

160:55-5-1 [REVOKED]

160:55-5-2 [REVOKED]

160:55-5-3 [REVOKED]

Subchapter 7. Records

160:55-7-1 [AMENDED]

AUTHORITY:

Administrator of Consumer Credit; 59 O.S., §§ 2095.1(2) and 2095.5(C)

DATES:

Adoption:

June 4, 2009

Effective:

Immediately upon Governor's approval or July 12, 2009, whichever is later

Expiration:

Effective through July 14, 2010, unless superseded by another rule or disapproved by the Legislature

SUPERSEDED EMERGENCY ACTIONS:

n/a

INCORPORATION BY REFERENCE:

n/a

FINDING OF EMERGENCY:

The Administrator of Consumer Credit finds that there is a compelling public interest requiring emergency amendments to existing rules. The compelling public interest is the enactment of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and the repeal of the Mortgage Broker Licensure Act, effective July 1, 2009, pursuant to Senate Bill 1062 from the 2009 First Regular Session of the 52nd Legislature.

ANALYSIS:

The amended rules provide regulations for the change in licensing requirements pursuant to Senate Bill 1062 from the 2009 First Regular Session of the 52nd Legislature.

CONTACT PERSON:

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PURSUANT TO THE ACTIONS DESCRIBED HEREIN, THE FOLLOWING EMERGENCY RULES ARE CONSIDERED PROMULGATED UPON APPROVAL BY THE GOVERNOR AS SET FORTH IN 75 O.S., SECTION 253(D), AND EFFECTIVE UPON APPROVAL BY THE GOVERNOR OR JULY 12, 2009, WHICHEVER IS LATER:

SUBCHAPTER 1. GENERAL PROVISIONS

160:55-1-2. Definitions

Except as otherwise specifically defined in this section, the definitions set forth in the Safe Act are incorporated herein and made a part hereof. The following words or terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise:

~~"Act" means the Oklahoma Mortgage Broker Licensure Act beginning at §2081 of Title 59 of the Oklahoma Statutes.~~

"APA" means the Administrative Procedures Act beginning at §250 of Title 75 of the Oklahoma Statutes.

"Applicant" means an entity or individual that has submitted an initial or renewal application for licensure as a mortgage broker or mortgage loan originator.

"Approved conditional license" means a mortgage broker or mortgage loan originator license issued by the Administrator pending completion of a background check through NMLS&R.

~~"Committee" means the Mortgage Broker Advisory Committee.~~

"Days" mean calendar days. In computing any period of time for communications between a person and the Department or a court, the day of the event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a day that the licensed location, the Department or the office of the court clerk is closed.

"Department" means the Oklahoma State Department of Consumer Credit.

"Deputy Administrator" means the Deputy Administrator of the Department.

"FICO score" means the number calculated statistically with information from a person's credit files that represents the creditworthiness of the person.

"License" means the instrument issued pursuant to the SAFE Act and these rules that is the sole authorization for an individual or an entity to engage in mortgage business.

"Mortgage business" means the trade that involves the making, negotiating or offering to make or negotiate any loan secured by a mortgage, deed of trust or any lien interest on residential real estate created with the consent of the owner of the real estate business of taking residential mortgage loan applications or offering, negotiating or modifying the terms of residential mortgage loans in the State of Oklahoma.

"NMLS&R" means the Nationwide Mortgage Licensing System and Registry.

“Oklahoma Mortgage Broker Licensure Act” means the licensing statutes for mortgage brokers and mortgage loan originators in the State of Oklahoma, repealed by the Oklahoma Legislature effective July 1, 2009.

“RESPA” means the Real Estate Settlement Procedures Act of 1974 beginning at §2601 of Title 12 of the United States Code.

“SAFE Act” means the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act beginning at §2095 of Title 59 of the Oklahoma Statutes.

SUBCHAPTER 3. LICENSING

160:55-3-1.1. ~~Licensure forms~~ Licensing requirements

(a) ~~License application.~~

~~(1) The license application shall be completed by the person seeking a mortgage broker license or a mortgage loan originator license and shall include all fees, forms and exhibits requested.~~

~~(2) The Administrator may require any applicant to provide additional information. An application is not considered final until all requested information has been submitted and the applicant has passed a license test, if required. [59:2085(A)(1)(c), (A)(9) and (L)(4), and 2092(B)]~~

~~(3) The Administrator shall grant or deny a license application within thirty (30) days from final application unless the period is extended by written agreement between the applicant and the Administrator. [59:2085(C)]~~

~~(4) An application that is not reviewed for any failure on the part of the applicant shall be deemed to be a withdrawal of the application and not a denial. If any applicant pays for a license test, but does not take the license test, the license test fee shall be returned to the applicant. If an applicant for a mortgage broker license fails to comply with the application process, the initial license fee shall be returned to the applicant, but the Administrator shall retain the application fee.~~

~~(b) **License test.** The examination approved by the Administrator that is required to be taken and passed by applicants for mortgage broker licenses, unless waived by the Administrator. [59:2085(A)(1)(c) and (A)(9), and 2092(A) and (B)] The examination approved by the Administrator that is required to be taken and passed by applicants for mortgage loan originator licenses that do not have the required experience, unless waived by the Administrator. [59:2085(A)(9) and (L)(4), and 2092(A) and (B)]~~

~~(c) **Licenses.** No license is transferable or assignable. [59:2085(A)(7)] Expired licenses shall not be renewed; however, a new license may be issued if the applicant satisfies all of the licensing requirements of an initial license. [59:2085(D)]~~

~~(1) **Mortgage broker license.** The license, executed under the hand of the Administrator and delivered, is evidence of a person's authority to engage in the mortgage business within Oklahoma. The license shall be prominently displayed in an area of the principal place of business that is used or visited by a majority of the borrowers [59:2085(G)].~~

~~(2) (a) Mortgage loan originator license. The license, executed under the hand of the Administrator and delivered, is evidence of an individual's authority to make, negotiate or offer to make or negotiate a mortgage loan for or on behalf of a mortgage broker.~~

~~(1) **Individuals licensed prior to July 1, 2009.** Licenses of individuals licensed pursuant to the Oklahoma Mortgage Broker Licensure Act prior to July 1, 2009 shall expire December 31, 2009.~~

(A) **Application for license pursuant to the SAFE Act.** Individuals licensed prior to July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act shall become licensed as mortgage loan originators prior to December 31, 2009 if an individual meets the definition of a mortgage loan originator as defined by the SAFE Act. Individuals licensed prior to July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act shall submit an application for a mortgage loan originator license through NMLS&R if an individual meets the definition of a mortgage loan originator as defined by the SAFE Act.

(B) **Components of application.** The application process consists of the following:

(i) **Application.** The application shall be submitted through NMLS&R via the Internet. The Department's website shall include a link to the NMLS&R website.

(ii) **Pre-licensing education.** Twenty (20) hours of pre-licensing education are required. Pre-licensing education courses and providers are reviewed and approved by NMLS&R. Information regarding pre-licensing education, including, but not limited to, approved courses, providers and scheduling is available from NMLS&R.

(iii) **Testing.** An applicant is required to pass a test. The test consists of two (2) parts, a national part and an Oklahoma part. A score of seventy-five percent (75%) correct answers to questions is required on both parts to pass the test. The testing provider and questions are selected by NMLS&R. Information regarding the test is provided by NMLS&R, including but not limited to, approved testing providers, testing locations, study materials and test scheduling. Individuals licensed as mortgage brokers or mortgage loan originators on or before July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act are required to pass the test.

(iv) **Background checks.** Applicants are required to pass a background check. The background check consists of the following:

(I) **Fingerprints.** An applicant is required to submit fingerprints to NMLS&R. Information regarding fingerprints is indicated on the NMLS&R website. The fingerprint function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the fingerprint function is available and until the applicant passes a background check. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(II) **Credit report.** An applicant is required to submit personal information to NMLS&R for review of credit reports. The purpose of the credit report is to determine an applicant's financial responsibility. The credit report function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the credit report function is available and the applicant satisfies the standards for financial responsibility. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(C) **Additional information.** The Administrator is authorized to require additional information from an applicant. Any additional information required by the Administrator shall be submitted to the Administrator.

(D) **Fees.** Payment of all required license fees shall be submitted through NMLS&R. Information regarding acceptable methods of payment is available on the NMLS&R website.

(E) **Results.** The results of an applicant's test score, verification of completion of pre-licensing education and background check information are submitted to the Administrator by NMLS&R. The Administrator reviews the information to determine if an applicant qualifies for licensure.

(2) **Individuals not licensed prior to July 1, 2009.** Individuals not licensed pursuant to the Oklahoma Mortgage Broker Licensure Act prior to July 1, 2009 shall become licensed as mortgage loan originators prior to July 31, 2010 if an individual satisfies the definition of a mortgage loan originator as defined by the SAFE Act.

(A) **Application for licensure pursuant to the SAFE Act.** Individuals not licensed as mortgage brokers or mortgage loan originators as of July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act shall submit an application for a mortgage loan originator license through NMLS&R if an individual meets the definition of a mortgage loan originator as defined by the SAFE Act.

(B) **Components of application.** The application process consists of the following:

(i) **Application.** The application shall be submitted through NMLS&R via the Internet. The Department's website shall include a link to the NMLS&R website.

(ii) **Pre-licensing education.** Twenty (20) hours of pre-licensing education are required. Pre-licensing education courses and providers are reviewed and approved by NMLS&R. Information regarding pre-licensing education, including, but not limited to, approved courses and providers, is available through NMLS&R.

(iii) **Testing.** An applicant is required to pass a test. The test consists of two (2) parts, a national part and an Oklahoma part. A score of seventy-five percent (75%) correct answers to questions is required on both parts to pass the test. The testing provider and questions are selected by NMLS&R. Information regarding the test is provided by NMLS&R, including but not limited to, approved testing providers, testing locations, study materials and test scheduling.

(iv) **Background checks.** Applicants are required to pass a background check. The background check consists of the following:

(I) **Fingerprints.** An applicant is required to submit fingerprints to NMLS&R. Information regarding fingerprints is indicated on the NMLS&R website. The fingerprint function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the fingerprint function is available and until the applicant passes a background check. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(II) **Credit report.** An applicant is required to submit personal information to NMLS&R for review of credit reports. The purpose of the credit report is to determine an applicant's financial responsibility. The credit report function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the credit report function is available and the applicant satisfies the standards for financial responsibility. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(C) **Additional information.** The Administrator is authorized to require additional information from an applicant, including but not limited to verification of citizenship.

Any additional information required by the Administrator shall be submitted to the Administrator.

(D) Fees. Payment of all required license fees shall be submitted through NMLS&R. Information regarding acceptable methods of payment is available on the NMLS&R website.

(E) Results. The results of an applicant's test score, verification of completion of pre-licensing education and background check information are submitted to the Administrator by NMLS&R. The Administrator reviews the information to determine if an applicant qualifies for licensure.

(b) Mortgage broker license.

(1) Entities licensed prior to July 1, 2009. Licenses of entities licensed pursuant to the Oklahoma Mortgage Broker Licensure Act prior to July 1, 2009 shall expire December 31, 2009.

(A) Application for license pursuant to the SAFE Act. Entities licensed as mortgage brokers prior to July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act shall become licensed as mortgage brokers prior to December 31, 2009 if an entity meets the definition of a mortgage broker as defined by the SAFE Act. Entities licensed as mortgage brokers prior to July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act shall submit an application for a mortgage broker license through NMLS&R if an entity meets the definition of a mortgage broker as defined by the SAFE Act.

(B) Components of application. The application process consists of the following:

(i) Application. The application shall be submitted through NMLS&R via the Internet. The Department's website shall include a link to the NMLS&R website.

(ii) Additional information. The Administrator is authorized to require additional information from an applicant. Any additional information required by the Administrator shall be submitted to the Administrator.

(C) Designation of mortgage loan originator. An applicant shall designate a licensed mortgage loan originator to oversee the operations of the applicant. An applicant may designate an individual licensed pursuant to the Oklahoma Mortgage Broker Licensure Act prior to July 1, 2009 until July 1, 2010. Applications received after July 1, 2010 shall designate an individual licensed as a mortgage loan originator pursuant to the SAFE Act as the mortgage loan originator responsible for overseeing the operations of the applicant.

(D) Officers, owners, directors and partners. The application shall list each officer, owner, director or partner of the applicant. An officer, owner, director or partner of the applicant shall not act as a mortgage loan originator as defined by the SAFE Act unless each officer, owner, director or partner is licensed as a mortgage loan originator. Each officer, owner, director or partner of the applicant is required to pass a background check. The applicant shall submit the following information for each officer, owner, director or partner to NMLS&R:

(i) Fingerprints. Information regarding fingerprints is indicated on the NMLS&R website. The fingerprint function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the fingerprint function is available and each officer, owner, director or partner passes a background check. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(ii) **Credit report.** The purpose of the credit report is to determine the financial responsibility of each officer, owner, director or partner. The credit report function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the credit report function is available and each officer, owner, director or partner satisfies the standards for financial responsibility. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(iii) **Additional information.** The Administrator is authorized to require additional information from an applicant. Any additional information required by the Administrator shall be submitted to the Administrator.

~~(3)(E) **Branch office license offices.** The license, executed under the hand of the Administrator and delivered, is evidence of a location in addition to the principal place of business noted on the mortgage broker license where mortgage business may be transacted. Any branch office license shall be prominently displayed in an area of the branch office that is used or visited by a majority of the borrowers [59:2085(H)]. An applicant maintaining more than one location for the transaction of mortgage business shall obtain a branch office license for each location. The NMLS&R website provides information for obtaining branch office licenses.~~

(F) **Fees.** Payment of all required license fees shall be submitted through NMLS&R. Information regarding acceptable methods of payment is available on the NMLS&R website.

(G) **Results.** The results of any information required for the application process are submitted to the Administrator by NMLS&R. The Administrator reviews the information to determine if an applicant qualifies for licensure.

(2) **Entities not licensed prior to July 1, 2009.** Entities not licensed pursuant to the Oklahoma Mortgage Broker Licensure Act prior to July 1, 2009 shall become licensed as mortgage brokers prior to July 31, 2010 if an entity satisfies the definition of a mortgage broker as defined by the SAFE Act.

(A) **Application for license pursuant to the SAFE Act.** Entities not licensed prior to July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act shall submit an application for a mortgage broker license through NMLS&R if an entity meets the definition of a mortgage loan originator as defined by the SAFE Act.

(B) **Components of application.** The application process consists of the following:

(i) **Application.** The application shall be submitted through NMLS&R via the Internet. The Department's website shall include a link to the NMLS&R website.

(ii) **Additional information.** The Administrator is authorized to require additional information from an applicant, including but not limited to verification of citizenship. Any additional information required by the Administrator shall be submitted to the Administrator.

(C) **Designation of mortgage loan originator.** The application shall designate a licensed mortgage loan originator to oversee the operations of the applicant. An applicant may designate an individual licensed prior to July 1, 2009 pursuant to the Oklahoma Mortgage Broker Licensure Act until July 1, 2010. Mortgage broker applications received after July 1, 2010 shall designate an individual licensed as a mortgage loan originator pursuant to the SAFE Act as the mortgage loan originator responsible for overseeing the operations of the applicant.

(D) **Officers, owners, directors and partners.** The application shall list each officer, owner, director or partner of the applicant. An officer, owner, director or partner of the applicant shall not act as a mortgage loan originator as defined by the SAFE Act unless each officer, owner, director or partner is licensed as a mortgage loan originator. Each officer, owner, director or partner of the applicant is required to pass a background check. The applicant shall submit the following information for each officer, owner, director or partner to NMLS&R:

(i) **Fingerprints.** Information regarding fingerprints is indicated on the NMLS&R website. The fingerprint function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the fingerprint function is available and each officer, owner, director or partner passes a background check. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(ii) **Credit report.** The purpose of the credit report is to determine the financial responsibility of each officer, owner, director or partner. The credit report function may not be available through NMLS&R until Spring 2010. An applicant that satisfies all other requirements for licensure shall be issued an approved conditional license until the credit report function is available and each officer, owner, director or partner satisfies the standards for financial responsibility. An approved conditional license issued pursuant to this rule shall expire July 31, 2010 or upon completion of the background check, whichever occurs first.

(iii) **Additional information.** The Administrator is authorized to require additional information from an applicant. Any additional information required by the Administrator shall be submitted to the Administrator.

(E) **Branch offices.** An applicant maintaining more than one location for the transaction of mortgage business shall obtain a branch office license for each location. The NMLS&R website provides information for obtaining branch office licenses.

(F) **Fees.** Payment of all required license fees shall be submitted through NMLS&R. Information regarding acceptable methods of payment is available on the NMLS&R website.

(G) **Results.** The results of any information required for the application process are submitted to the Administrator by NMLS&R. The Administrator reviews the information to determine if an applicant qualifies for licensure.

(d) ~~Renewal application.~~

~~(1) The license renewal application shall be completed by persons previously issued a license and shall be submitted with all fees and postmarked on or before the first day of December each year, unless the person holds a three year license for which the renewal application with all fees shall be submitted and postmarked on or before the first day of December of the final year of validity. As a courtesy, the Department may send a notice of renewal to each person, but the failure to do so shall not relieve any person of the duty to renew timely or impair the authority of the Administrator against any person.~~

~~(2) If the license is not renewed by December 15, a delinquency notice shall be sent to the person. If the license is not renewed by December 31, the license shall be suspended. A suspended license may be renewed with a completed license renewal application submitted with all fees and postmarked on or before January 31. If the license is not renewed by January 31, the license shall expire. [59:2085(D)]~~

~~(e) **Inactive and reactivation applications.** In lieu of renewal, a mortgage broker may place its license on inactive status for the following license year by completing an inactive application and submitting the application with its license and fee postmarked on or before the first day of December. [59:2085(E)] If a mortgage broker applies for inactive status when the license is not eligible for inactive status, the Administrator shall notify the mortgage broker that the license is subject to the renewal requirements.~~

~~(1) At the end of the first inactive license year, the mortgage broker shall complete an inactive application or a reactivation application and submit it with the proper fee postmarked on or before the first day of December. [59:2085(E) and (F)] If a mortgage broker applies for inactive status when the license is not eligible for inactive status, the Administrator shall notify the mortgage broker that the license is subject to the reactivation requirements.~~

~~(2) If the mortgage broker license is on inactive status for two (2) consecutive years, then at the end of the second inactive license year, the mortgage broker shall complete a reactivation application and submit it with the fee postmarked on or before the first day of December. [59:2085(E) and (F)]~~

~~(3) If a mortgage broker license is not inactivated or reactivated by December 31, then the license shall expire. [59:2085(E)]~~

~~(4) During an inactive license year, the mortgage broker license may be reactivated for the remainder of the year by completing a reactivation application and submitting the application with the fee. [59:2085(F)]~~

~~160:55-3-1.2. Experience or educational requirement~~

~~(a) **Mortgage Broker.** To apply for a mortgage broker license, an applicant shall provide satisfactory evidence of the required experience or certificates of completion for twenty (20) hours of education courses approved by the National Association of Mortgage Brokers taken within the required time period. [59:2085(A)(1)(a) and (b)]~~

~~(b) **Mortgage Loan Originator.** To apply for a mortgage loan originator license, an applicant shall provide certificates of completion for sixteen (16) hours of education courses approved by the National Association of Mortgage Brokers taken within the required time period and may provide satisfactory evidence of the required experience [59:2085(L)(4) and (5)].~~

~~(c) Satisfactory evidence for experience includes, but is not limited to, W 2 forms and 1099 forms.~~

~~(d) For purposes of this section, "applicant" means an individual; an owner of a sole proprietorship; the stockholders or three largest stockholders and the officers, directors and trustees of a corporation; the partners, principals, officers and directors of a partnership or limited liability company.~~

~~160:55-3-1.3. Active management requirement~~

~~An individual is in active management of the activities of a licensed person when the individual supervises the mortgage business operations on a full-time basis.~~

~~160:55-3-1.4. Continuing education~~

~~(a) **Purpose.** The purpose of this section is to set forth the requirements for continuing education, and to set forth the requirements for approval by the Administrator of a proposed continuing education course.~~

~~(b) **Definitions.** The following words or terms, when used in this section, shall have the following meaning, unless the context clearly indicates otherwise:~~

~~(1) "Certificate of completion" means a form acceptable to the Administrator and completed by the provider that signifies satisfactory completion of the approved course and reflects hours earned.~~

~~(2) "Education verification form" means a form acceptable to the Administrator and completed by the mortgage broker or mortgage loan originator that states under oath to compliance with the continuing education requirements.~~

~~(3) "Provider" means the Commission; a technology center school; a college or university; a private school; the Oklahoma Association of Mortgage Brokers, the National Association of Mortgage Brokers or any affiliate thereof; the Oklahoma Bar Association, American Bar Association or any affiliate thereof; or an education provider that provides approved continuing education courses. [59:2093(B)]~~

~~(c) Continuing education requirements.~~

~~(1) Hours.~~

~~(A) All mortgage brokers and mortgage loan originators shall complete sixteen (16) hours of continuing education before license renewal or reactivation. [59:2093(A)] Courses taken in excess of the required hours shall not carry forward.~~

~~(B) A minimum of seven (7) of the sixteen (16) credit hours shall consist of:~~

~~(i) one (1) credit hour covering the Real Estate Settlement Procedures Act;~~

~~(ii) one (1) credit hour covering the Truth In Lending Act;~~

~~(iii) one (1) credit hour covering federal laws related to fair lending—the Equal Credit Opportunity Act, the Fair Housing Act and the Home Mortgage Disclosure Act; and~~

~~(iv) four (4) credit hours covering ethics. [59:2093(A)]~~

~~(2) Credit for instructors. An instructor who is a mortgage broker or a mortgage loan originator shall receive the same continuing education credit for presenting approved course materials as a mortgage broker or mortgage loan originator who attends an approved classroom instructional session.~~

~~(3) Certificates of completion required for license renewal or reactivation. Each mortgage broker and mortgage loan originator shall attach an education verification form and certificates of completion for the required number of hours to the renewal or reactivation application. [59:2093(A)]~~

~~(4) Repeating courses. A mortgage broker or mortgage loan originator may repeat a course before renewal, if the maximum hours designated for the course were not attained in the first attempt. By repeating the course, the mortgage broker or mortgage loan originator may not earn more than the maximum hours designated for the course. A mortgage broker or mortgage loan originator may repeat a course after two (2) license renewal dates have elapsed and receive the maximum hours designated for the course.~~

~~(5) Exceptions. The requirements for continuing education in this section shall not apply to:~~

~~(A) a mortgage broker whose license is on inactive status; or,~~

~~(B) a non-resident mortgage broker or mortgage loan originator who is licensed in a state having continuing education requirements and the mortgage broker or mortgage loan originator meets all the requirements of that state. The non-resident mortgage broker or mortgage loan originator shall be responsible for providing satisfactory proof of compliance with the other state's requirements. [59:2093(E)]~~

~~(6) Extensions. For good cause shown, the Administrator may grant an extension of time during which the continuing education requirements may be completed. The extension shall not exceed twelve (12) months. The extension will not alter the requirements or due date of the succeeding renewal. "Good cause" includes disability, natural disaster, or other extenuating circumstances. Each request for extension of time shall be in writing from the~~

any documentation to support the request. Each request must be received by the Administrator no less than thirty (30) days before renewal.

~~(d) **Approval of continuing education courses.**~~

~~(1) **Information required.** Each provider shall apply for approval of each course. All providers, including publicly funded educational institutions, shall provide:~~

~~(A) Name and address of the provider.~~

~~(B) Contact person and his or her address and telephone number(s).~~

~~(C) The location of the course, unless it is an individual study or correspondence course.~~

~~(D) Documentation that each course is approved by the National Association of Mortgage Brokers and the number of hours approved for each course. Courses must consist of a minimum of one (1) hour.~~

~~(E) Subject outlines which list the summarized subjects covered in each course and a copy of any course materials.~~

~~(F) The names of instructors.~~

~~(2) **Application deadline for course approval.** At least thirty (30) days prior to the course date, the provider shall apply to the Administrator for course approval. The Administrator shall grant or deny approval in writing based upon information submitted regarding each course. The Administrator will assign the number of hours awarded for an approved course. Each course approval shall be valid for a period of twelve (12) months. Course materials must be resubmitted at the time of expiration.~~

~~(3) **Withheld or withdrawn approval.** The Administrator may withhold or withdraw approval for any course for non-compliance with any provision of this section. This withdrawal will not affect any hours attained under the course previous to the withdrawal.~~

~~(4) **List of approved courses.** A list of approved courses shall be available from the Administrator. [59:2093(C)]~~

~~(5) **Certificate of Completion.** At the completion of each course, the provider shall provide each mortgage broker or mortgage loan originator with a "Certificate of Completion" form.~~

~~(6) **List of mortgage brokers and mortgage loan originators completing course to Administrator.** At the completion of each course, the provider shall provide the Administrator a list of all mortgage brokers and mortgage loan originators who completed the course. This list shall reflect the name and license number of each mortgage broker and mortgage loan originator.~~

~~(7) **Course records.** Providers shall maintain course records for at least seven (7) years.~~

160:55-3-3. Investigations for licensure

A thorough investigation shall be conducted of each applicant for a mortgage broker license, and applicants shall provide such additional information as may be requested from the applicant for that purpose. In addition, the Administrator may consult outside sources, including law enforcement agencies, and may require the applicant's consent to release such other relevant information as the Administrator may deem necessary to determine the moral character, experience, background, honesty, truthfulness, integrity and competency of the applicant, any responsible individual designated by the applicant and any officer, director, shareholder or other interested party of the applicant [59:2085(A)(1) and (2)]. It shall be within the discretion of the Administrator to determine the fitness of an applicant, provided that such discretion is not arbitrary or capricious and is, or will be, applied uniformly to all similarly situated applicants.

160:55-3-4. Licensure periods

Any license issued during a year shall run only to December 31 of that year, ~~except three year licenses shall run to December 31 of the third calendar year.~~

160:55-3-8. Change of control in ownership, officers, directors, partners or designated mortgage loan originators for licensed mortgage brokers

~~(a) **Notification.** At least thirty (30) days before any proposed change of control of any licensed mortgage broker in ownership or any change in officers, directors, partners or the designated mortgage loan originator, the mortgage broker shall notify the Administrator of the intent to change control, and the acquiring person shall apply for a mortgage broker license and branch office licenses, if any proposed change by regular United States mail, electronic mail, facsimile or courier service. The Administrator shall notify the mortgage broker and the acquiring person when the acquiring person's mortgage broker license application has been granted. After the mortgage broker surrenders its mortgage broker license and branch office licenses, if any, and transfers controlling interest, a mortgage broker license and branch office licenses, if any, shall be issued to the acquiring person. [59:2085(A)(7)]~~ The mortgage broker shall also contact the Administrator for instructions regarding the completion of necessary documentation to process the proposed change.

~~(b) If the change of control results in the closing of any locations, then the mortgage broker shall post an announcement on the front door listing the name, business telephone number and mailing and business addresses of the acquiring person. The announcement shall be posted before controlling interest is transferred and shall remain posted until the existing location closes. The mortgage broker shall certify to the Administrator the date the announcement was posted and shall attach a copy of the announcement.~~

~~(c) For purposes of this section, "change of control" means a change of an individual owner, or a change of more than twenty percent (20%) in the power to vote outstanding shares of a licensed corporation, partnership, association or trust. [59:2085(A)(7)]~~

(b) Required documentation and information.

(1) Change in ownership, officers, directors or partners. A mortgage broker with a proposed change in ownership, officers, directors or partners shall submit the following information for each new proposed owner, officer, director or partner:

(A) Fingerprints.

(B) Personal information for obtaining credit reports.

(C) Any additional documentation required by the Administrator.

(2) Change of designated mortgage loan originator. A mortgage broker with a proposed change for the designated mortgage loan originator shall submit the name and license number or unique identifier issued by NMLS&R for the proposed, designated mortgage loan originator.

(c) Proposed change involving fifty percent (50%) or more new owners, officers, directors or partners. A mortgage broker with a fifty percent (50%) or more proposed change in ownership, officers, directors or partners shall submit a new license application in accordance with the SAFE Act and rules promulgated by the Administrator.

160:55-3-9. Ownership of more than one location

~~(a) Any location, in addition to the principal place of business noted on the mortgage broker license, where the mortgage broker will transact mortgage business shall be licensed as a branch office [59:2085(H)].~~

~~(b) For purposes of this section, "locations where mortgage business will be transacted" shall include any location at which:~~

- ~~(1) a mortgage loan application is provided, taken or completed in person, or~~
- ~~(2) making, negotiating or offering to make or negotiate a mortgage loan occurs.~~

~~(c) For purposes of this section, the term "locations where mortgage business will be transacted" shall not include either:~~

- ~~(1) administrative offices at which only bookkeeping, billing or accounting duties are performed for separate mortgage business locations, or~~
- ~~(2) offices at which only independent contractors or their employees, or both, are located.~~

160:55-3-9.1. Moving or closing a location, address changes for mortgage loan originators

(a) At least thirty (30) days before the address of the principal place of business or a branch office is changed, the mortgage broker shall notify the Administrator ~~in writing~~through NMLS&R. The mortgage broker shall post an announcement on the front door listing the address of the new location. The announcement shall remain on the front door until the location changes. In the change notice, the mortgage broker shall certify to the Administrator the date the announcement was posted and shall attach a copy of the announcement ~~and with~~any license, including mortgage loan originator licenses, that needs~~need~~to be amended along with a change of address fee. [59:2085(H)]for submission to the Administrator.

(b) At least thirty (30) days before a location is to be closed, the mortgage broker shall notify the Administrator ~~in writing~~through NMLS&R. The mortgage broker shall post an announcement on the front door listing the business telephone number and mailing and business address of another location, if any. The announcement shall remain posted until the existing location closes. In the closing notice, the mortgage broker shall certify to the Administrator the date the announcement was posted and shall attach a copy of the announcement along with the license for the closing location.

(c) A mortgage loan originator shall notify the Administrator through NMLS&R of any address change at least thirty (30) days prior to the change of their address of record.

~~160:55-3-10.1. Loss or change of licensed mortgage broker sponsor~~

~~(a) When a mortgage broker cancels the sponsorship of a mortgage loan originator, the mortgage broker shall submit the mortgage loan originator's license to the Department within three (3) business days.~~

~~(b) The Department shall return the license to the mortgage loan originator with the name of the new sponsoring mortgage broker after all requested forms, exhibits, information and fee have been submitted.~~

~~(c) The Department's holding of the mortgage loan originator license does not change the licensure period.~~

~~(d) The person remains subject to all licensing and renewal requirements for the mortgage loan originator license whether the person or the Department holds the license.~~

160:55-3-12. Standards for determining financial responsibility

(a) Purpose. The SAFE Act requires the Administrator to review the credit reports of applicants seeking to become licensed mortgage loan originators and the owners, officers, directors and partners of mortgage brokers. Applicants seeking to become licensed mortgage loan originators and the owners, officers, directors and partners of mortgage brokers must demonstrate financial responsibility. The SAFE Act authorizes the Administrator to deny license applications if an applicant for a mortgage loan originator license or if any owner, officer, director or partner of a

mortgage broker applicant has not demonstrated financial responsibility. The SAFE Act provides general guidelines for determining a failure to demonstrate financial responsibility, such as outstanding judgments, foreclosures, tax liens and a pattern of seriously delinquent accounts. The purpose of this rule is to establish specific criteria for determining when an applicant for a mortgage loan originator license or when any owners, officers, directors or partners of a mortgage broker applicant have failed to demonstrate financial responsibility.

(b) Standards to demonstrate financial responsibility.

(1) **Threshold FICO score.** A threshold FICO score shall be set by the Administrator and available to the public upon request.

(2) **Mortgage loan originators.** If an applicant's FICO score equals or exceeds the threshold FICO score, then the applicant shall be deemed to have demonstrated financial responsibility. If an applicant's FICO score is less than the threshold FICO score, then the Administrator shall review any current outstanding judgments, excluding judgments solely as a result of medical expenses, current outstanding tax liens or other government liens and filings, foreclosures within the past three (3) years and serious delinquent accounts within the past three (3) years of the applicant to determine if the applicant demonstrates financial responsibility.

(2) **Mortgage brokers.** If the FICO score of all of the owners, officers, directors or partners of the applicant equals or exceeds the threshold FICO score, then the applicant shall be deemed to have demonstrated financial responsibility. If the FICO score of any of the owners, officers, directors or partners of the applicant is less than the threshold FICO score, then the Administrator shall review any current outstanding judgments, excluding judgments solely as a result of medical expenses, current outstanding tax liens or other government liens and filings, foreclosures within the past three (3) years and serious delinquent accounts within the past three (3) years of such owner, officer, director or partner to determine if the applicant demonstrates financial responsibility.

160:55-3-13. Challenging information entered into NMLS&R

(a) **Purpose.** This rule establishes a process for mortgage brokers and mortgage loan originators to challenge information entered into NMLS&R by the Administrator. A process for challenging information entered into NMLS&R is required by the SAFE Act.

(b) **Process.** A mortgage broker or mortgage loan originator shall comply with the following procedures to challenge information entered into NMLS&R by the Administrator:

(1) A mortgage broker or mortgage loan originator shall submit written notification to the Administrator indicating the mortgage broker or mortgage loan originator is challenging information entered into NMLS&R by the Administrator concerning the mortgage broker or mortgage loan originator.

(2) The written notification may be submitted by electronic mail, facsimile, United States Mail or courier service. The Administrator may require a different method of notification if the method of notification utilized by a mortgage broker or mortgage loan originator is illegible or is unable to be viewed by the Administrator. The Administrator may notify a mortgage broker or mortgage loan originator that a different method of notification must be utilized via electronic mail, facsimile or United States Mail.

(3) Written notification shall indicate the information being challenged.

(4) Written notification shall include documentation substantiating the mortgage broker or mortgage loan originator's challenge.

(5) Written notification shall include the mortgage broker or mortgage loan originator's unique identifier.

(c) Decision of Administrator.

(1) The Administrator shall notify the mortgage broker or mortgage loan originator of the decision concerning the mortgage broker or mortgage loan originator's challenge.

(2) The Administrator's decision shall be in writing and shall state the action taken by the Administrator in response to the mortgage broker or mortgage loan originator's challenge.

(3) The Administrator's decision shall be submitted to the mortgage broker or mortgage loan originator by certified United States Mail, return receipt requested.

(d) Hearing.

(1) Within thirty (30) days of receiving notification of the Administrator's decision, the mortgage broker or mortgage loan originator may request a hearing concerning an adverse decision of the Administrator against the mortgage broker or mortgage loan originator's challenge.

(2) A mortgage broker or mortgage loan originator shall request a hearing in writing via electronic mail, facsimile, United States mail or courier service. The request shall be directed to the Administrator.

(3) A hearing shall be conducted in accordance with Article II of the APA.

(4) The Administrator or an independent hearing examiner shall issue a final order concerning the challenge as required by the APA.

SUBCHAPTER 5. ADVISORY COMMITTEE

~~160:55-5-1. Purpose~~

~~—The rules in this subchapter provide regulations relating to the proper and efficient functioning of the Mortgage Broker Advisory Committee.~~

~~160:55-5-2. Responsibilities~~

~~(a) The Committee shall monitor the mortgage business in Oklahoma and shall recommend such policies or policy changes to the Commission deemed appropriate regarding the following subjects:~~

~~(1) the soundness and vitality of the industry;~~

~~(2) abuses or improper conduct in the industry;~~

~~(3) the sufficient availability of consumer credit to the people of Oklahoma for mortgage loans; and~~

~~(4) a proper balance of interests between consumers and mortgage brokers and mortgage loan originators [59:2090(A)].~~

~~(b) The Commission may assign to the Committee such topics for advice and recommendation regarding the mortgage business as the Commission may deem necessary from time to time, and shall set deadlines for the Committee to report back to the Commission with reports on its progress and advice [59:2090(A)].~~

~~(c) A recommendation under subsection (a) of this section or a report under subsection (b) of this section from the Committee shall be in writing and shall be placed on the next regular meeting agenda of the Commission.~~

~~(d) The Committee shall prepare licensing test forms for the Administrator's approval and the passing standard for the tests. It shall be within the discretion of the Administrator to approve the licensing test forms, provided that such approval shall not be unreasonably withheld when the content of the test forms covers the statutory topics. [59:2092(A)]~~

~~(e) The Administrator may also consult with, and seek the advice of, the Committee as the need may arise.~~

160:55-5-3. Meetings

~~(a) The meetings of the Committee shall be regularly held on the second Tuesday of January, April, July and October of each year. In the event of lack of quorum, the Chairman shall reschedule the meeting for another date convenient for all members of the Committee before the end of the second month after the scheduled meeting, so that the Committee shall meet its statutory requirement that meetings be held at least quarterly. The Committee shall also meet at other times deemed necessary at the call of the Chairman or by request of a majority of members of the Committee. The meetings are open to the public. [59:2090(C)]~~

~~(b) The Administrator or the Deputy Administrator shall routinely attend meetings of the Committee, and shall provide such records, as may be requested, to the Committee for the performance of its duties.~~

SUBCHAPTER 7. RECORDS

160:55-7-1. Records and changes

(a) **Records.** Each licensee's records shall be maintained in compliance with the SAFE Act and these rules.

(1) **Transaction journal.** As part of the books and records related to their mortgage business, each licensee shall maintain a transaction journal that discloses the consumer's full name, date of loan, loan account number, name of lender and address of lender.

(2) **Retention.** Mortgage brokers and mortgage loan originators shall preserve and make available such books and records related to their mortgage business for four (4) years from the date of the initial transaction between the person and each borrower, or for two (2) years from the date of the final entry into such records is made thereon, whichever is later. Trust account records shall be preserved and made available for at least three (3) years after the date of final entries therein ~~[59:2087(D)]~~. ~~Employee background investigation records shall be preserved and made available for at least two (2) years after employment is terminated [59:2085(A)(6)(b)]~~. The records shall be maintained for such time periods whether the person is currently licensed or previously licensed.

(3) **Location.** Upon licensing, mortgage brokers and mortgage loan originators shall either designate a location or locations in Oklahoma where records shall be maintained or agree in writing to provide copies of records kept at an out-of-state location to the Department upon demand, ~~and the or agree in writing to pay the Department for examination of the records at the place where they are maintained.~~ The records shall not be moved from the designated location unless the Administrator has given written approval for another location.

(b) **Changes.** Each person shall keep current the information required for licensing by reporting any changes or additions to the information previously submitted ~~to the Department through NMLS&R~~ within thirty (30) days of such change or addition unless the Safe Act or these rules require otherwise.

(c) **Electronic records.** A mortgage broker or mortgage loan originator wishing to maintain records in electronic format shall submit a request to the Administrator in a manner approved by the Administrator.