S.A.F.E Act Requirements

On July 30, 2008, the Housing and Economic Recovery Act of 2008 (HERA) was signed into law. The new law was created to assist with the recovery and the revitalization of America’s residential housing. The most significant consumer protection enhancement under HERA is the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act).

The S.A.F.E Act is intended to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraudulent mortgage lending activities by implementing the States’ requirements on licensing and registration of state-licensed mortgage loan originators. The Nationwide Mortgage Licensing System and Registry (NMLS) was created for this purpose.

U.S. Bank Home Mortgage (USBHM) would like to remind you of the new requirements that are effective for all new loan applications taken on or after July 1, 2010. USBHM recognizes that some states will not have the NMLS registry available prior to the effective date. Loans secured by properties located in those states will be exempt until the states mandate the regulation. There is no registration requirement in effect for national banks at this time. The regulatory agencies intend to make a public announcement of the date when the registry will begin accepting registrations from employees of agency-regulated institutions.

- The new Uniform Residential Loan Application (Freddie Mac Form 65 or Fannie Mae Form 1003) must have the Loan Originator ID and the Loan Originator Company ID data provided, unless exempt.

USBHM will monitor the NMLS website Transition Chart to monitor the States that have mandated the regulation. The Form 1003 will be reviewed for the Loan Originator ID and the Loan Originator Company ID. The loan file will be pended/suspended if either the ID numbers are missing or the ID numbers are found to be inaccurate.

With the S.A.F.E. Act requirements, the Federal Housing Finance Agency (FHFA) mandates that the appraiser’s state license or certification number be reported. Reporting is mandatory effective date of July 1, 2010.
• The field appraiser license number and supervisory appraiser license number (if applicable) must be included on page 6 of the Uniform Residential Appraisal Report (URAR).

For complete information regarding HERA and the S.A.F.E. Act, please refer to HUD, AllRegs Agency Guidelines-Freddie Mac and Fannie Mae Single Family 2009 Announcements, FHFA, or your local State and Federal Authorities.