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**STATE OF OKLAHOMA
DEPARTMENT OF CONSUMER CREDIT**

TO: All Licensed Supervised Lenders
FROM: Department of Consumer Credit
RE: Nationwide Mortgage Licensing System
DATE: June 12, 2009

The Oklahoma Department of Consumer Credit is proud to announce that we will begin using the CSBS/AARMR Nationwide Mortgage Licensing System (NMLS) starting on August 3, 2009. NMLS, developed through the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR), will allow your company to conveniently manage its mortgage license(s) in an electronic format through a secure website.

You can get more information regarding the Oklahoma licensing process on the NMLS website. The Nationwide Mortgage Licensing System is online at:
<http://mortgage.nationwidelicencingsystem.org>

Department of Consumer Credit's Transition Plan

As a part of the implementation of NMLS, each company holding a Supervised Lender License who is conducting mortgage business may be required to apply for a Mortgage Broker License as well as Mortgage Loan Originator licenses (see attached license description page). You will need to create a company record (Form MU1) in NMLS for the corporate office, a record for each branch (Form MU3) holding a Supervised Lender Branch License, a Form MU4 for each Mortgage Loan Originator and electronically submit it through NMLS to the Department of Consumer Credit between August 3, 2009 and July 31, 2010.

A copy of Department of Consumer Credit's transition plan can be found on the NMLS website at <http://mortgage.nationwidelicencingsystem.org>.

NMLS is available immediately for you to begin completing your record.

How to Access NMLS

In order to gain access to NMLS for the first time you must complete a ***Company Account Request Form*** and identify a *Primary Account Administrator* and a *Secondary Account Administrator*. This form can be submitted electronically through the NMLS website in the "Getting Started" section. This form needs only to be submitted once per company, regardless of the number of NMLS participating states in which you are licensed. **IF YOUR COMPANY ALREADY HAS ACCESS TO NMLS, THEN YOU DO NOT NEED TO DO THIS STEP.**

Once you complete and submit this form, the *Primary Account Administrator* will receive NMLS login information within 3 business days. The *Primary Account Administrator* for your company will have full rights to (1) access the System, (2) submit information to this Agency and other participating state mortgage regulators, and (3) set-up other company users in the System. Instructions and tutorials on how to access and use the System are also available on the NMLS website.

WHEN ENTERING YOUR INFORMATION ON NMLS, BE SURE ALL INFORMATION IS CORRECT AND THAT YOU ARE COMPLETING THE RIGHT FORMS. ONCE A DOCUMENT IS SUBMITTED THERE ARE NO REUNDS AND YOU WILL HAVE TO PAY AGAIN TO CORRECT YOUR RECORD. WE SUGGEST YOU PRINT A COPY OF THE FORMS, FILL THEM OUT FIRST THEN ENTER THE INFORMATION IN THE SYSTEM.

Forms to Complete

Once you are able to access NMLS, you will need to submit the following MU Forms through NMLS to Department of Consumer Credit by July 31, 2010. Instructions and tutorials on how to complete these forms are available online at the website listed below.

1. *Licensed companies* submit a *Form MU1*
2. Companies submit for each *Control Person*¹ (such as an executive officer, qualified individual and branch manager) a *Form MU2*, as part of their Form MU1 filing.
3. Companies submit for each *Licensed Branch* a *Form MU3*
4. Companies submit a *Form MU4* for all Mortgage *Loan Originators*¹ or request mortgage loan originators submit themselves and have the company “sponsor” their license.

You may begin completing these forms prior to August 3, 2009, but will not be able to submit them to Department of Consumer Credit until that date.

Supervised Lenders (Mortgage Brokers License) and Mortgage Loan Originators will receive licenses in an “Approved – Conditional” status while requirements are satisfied and approved. Full “Approval” will be issued once all additional requirements have been met.

Additional requirements for a Mortgage Broker (Form MU2) will include:

- *Satisfactory criminal background check including finger prints*
- *Department of Consumer Credit’s satisfactory review of a credit report*
(For all owners, directors, partners or officers of an entity)

¹ Before a Control Person’s Form MU2 and/or Mortgage Loan Originator’s Form MU4 is submitted to Department of Consumer Credit, the subject individual must first attest to the information contained in the form.

Additional requirements for Mortgage Loan Originators will include:

- *Pre-licensure education certification*
- *A Passing Score on a National Mortgage Test & State Test component*
- *Satisfactory criminal background check including finger prints*
- *Department of Consumer Credit's satisfactory review of a credit report*
- *Sponsorship request received by company*

If you have submitted these forms in another state, then you ***do not need to re-enter your company, branch or loan officer records*** into NMLS. You will only need to identify the appropriate license type in Oklahoma and complete a few state specific fields.

NMLS Costs

For companies and individuals a system processing fee of \$200 per company license, \$40 per licensed branch location and \$60 per mortgage loan originator license will be required to be paid electronically through NMLS upon submission. The NMLS processing charges are applied on a per license per state basis.

On an ongoing basis, NMLS will annually charge a processing fee of \$100 per company license, \$20 per licensed branch location, \$30 per loan originator license, and \$30 each time a mortgage loan originator changes employment.

There are no other NMLS processing fees. These processing fees pay for NMLS' operations, including licensee system access 362 days per year, ability to maintain, renew and run reports on your licenses, and call center support.

NMLS Website

The NMLS website (<http://mortgage.nationwidelicencingsystem.org>) provides step-by-step instructions on how to access the system, guides on how to complete the MU Forms, each state's transition plans and requirements, tutorials, current and future participating states, system alerts, system processing fees and general background information.

If you have any questions feel free to contact the Department at (405) 521-3653 or by email at okstate@okdocc.state.ok.us. If you are having problems entering your information on the NMLS website, you may reach the Call Center from 9 – 7 Eastern, Monday through Friday at (240) 386-4444.

Respectfully,

Oklahoma Consumer Credit Licensing Department

DESCRIPTION

OKLAHOMA MORTGAGE BROKER LICENSE

Who is required to have this license?

Any business entity including bank or savings association holding companies or their non-depository subsidiaries, unless exempt, who makes residential mortgage loans to borrowers, for compensation or gain or in the expectation of compensation or gain, takes a residential mortgage loan application, or offers, negotiates the terms of a residential mortgage loan or modifies the terms of an existing residential mortgage loan for an Oklahoma resident.

Any business entity, unless exempt, who for compensation or gain or in the expectation of compensation or gain, takes a residential mortgage loan application, or offers, negotiates the terms of a residential mortgage loan or modification of the terms of an existing residential mortgage loan for an Oklahoma resident.

Who does not need this license?

- A business entity that only performs real estate brokerage activities and is licensed in Oklahoma and is not compensated by a lender, broker or loan originator or their agent.
- A business entity solely involved in extensions of credit relating to timeshare plans.
- Oklahoma attorneys not principally engaged in the business of negotiating residential mortgage loans when the attorney renders services in the course of his practice as an attorney unless compensated by a lender, broker or loan originator.
- Depository Institutions - Federal or state-chartered banks, savings and loans, credit unions or trust companies or their wholly-owned subsidiaries.

Pre-requisites for license applications:

- Criminal background check required for each owner, director, officer and partner of the company
- Credit check required for each owner, officer, director and partner of the company
- Loan Brokerage Agreement with a lender
- Escrow Account if needed