

GUIDANCE DOCUMENT

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Maintenance, Renewal, and Surrender Frequently Asked Questions

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AMENDING YOUR NMLS RECORD

Q: What types of events or circumstances require a mortgage loan originator to amend his or her NMLS Record?

A: Any event or circumstance which causes the information contained in the mortgage loan originator's NMLS record (or supporting documentation, if applicable) to become incomplete or inaccurate requires an amendment.

Q: How do I submit supporting documentation to the Department?

A: Supporting documentation required by the disclosure questions should be uploaded to the NMLS. For further information concerning document upload, please refer to the NMLS Quick Guide. For technical assistance with the NMLS, please contact the NMLS Call Center at 1-855-665-7123.

At this time, all other supporting documentation must be submitted via email to the Department at dob.mortgage@nebraska.gov. Please place your name and the NMLS unique identifier in the subject line. The NMLS may be enhanced in the future to allow for the uploading of additional documents; therefore, you should review the applicable checklist to determine current requirements.

Q: If I file for bankruptcy, when do I need to notify the Department?

A: You must notify the Department by amending your NMLS record no later than three (3) business days after the bankruptcy filing. Your amendment should include uploading the bankruptcy petition and bankruptcy schedules.

Q: I previously answered "Yes" to a disclosure question and provided supplemental information to the Department. Recently, a second event has occurred which also requires a "Yes" answer to the same disclosure question. Since the answer to the disclosure question did not change, do I need to notify the Department of this second event?

A: Yes. Supporting documentation must be updated to your NMLS record if an event or circumstance occurs which causes the information in the supporting documentation to become inaccurate or incomplete. Such additional supporting documents may be made as an additional disclosure explanation under the same disclosure question.

Q: If I am charged with or convicted of a felony, when must I notify the Department?

A: If you are charged with such a crime, you must notify the Department by amending your NMLS record no later than three (3) business days after the filing of such charges. As part of the notice, you should upload the charging document to your NMLS record. If you are convicted of such a crime, you must notify the Department within three (3) business days after the conviction. As part of the notice, you should upload a copy of the court document containing the conviction.

Please be advised that under the Residential Mortgage Licensing Act (“Act”), any felony or any misdemeanor that involves dishonesty, fraud, or any aspect of the business of a mortgage banker, depository institution, or installment loan company is a reason for non-approval of a mortgage loan originator license, unless such crime has been the subject of a pardon or expungement.

The Director of the Department may suspend or revoke any license issued under the Act, where a fact or condition exists which, if it had existed at the time of the original application for the license, would have led to a denial, following a hearing under the Administrative Procedures Act and the applicable rules and regulations of the Department.

Q: When must I notify the Department that another state agency has revoked my mortgage loan originator license?

A: Such notification must be given no later than three (3) days after the revocation has occurred. You must amend your NMLS record and upload supporting documentation, including a copy of the revocation order.

Please note that having a mortgage loan originator or similar license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation, is a reason for denial of a mortgage loan originator license in Nebraska.

The Director of the Department may suspend or revoke any license issued under the Act, where a fact or condition exists which, if it had existed at the time of the original application for the license, would have led to a denial, following a hearing under the Administrative Procedures Act and the applicable rules and regulations of the Department.

Q: How do I submit required disclosure documentation to the Department?

A: The NMLS allows individuals to submit documentation related to disclosure questions via the NMLS. If you have multiple events or circumstances to disclose, you must create a separate file for each event or circumstance. All documentation not related to disclosure questions such as documents related to a name change must be submitted either via mail or via email to dob.mortgage@nebraska.gov. Please include your name and the NMLS No. in the subject line of such email.

Employment and Sponsorship

Q: Does Nebraska require sponsorship?

A: Yes. A license cannot be granted without the submission of a sponsorship request by a licensed or registered mortgage banker or licensed installment loan company.

Q: What is sponsorship?

A: Sponsorship is the mechanism where your employer notifies the Department that it employs you and agrees to accept responsibility for your actions. It also confirms to the Department that you are covered by a surety bond. The employer must be licensed or registered in Nebraska prior to submitting any sponsorship requests.

Q: Who can submit a sponsorship request?

A: A sponsorship request can only be created by the employer.

Q: I have left my job as a mortgage loan originator. Whose responsibility is it to notify the Department?

A: Either you or your former employer can terminate a sponsorship. Your former employer is required to terminate the sponsorship within 10 days, unless you have already done so. You are required to update your employment history in your NMLS record. You also should update your email address and contact information in your NMLS record.

Q: If I lose my job, what happens to my license?

A: Once the Department receives notice that the sponsorship has been terminated, the license will be placed on “Approved-Inactive” status. While in “Approved-Inactive” status, you cannot act as a mortgage loan originator in Nebraska.

Q: The company I work for surrendered its Nebraska license. What will happen to my mortgage loan originator license?

A: If a mortgage banker or installment loan company license is surrendered, cancelled, expired, suspended, or revoked, all sponsorships are automatically terminated. As a result, your license will be placed on “Approved-Inactive” status.

Q: If my sponsorship is terminated, do I need to reapply for a license when I obtain a new job?

A: No. When a new sponsorship request is received, the license generally will be reactivated, unless there are other outstanding issues.

Q: I lost my job just prior to the renewal deadline. May I renew my license without a sponsor?

A: Yes. Licenses in an “Approved-Inactive” status are eligible for renewal. You still must meet all of the other requirements for renewal. If your license is renewed, it will remain in “Approved-Inactive” status until a new sponsorship request is received.

Q: I just changed jobs. What are the steps necessary to notify the Department of this change?

A: There are three (3) things that must be done to notify the Department of a change in employment. First, either the mortgage loan originator or the former employer must terminate the mortgage loan originator’s sponsorship. Then the new employer must create a new sponsorship request. Finally, the mortgage loan originator must amend his or her employment history on the NMLS Individual Form.

Q: May I work for more than one mortgage banker?

A: No. You may only be sponsored by one mortgage banker and can only conduct mortgage loan origination activity on behalf of that company.

Q: I have found an employer who is willing to let me telecommute from home. Is this permissible?

A: Yes. However, all mortgage loan originators must work at either the main office of a mortgage banker/installment loan company, or from a licensed branch office. Therefore, your employer would need to license your home as a branch office if you are going to be conducting business at that location.

CONTINUING EDUCATION

Q: How many hours of continuing education must I complete?

A: You must complete eight (8) hours of continuing education each year. Continuing education must include three (3) hours of instruction in federal laws and regulations concerning mortgage originations, two (2) hours of instruction in ethics, and one (1) hour of instruction in nontraditional mortgage products. Please refer to the NMLS Resource Center for further information concerning continuing education.

Q: Does the Department require Nebraska-specific courses for continuing education?

A: No. State-specific continuing education is not currently required.

Q: When must I complete continuing education?

A: Continuing education can be completed at any time during the year; however, it is strongly encouraged that continuing education be completed prior to December 15th to allow education providers sufficient time to report continuing education to the NMLS.

Q: If I take more than 8 hours of continuing education, will those hours carry over into the following year?

A: No. You must complete eight (8) hours each year.

Q: If I do not complete continuing education before December 31, can I make up the deficiency the next year?

A: You can take late continuing education. See the NMLS Resource Center for further details.

Q: Do I need to complete continuing education the same year that I receive my initial Nebraska mortgage loan originator license?

A: You must complete continuing education the same year that you receive a Nebraska license unless you completed pre-license education that year.

LICENSING RENEWALS

Q: When does my license expire?

A: All mortgage loan originator licenses expire on December 31st, regardless of the date that the license is issued, unless it expires at an earlier date, pursuant to an administrative order from the Department.

Q: How do I renew my license?

A: All license renewals are handled on the NMLS. In order to renew your license, you will need to authorize a new credit report, attest to the accuracy of your NMLS record and any information previously submitted outside of the system and pay the renewal fee.

Q: When can I renew my license?

A: The NMLS opens license renewal functionality on or about November 1st of each year. Renewals must be submitted on or before December 31st.

Q: Do I need to authorize a credit report with my renewal?

A: Yes. The Department reviews credit at time of renewal.

Q: Do I need to authorize a criminal history report with my renewal?

A: The Department is not currently requiring a new criminal history at time of renewal. Should the Department decide in the future to review criminal history, it will notify you.

Q: I have had some financial issues since I obtained my license. Will these issues affect my renewal application?

A: The Department is required to determine that a mortgage loan originator is financially responsible both at initial licensing and at renewal. For further information concerning financial responsibility, please refer to Interpretative Opinion No. 4.

Q: I received my initial license in November; do I still need to renew the license for the following year?

A: Yes. The Department requires all licenses, including those issued after November 1, to submit a renewal to the Department. For licenses issued after November 1st, the renewal is handled through an NMLS Invoice, rather than the standard renewal procedure.

Q: What will happen if I fail to submit a renewal request on or before December 31st?

A: The Department will issue a Notice of Expiration of your license. In addition, your status on the NMLS will be updated to “Failed to Renew.” At that time, you are no longer authorized to conduct mortgage loan originator business in Nebraska.

Q: I submitted a renewal application prior to December 31st. I have not received any word from the Department as to whether the renewal was approved. Can I continue to act as a mortgage loan originator after December 31st while my renewal request is pending?

A: Yes. As long as a renewal request is submitted on or before December 31st, you may continue to conduct mortgage loan originator activity while the Department reviews your renewal request.

Q: I missed the renewal deadline; may I submit a late renewal application?

A: Yes. You may submit a reinstatement request via the NMLS as long as such request is submitted on or before the last day of February. After that time, you will need to submit a new license application.

Q: If I fail to timely renew my license, may I act as a mortgage loan originator during the reinstatement period?

A: No. Once a Notice of Expiration is issued, you may not act as a mortgage loan originator until a reinstatement request is approved.

Q: What is the fee for renewing a mortgage loan originator license?

A: The total fee is \$150 which includes the Department's renewal fee of \$125 and the NMLS processing fee of \$25. In addition, you will also need to pay for a credit report. If you file a reinstatement request, the total fee will be \$175, as the Department's fee will be \$150.

Q: What if my renewal application or reinstatement request is denied?

A: You will be unable to conduct mortgage loan origination activities in Nebraska, until such time that you re-apply and are approved for a new license. The Department may require additional information from you and may take administrative action as necessary to address the denial, prior to approving any new license application.

LICENSE SURRENDER, EXPIRATION, AND REAPPLICATION

Q: I have taken a job outside of the mortgage industry and no longer need a mortgage loan originator license. May I keep the license?

A: Yes. You will need to complete the continuing education requirements and submit a renewal request each year. Your license will remain in “Approved-Inactive” status and you will not be eligible to conduct mortgage loan origination activity. In the alternative you could elect to surrender the license.

Q: I have taken a mortgage loan originator job with a depository institution. What do I need to do?

A: Since you are now working for a depository institution, you will need to be registered in the federal registry. See the “General Licensing Frequently Asked Questions” and the NMLS Resource Center for further information concerning federal registration.

Q: I received a notice of expiration from the Department and did not submit a reinstatement request because I no longer needed the license. Now I wish to conduct business again in Nebraska. Will the notice of expiration preclude me from obtaining a license?

A: No. A notice of expiration is an administrative document, not an enforcement action. Therefore, it has no effect on a subsequent application.

Q: I was formerly licensed as a mortgage loan originator in Nebraska. I surrendered my license when I took a new job. Now I want to obtain a new license. Do I need to retake the test?

A: If you have been out of the industry for less than five (5) years, you do not have to retake the test. However, if you have been out of the industry for more than five (5) years and were not working for a bank as a federal registrant, then you will be required to take the National Component of the mortgage loan originator SAFE test with Uniform State Test.

Q: I was formerly licensed as a mortgage loan originator in Nebraska. I surrendered my license when I took a new job. Now I want to obtain a new license. Do I have to retake pre-licensure education (PE)?

A: Since pre-licensure education currently does not expire, you do not have to retake twenty (20) hours of PE education for federal compliance. Effective July 1, 2013, you will have to meet the new state requirement to complete two (2) hours of Nebraska-specific education. This education must be completed prior to applying for a new license.

Q: I was formerly licensed as a mortgage loan originator in Nebraska. I surrendered my license when I took a new job. Now I want to obtain a new license. Do I have to make-up any continuing education (CE)?

A: Since you were licensed in Nebraska, you are required to complete CE for the year in which you were last licensed. If you completed the annual CE requirement prior to surrendering your license, you do not need to take any additional CE. If you surrendered your license without finishing all eight (8) hours of CE for that year, you are required to make-up CE for that year by completing Late CE. Information about how to complete Late CE is available on the education page of the NMLS Resource Center.