

FOR IMMEDIATE RELEASE

DATE: August 2, 2010 **CONTACT:** Mike Cameron, Consumer Finance Legal Counsel,
Nebraska Department of Banking and Finance

PHONE: 402-471-2171 **EMAIL:** mike.cameron@nebraska.gov

NDBF ANNOUNCES SUCCESSFUL IMPLEMENTATION OF MORTGAGE LOAN ORIGINATOR LICENSING REQUIREMENTS

Lincoln, August 2, 2010—The Nebraska Department of Banking and Finance is pleased to announce the successful implementation of mortgage loan originator licensing requirements as required by the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the “SAFE Act”) and by legislation enacted in 2009 and 2010 which made significant amendments to the Nebraska Residential Mortgage Licensing Act to bring Nebraska in compliance with the SAFE Act.

All individuals who originate residential mortgage loans in Nebraska on behalf of a non-depository lender must now be licensed by the Department to conduct business. To obtain a license, the mortgage loan originator must submit a license application to the Department through the Nationwide Mortgage Licensing System (“NMLS”). In addition, mortgage loan originators must complete 20 hours of pre-license education and must pass tests which cover the state and federal laws related to mortgage loans. Furthermore, individual mortgage loan originators must complete a criminal background check—individuals with felony or certain financially-related misdemeanor convictions are ineligible to hold a license. Finally, all mortgage loan originators must work for licensed entities which carry a surety bond to protect consumers who may be harmed by the improper actions of the mortgage loan originator.

As of July 31, 2010, the Department processed 986 applications from individuals, and to date has granted 648 licenses to those applicants who met the new standards. The Department anticipates issuing more licenses in the weeks ahead as applicants complete the pre-license requirements.

A consumer can check the license status of a mortgage loan originator by going on *NMLS Consumer Access* where they can confirm that the mortgage company or mortgage professional with whom they wish to conduct business is licensed in their state, and therefore has met the above requirements. By going to <http://www.nmlsconsumeraccess.org/>, a consumer can search for his or her mortgage professional free of charge.

“This effort provides a way for consumers to research mortgage companies and mortgage loan originators,” said John Munn, Director of the Nebraska Department of Banking and Finance. “The NMLS Consumer Access website is a tool consumers can use to ensure mortgage lenders and mortgage loan originators are properly licensed.”

Through the NMLS and the licensing requirements imposed by the SAFE Act, state supervision of the mortgage industry has been standardized across the nation, and perhaps most importantly, consumer protections have been enhanced. Consumers may now rest assured their licensed mortgage loan originator has met stringent pre-license requirements.

The licensing requirements of the SAFE Act and the Nebraska Residential Mortgage Licensing Act apply only to those individuals who work for non-depository lenders. Mortgage loan originators who are employees of credit unions, banks, savings banks, and their subsidiaries will be required to be registered through a system established by the federal regulators. Regulations establishing the registration system were finalized last week and it is expected that employees of these institutions will begin registering in a few months. Once registration of the employees of depository institutions is completed, consumers will be able to use NMLS Consumer Access to research all mortgage loan originators regardless of whether they are licensed by the Department or registered by the federal regulators.

####