



## The Nationwide Mortgage Licensing System & Registry

### Background

On July 30, 2008, the President Bush signed into law the Housing and Economic Recovery Act of 2008 Title V of this Act, entitled The Secure and Fair Enforcement Mortgage Licensing Act of 2008 (“S.A.F.E. Act”), recognizes and builds on states efforts by requiring all mortgage loan originators, regardless of the type of entity they are employed by, to be either state-licensed or federally-registered. All mortgage loan originators must be licensed or registered through the expanded Nationwide Mortgage Licensing System and Registry.

Under the S.A.F.E. Act, all states must implement a mortgage loan originator licensing process that meets certain minimum standards and must license loan originators through NMLS.

### Overview – Professional Requirements

The Secure and Fair Enforcement for Mortgage Lending Act of 2008 (SAFE Act) established requirements for the licensing and registration of all Mortgage Loan Originators (MLOs). MLOs who work for an insured depository or its owned or controlled subsidiary, are registered. All other MLOs are to be licensed by the states.

The SAFE Act requires state-licensed MLOs to pass a written qualified test, to complete pre-licensure education courses, and to take annual continuing education courses. The SAFE Act also requires all MLOs submit fingerprints to the Nationwide Mortgage Licensing System and Registry (NMLS) for submission to the FBI for a criminal background check and state-licensed MLOs to provide authorization for NMLS to obtain an independent credit report. The Test, Education, and Background Checks links from this page explain how state-licensed MLOs can satisfy each of these professional requirements.

Please note that while the SAFE Act requires NMLS to fulfill certain responsibilities associated with providing educational services or ensuring background checks are completed, it is individual state law that determines when a state-licensed MLO is required to take the SAFE Mortgage Test, complete pre-licensure or continuing education training, and when state-licensed MLOs are required to complete their background checks.

### Education Requirements

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) requires that state-licensed mortgage loan originators (MLOs) complete pre-licensure and annual continuing education. In order to meet pre-licensure continuing education requirements state-licensed MLOs must complete 20 hours of NMLS approved education which include the following:

- a. 3 hours of Federal law and regulations;
- b. 3 hours of ethics, this shall include instruction on fraud, consumer protection, and fair lending issues;
- c. 2 hours of training related to lending standards for the nontraditional mortgage product marketplace; and
- d. 12 hours of undefined instruction on mortgage origination.

For annual continuing education, the SAFE Act requires state-licensed MLOs to complete:

- a. 3 hours of Federal law and regulations;
- b. 2 hours of ethics that shall include instruction on fraud, consumer protection, and fair lending issues;
- c. 2 hours of training related to lending standards for the nontraditional mortgage product market; and
- d. 1 hour of undefined instruction on mortgage origination.

While the SAFE Act requires NMLS to approve pre-licensing and continuing education courses, it is individual state law that compels mortgage loan originators to take the pre-licensing and continuing education as a requirement for state licensure. NMLS provides information concerning education requirements and administers the process for completing it, but state-licensed MLO's should refer to their state agencies regarding the specific details associated with meeting the education requirements.

For more information on the SAFE Act and to access the NMLS, go to [www.nationwidelicencingsystem.org](http://www.nationwidelicencingsystem.org).

Disclaimer: Information on this site is for informational purposes only – for updated information, please visit the NMLS website.