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Governor

Illinois Department of Financial and Professional Regulation – Division of Banking

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The Illinois Mortgage Banking Regulatory Newsletter

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Message from Director Solis



Jorge A. Solis
Division Director

Welcome to the January 2010 issue of *The Illinois Mortgage Banking Regulatory Newsletter*. The Division of Banking has taken an important step toward national licensing by joining the **Nationwide Mortgage Licensing System (NMLS)** on January 4, 2010. In this issue we discuss NMLS transition details for both licensing and loan originators and provide helpful information. Also covered in this issue is updated information on the Anti-Predatory Lending Database Expansion (APLD).

I want to thank you for taking the time to read our newsletter.

LETTER FROM DAVID ESPINOZA DIRECTOR FOR MORTGAGE BANKING

I am pleased to announce we have officially joined NMLS on January 4, 2010. Please be patient as we navigate this new licensing process. Take a look at and review carefully our NMLS transition guide webpage at <http://www.obre.state.il.us/NMLS/default.htm> for detailed information.

We encourage you to take a look at our quarterly newsletter as we continue to keep you informed on the latest changes within the Bureau of Residential Finance, particularly in our Licensing Section. Be sure to establish your company, control persons, branch offices and loan originators in NMLS before **March 31, 2010**.

MORTGAGE BANKING LICENSING NEWS

By Karen Harris, Manager of Licensing

The transition to NMLS for the State of Illinois is provoking many new changes in the Licensing Section. It is very important for each licensee to review our NMLS transition guidelines webpage at <http://www.obre.state.il.us/NMLS/default.htm> as well as the NMLS resource center website at <http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx> for detailed information regarding our new licensing requirements. The State of Illinois officially joined NMLS on January 4, 2010. All licensees must be established in NMLS by **March 31, 2010**.

If you have any questions, please refer to the FAQs found in this newsletter or contact the Agency's Call Center at 312-793-4190 and mention NMLS.

THE FOLLOWING LICENSING ACTIVITIES ARE FACILITATED THROUGH NMLS BEGINNING JANUARY 4, 2010:

Transition to NMLS: This includes your Renewal if you are due to renew your license prior to **November 1, 2010**. All current licensees are required to transition to NMLS regardless of their renewal date by **March 31, 2010**.

New Application: All new applicants are to apply for an IL Residential Mortgage License through NMLS.

New Branch Application: All new branch applicants are to apply for an IL Residential Mortgage Branch License through NMLS.

Amendment Changes: Change of Address, Change of Name, Change of Officer/Director and Change of Ownership applications are available on the IDFPR website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm> **until they become available on NMLS**. The Change of Ownership **fee** is the only fee that will be collected through the Agency, not NMLS.

Surrenders: Surrender of all licenses is to be facilitated through NMLS by the end of January, 2010. Presently, the guidelines to surrender a license are found on our website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm> until the surrender function becomes available on NMLS.

NON-NMLS APPLICATIONS AND FEES:

Change of Activity: The Change of Activity application is available on our website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm>. There is no fee for this application at this time. A Change of Activity must be completed and sent to the Mortgage Banking Licensing Section in order to maintain accurate information in our system.

Duplicate License: In the event a license is misplaced or lost, a Duplicate License application must be completed and submitted to the Mortgage Banking Licensing Section with a \$50.00 certified check, money order or cashier's check.

Examination Fees: Examination fees are invoiced once the examination is complete. The invoiced amount is due 30 days of the date of the invoice in the form of a certified check, money order or cashier's check.

Fines: Fines are invoiced at the discretion of the Legal Section. The invoiced amount of the fine is due 30 days of the date of the invoice in the form of a certified check, money order or cashier's check.

MORTGAGE BANKING LICENSING NEWS (Cont.)

NOTE: A bond claim against your surety bond will be filed for both examination fees and fines if the invoice is not paid within 30 days of the date of the invoice.

As a reminder, effective JUNE 1, 2009 only CERTIFIED CHECKS, CASHIER CHECKS AND MONEY ORDERS are accepted when paying licensing fees (not currently collected through NMLS), examination fees and fines. If you submit a business or personal check, your check will be returned.

Make a note of it!



All applications (including State required documents solicited through NMLS), invoices and any other correspondence with checks attached should be mailed to the Springfield office location at **IDFPR, Division of Banking, 320 West Washington, 6th Floor, Springfield, IL 62786**. All other correspondence NOT accompanying a check should be mailed directly to IDFPR, Division of Banking, Mortgage Banking Licensing, 122 South Michigan Avenue, Ste. 1900, Chicago, IL 60603.

Licensing FAQ'S FOR NMLS

Q. How do I get to NMLS?

A. The NMLS website is
<http://www.stateregulatoryregistry.org/nmls>

Q. Must I renew my license through NMLS?

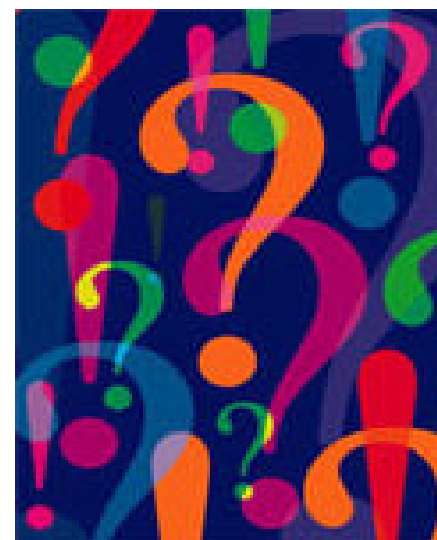
A. You must transition your license by 3/31/2010 through NMLS no matter when you are due to renew.

Q. When will my current license expire?

A. Your license will expire 12/31/2010.

Q. How do I obtain the state specific documents for my transition to NMLS?

A. State specific documents are listed on NMLS under Transition Checklist.



Licensing FAQ'S FOR NMLS (Cont.)

Q. What is my pro-rated renewal fee?

A. Pro-rated fees are listed on our website under our October 2009 Newsletter at <http://www.obre.state.il.us/RESFIN/NewsLetters/MBNewsLetter102009.pdf>. Pro-rated fees affect renewals from October, 2009 through October, 2010.

Q. Can I renew my license without joining NMLS?

A. Yes. Just download the state specific documents and attach with your pro-rated fee. Keep in mind you have until **3/31/2010** to join NMLS.

Nationwide Mortgage Licensing System Transition News

By Stanley Wojciechowski, Senior Counsel

As stated earlier in this Newsletter, the State of Illinois has officially joined NMLS beginning on January 4, 2010. The transition guide to NMLS we have provided at <http://www.obre.state.il.us/NMLS/default.htm> will be a useful tool as you make your transition to NMLS before March 31, 2010. The NMLS Resource Center at www.mortgage.nationwidelicencingsystem.org is where you go to transition your company and download State required documents, but this website also provides valuable information as well as a call center at **(240) 386-4444** for assistance while you file the MU1, MU2, MU3 and MU4.

Currently, the two functions you can perform on NMLS is Transition your current license and apply for a new license by using the New Application. By the end of January, 2010, you will be able to access amendment applications as well as a surrender application.

2010 will be a unique year with regard to the transition of all of our licensees and the renewal period in November and December, 2010. We hope you find this process straightforward and will work to your advantage once your transition is complete.

PREDATORY LENDING NEWS

By Stanley Wojciechowski, Senior Counsel
and Michael Zurek, Manager of the Call Center

ANTI-PREDATORY LENDING DATABASE EXPANSION

Governor Quinn has signed legislation to expand the Anti-Predatory Lending Database ("APLD") program to Will, Kane and Peoria counties, effective July 1st, 2010. Other than adding three new counties, the program has not changed. Anyone who has originated mortgage loans for properties in Cook County should have a good understanding of the process. The Division of Banking is currently working with the county recorders in the new counties to implement the program.

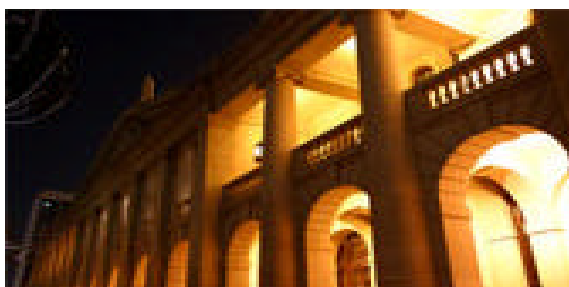
PREDATORY LENDING NEWS (Cont.)

General information about the APLD program can be found on the IDFP website, www.idfpr.com. Click on "Division of Banking," then "SB1167 Update."

As of July 1, 2010, in order to record any mortgage in Kane, Will or Peoria County, a Certificate of Compliance or Certificate of Exemption must be attached to the mortgage. Mortgages executed prior to July 1, 2010 but recorded on or after July 1, 2010 will not require either certificate. As to mortgage loan applications taken prior to July 1, 2010 but closed after July 1, 2010, a Certificate of Exemption will be required to record the mortgage.

Three user groups, brokers/originators, counselors, and closing agents, will be authorized to access the APLD by password. Online and in-person training is planned. Additional information will be provided soon.

The Anti-Predatory Lending Database web address is www.ilapl.com. The home page, including helpful FAQs is accessible without a password. For additional information and questions, the call center for the Anti-Predatory Lending Database can be reached at 888-455-2753.



LOAN ORIGINATION NEWS

By John Bucari, Manager of Loan Origination

Mortgage Loan Originators (MLO) transition to NMLS

IMPORTANT INFORMATION REGARDING THE DISPLAY OF NMLS UNIQUE IDENTIFIER

Please be advised of the new requirement for mortgage loan originators regarding the display of their NMLS unique identifier on all mortgage loan application forms, solicitations, and advertisements, including business cards and websites, and any other documents as established by rule, regulation, or order of the Commissioner. The requirement has been added to existing laws and may be found in HB4011 and in Section 7-14 of the Residential Mortgage License Act (205 ILCS 635/7-14).

The Division of Banking is electronically receiving MU4s from NMLS. Many of these applications are incomplete as the applicants are not completing the process. Applications cannot be processed until the applicants have submitted their State specific documents to DOB. Additionally, the applicants will need to have successfully completed the NMLS National component examination, have submitted payment to AMP for their civil/credit history reports, and had their fingerprints submitted through Field Print. If a person has submitted a transition

LOAN ORIGINATION NEWS (Cont.)

request or a sponsorship request through NMLS, the best way to determine the status is to go to the NMLS website and have the MLO inquire with their unique ID# for the status update.

All MLO applicants MUST continue to submit their credit report requests to AMP. NMLS is not providing that service at this time and Illinois MLO applicants are required to submit their credit reports. Credit reports payment must be made payable to AMP.

Illinois has waived the State component requirement for MLO applicants during this transition (January 16th – March 31st). Those MLOs who obtain their initial license from DOB during this temporary procedure will be required to pass the State component with the NMLS between April 12 (when the state component becomes available) and May 31, 2010.

Be advised that all mortgage loan originators, regardless of when you received your license, are required to take and pass both the National and State components for the license examination. There are **no** waivers for this.

Mortgage loan originators who failed to submit proof of completion of their 20 hours of continuing education to either the Real Estate Institute or the Illinois Association of Mortgage Professionals by December 31, 2010 and therefore failed to become certified will be required to obtain 20 hours of approved NMLS coursework in 2010. There are no waivers or extensions to this process.

Loan Originator FAQ'S FOR NMLS

How do I register with the NMLS?

Individuals will need to start the NMLS registration process by going to the following website:
<https://www.statemortgageregistry.com/Public/Default.aspx>

For help creating a NMLS individual account, please follow the link below:
[How to create a NMLS individual account](#)

What are the deadlines for registering with NMLS?

NMLS deadlines are based on individual Illinois Mortgage Loan Origination status and when the individual was issued the 031 Illinois Mortgage Loan Origination Certification.

For your specific deadlines, please refer to our Transition Plan found at:
<http://www.obre.state.il.us/NMLS/docs/MLOTransitionPlan.pdf>

What are the fees for registering with the NMLS?

[Click here for a list of NMLS Registration fees.](#)

[Click here for a list of IDFPR Registration fees.](#)

Loan Originator FAQ'S FOR NMLS (Cont.)

Where do I go to submit my Criminal Background Check?

Effective January 25th, the authorized fingerprint provider for the NMLS and IDFPR is Field Print.

[Click here to schedule an appointment for Field Print.](#)

If I already submitted a Criminal Background Check, why do I have to do this again?

The IDFPR has determined that each mortgage loan originator must undergo a Criminal Background Check.

Where do I go to submit a Civil Background Check?

At this time, NMLS does not have a source for the Civil Background Check. For Illinois, Applied Measurement Professionals (AMP) will process the Civil Background Check.

What will be evaluated on the Criminal and Civil Background Checks?

Each Civil and Criminal Background Check will be evaluated on a case-by-case scenario.

[Please click here for more information concerning how the IDFPR will evaluate each background check.](#)

What are Illinois Continuing Education requirements?

Once Illinois is fully participating with the NMLS, the CE requirement will be 8 hours to be completed each calendar year.

What are the NMLS Pre-Licensure Education requirements?

NMLS requires that all Mortgage Loan Originators complete 20 hours of Pre-Licensing Education. For a list of NMLS approved education providers, please follow the link below:

[NMLS approved education providers](#)

How do I schedule to take the NMLS National Exam component?

The NMLS requires that every Mortgage Loan Originator must pass a National Exam that is administered by Pearson VUE and Prometric.

For exam scheduling information contact the vendors below:

Pearson VUE www.pearsonvue.com/nmls

1-866-994-6657

Prometric www.prometric.com/nmls

1-877-671-6657

Loan Originator FAQ'S FOR NMLS (Cont.)

For detailed information concerning examination requirements, please refer to The Mortgage Loan Originators Testing Handbook.

[MLO Testing Handbook](#)

How do I schedule to take the NMLS State Exam Component?

The NMLS – Illinois State component examination will be available on April 12, 2010.

How do I notify the IDFPR that I will be changing Employers?

Mortgage Loan Originators are required to submit the paper Transfer form with the appropriate fee to this office until Aug. 31, 2010. That form may be found at:

<http://www.obre.state.il.us/resfin/Forms/LoanOriginatorTransferApp.pdf>

Why is my status Active – Inoperative?

An MLO is “inoperative” when their sponsor has terminated the relationship between the company and the MLO. A person may not perform any loan origination work while in an “inoperative” status, UNLESS a Transfer Request form has been received by the Division of Banking, LO Section. Once the Transfer Request form has been received and payment has been made, and if no other extenuating circumstances are present, the loan originator may use the Transfer Request as a 45 day permit.

IMPORTANT CONTACT INFORMATION:

Division of Banking Call Center	1-866-266-4120
Mortgage Fraud Hotline	1-800-532-8785
Illinois Anti-Predatory Lending Database Hotline	1-888-455-2753
Homeowner's Hope Hotline	1-888-995-HOPE (4673)
US Department of Treasury	202-622-2000
US Dept. of Housing and Urban Development	202-708-1112
Applied Measurement Professionals, Inc. (AMP)	913-895-4600
NMLS Resource Call Center	240-386-4444

IMPORTANT WEBSITE LINKS:

Financial Literacy 101	http://www.ildpr.com/finlit101/default.asp
Illinois Attorney General	http://www.illinoisattorneygeneral.gov
Veritec Solutions, LLC (APLD Tech Support)	http://www.veritecs.com/
Illinois Association of Mortgage Professionals	www.iamp.biz
Illinois Mortgage Bankers Association (IMBA)	www.imba.org
Applied Measurement Professionals, Inc. (AMP)	http://www.goamp.com/
US Dept. of Housing and Urban Development	www.hud.gov
US Treasury	http://www.ustreas.gov/
Conference of State Bank Supervisors (CSBS)	http://www.csbs.org
American Association of Residential Mortgage Regulators (AARMR)	http://www.aarmr.org/
National Mortgage Licensing System (NMLS) Resource Center	http://www.stateregulatoryregistry.org
Pearson VUE	http://www.vue.com/



CONTACT US:

You can find our contact information by visiting our Bureau of Residential Finance Staff Roster webpage at <http://www.obre.state.il.us/resfin/staff/RFRoster.htm>.

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