



June 1, 2010

MEDIA RELEASE

Conference of State Bank Supervisors

1155 Connecticut Avenue, NW, Fifth Floor, Washington, DC, 20036

American Association of Residential Mortgage Regulators

2300 N Street, NW, Suite 710, Washington, DC, 20037

States Report to Congress, HUD on Implementation of the SAFE Act

WASHINGTON—The Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) released the second annual report on the operations and performance of State Regulatory Registry LLC (SRR) and the Nationwide Mortgage Licensing System and Registry (NMLS, or the System) to the U.S. Department of Housing and Urban Development (HUD) and Congress to provide information on the System's performance over the past year. The 2009 Annual Report can be viewed in its entirety [here](#).

Developed by state regulators working through CSBS and AARMR, NMLS is a state supervisory system that enhances consumer protection and provides increased transparency to the mortgage industry. NMLS is a timely and critical tool for the effective supervision of residential mortgage brokers and lenders. Launched in January 2008, 48 states and territories are now using NMLS for licensing and supervising mortgage lenders, brokers and mortgage loan originators. By year-end 2010, it is expected that all states and territories will be using NMLS.

2009 was a significant year for SRR and the System with implementation of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act), NMLS participation by new states, multiple system enhancements, and coordination of supervisory policies and examinations.

The SAFE Act sets minimum requirements for state-licensed mortgage loan originators in the areas of education, testing, integrity, and financial responsibility. Further, the SAFE Act directs the federal banking and farm credit regulators to promulgate rules requiring those mortgage loan originators affiliated with an insured depository institution to be federally registered through NMLS.

By passing the SAFE Act, Congress created a seamless regime of cooperative state and federal supervision that protects consumers and ensures legitimate mortgage lending practices. NMLS serves as the foundation of cooperative federalism by linking state and federal regulatory efforts.

Selected NMLS statistical highlights from the 2009 Annual Report include:

- 14 new states and territories began using NMLS as the system of record for its licensees, bringing the total number of states participating on the System to 33 by year-end 2009.
- NMLS managed 106,537 unique entities (companies, branches and mortgage loan originators) that held 134,731 state licenses from the 33 participating states.
- NMLS collected and disbursed more than \$33 million in state license fees.
- The [NMLS Resource Center](#) received 1.3 million visits.
- 49 states, the District of Columbia and the Virgin Islands passed SAFE Act enabling legislation.
- NMLS developed and launched a national test and 25 unique state test components for mortgage loan originators. Over 25,000 test components were administered.
- NMLS developed policies and procedures to approve course providers and courses. A total of 152 course providers were approved nationwide. By year-end 2009, these providers had a combined total of 248 approved courses and delivered more than 420,000 hours of education.
- The position of NMLS Ombudsman was established to foster constructive dialogue between industry users of NMLS and state regulators to mutually work toward the goal of modern and efficient mortgage regulation.
- HUD's proposed SAFE Act rule indicates that state agencies that meet the CSBS/AARMR Mortgage Accreditation program standards are considered compliant with SAFE Act supervisory performance standards.

In the next several years, SRR will focus on continued implementation of and compliance with the SAFE Act; working with the federal banking and farm credit regulators to register mortgage loan originators; and expanding and improving NMLS functionality, operations and services.

#

Media Contact: Catherine Woody, Director of Public Relations for Policy, cwoody@csbs.org or 202.728.5733.

The Conference of State Bank Supervisors (CSBS) is the nationwide organization for state bank regulation, representing the bank regulators of the 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. State authorities supervise approximately 6,000 state-chartered financial institutions. Further, the majority of state banking departments also oversee mortgage providers and other financial service providers. CSBS is also responsible for improving the quality of state bank supervision by providing performance evaluation and accreditation programs for the banking departments, as well as supervisory education and training programs for state personnel.

The American Association of Residential Mortgage Regulators (AARMR) is the national organization representing state residential mortgage regulators. AARMR's mission is to (a) promote the exchange of information between and among the executives and employees of the various states who are charged

with the responsibility, pursuant to the laws of the individual states, for the administration and regulation of residential mortgage lending, servicing and brokering; (b) assist in resolving conflicts of jurisdiction in relation to mortgage lending, servicing, and brokering; (c) promote a better understanding of mortgage regulation; (d) develop model legislation applicable to the administration and regulation of mortgage lending, servicing and brokering; (e) increase the knowledge and ability of those engaged in the administration and enforcement of mortgage regulation and those engaged in mortgage lending, servicing or brokering by organizing and sponsoring lectures, seminars, and training programs and by providing a forum for the exchange of information; and (f) do everything necessary, proper, advisable or convenient for the accomplishment of the Corporation's purposes and goals.

State Regulatory Registry LLC (SRR) is a wholly owned subsidiary of CSBS and operates the Nationwide Mortgage Licensing System and Registry (NMLS) on behalf of state mortgage regulators. Voting members of the Board of Managers consist of six state mortgage regulators. Formed in 2006, SRR is a non-profit corporation based in Washington, D.C.