



State of New Jersey

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BULLETIN NO. 10-28

TO: ALL BUSINESS ENTITIES AND INDIVIDUALS HOLDING EXTENDED LICENSES OR REGISTRATIONS UNDER THE LICENSED LENDERS ACT WITH EXPIRATION DATES OF OCTOBER 31, 2010 AND ALL BUSINESS ENTITIES AND INDIVIDUALS CONDITIONALLY APPROVED AS RESIDENTIAL MORTGAGE LENDERS, RESIDENTIAL MORTGAGE BROKERS, QUALIFIED INDIVIDUAL LICENSEES OR MORTGAGE LOAN ORIGINATORS

FROM: THOMAS B. CONSIDINE, COMMISSIONER

RE: ESSENTIAL INFORMATION ON LICENSE RENEWALS AND CONTINUATION OF AUTHORITY TO LEGALLY ENGAGE IN RESIDENTIAL MORTGAGE-RELATED ACTIVITY

The purpose of this Bulletin is to advise all business entities and individuals currently conditionally approved for licensure under the Residential Mortgage Lenders Act, N.J.S.A. 17:11C-51 et seq. ("the Act") and all business entities and individuals whose license applications are currently pending receipt of conditional approval of important information related to the renewal or expiration of their authority to transact residential mortgage-related activity in New Jersey.

All such business entities and individuals are advised as follows:

1. The ability to request renewal of conditionally approved licenses will be available for submission to New Jersey through the Nationwide Mortgage Licensings System and Registry ("NMLS&R") from November 1, 2010 through December 31, 2010. Instructions for the completion of renewal requests are currently posted on the website at <http://mortgage.nationwidelicingsystem.org/Pages/default.aspx>.

2. If any information previously submitted to the NMLS&R on a MU1 or MU3 or MU4 filing has changed, for example a subsequent name change or a previously unreported bankruptcy filing or criminal conviction has occurred, your NMLS&R record should be updated BEFORE a renewal request is submitted. To repeat, such changed information must be updated BEFORE a renewal request is submitted. This is necessary

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because, as part of the renewal, each applicant is required to attest that the information on file with the NMLS&R as of the date the renewal request is submitted is current and accurate. Attesting to the accuracy of information in a renewal request that, in fact, is not correct can be grounds for the denial of the renewal and for the imposition of sanctions on the applicant pursuant to N.J.S.A. 17:11C-70.

3. It is anticipated that the credit report authorization functionality in the NMLS&R will be operational on or about November 1, 2010. Individuals who timely submit a complete renewal request and who otherwise qualify for renewal will have their conditionally approved license renewed. Such renewed individuals may continue to engage in residential mortgage lending, brokerage or origination activity, as applicable, under the Act, but will be required on or before March 1, 2011 to authorize the NMLS to obtain a credit report for the state's use in determining financial responsibility. Credit report information authorized and provided through the NMLS will be reviewed by the Department, and if a conditionally approved licensee is found to be financially responsible and no new information is obtained indicating that the licensee does not qualify on other grounds, the license will be approved without condition. If they fail to so authorize the credit report by March 1, 2011, the authority of renewed individuals with conditionally approved licenses to legally engage in residential mortgage-related activity under the Act will terminate effective 12:01 a.m. on March 2, 2011.

4. Individuals who fully qualify for conditional approval under the Act as a qualified individual licensee or a mortgage loan originator, but who are not conditionally approved because they are affiliated with a business entity that does not qualify for conditional approval as of October 31, 2010, will be moved to "approved inactive" status as of October 31, 2010. By law, such individuals will not be authorized to engage in residential mortgage-related activity under the Act until their employing company is conditionally approved or until: (1) they obtain employment with another company that is conditionally approved; (2) they amend their MU4 employment information accordingly; and (3) they receive sponsorship from the new employing company through the appropriate NMLS&R filings. An individual who is placed into "approved inactive" status should submit a renewal request through the NMLS before the December 31, 2010 deadline. Such renewal requests will be reviewed and, if they are complete and do not raise concerns about the applicant's continuing to qualify for licensure under the Act, they will be renewed as "approved inactive." Such individuals cannot receive approved conditional status unless and until their employing company is conditionally approved. No company that is not in approved conditional status prior to December 31, 2010 and no individual who is not in "approved conditional" or "approved inactive" status prior to December 31, 2010 will be eligible to obtain a renewal to be effective on January 1, 2011.

5. In the event that the Department does not complete its review of timely filed and complete renewal requests by January 1, 2011, the individual applicant or the business entity applicant and all individuals affiliated with the business entity applicant who also timely-filed complete renewal requests will remain in "renewal requested" status. In accordance with N.J.S.A. 52:14B-11, the authority of such individuals and business entities to continue to engage in residential mortgage-related activity under the Act will continue until a decision on the filing has been made by the Department.

6. Individuals who have provided documentation related to matters addressed in the application Disclosure Questions in order to complete their applications will, depending upon the content of such additional information and when the Department's review of it is completed, either be conditionally approved, or placed in "approved inactive" status, or remain in "transition requested" status. Individuals in "approved inactive" status should be guided by the statements contained in paragraph 4 above. Individuals who remain in "transition requested" status as of November 1, 2010 will not be authorized to engage in mortgage-related activity under the Act until the review of their application has been completed and their status is revised to "conditionally approved." If such persons are not affiliated with a conditionally approved employer as of the date on which the Department determines that they qualify for conditional approval, their status will be revised to "approved inactive." If such individuals wish to resume residential mortgage-related activity under the Act as a qualified individual licensee or a mortgage loan originator, as applicable, they will need to comply with the directions in paragraph 4 above to change their status to "conditionally approved."

ALL BUSINESS ENTITIES THAT RECEIVE THIS BULLETIN ARE DIRECTED TO DISSEMINATE COPIES OF IT TO ALL CONDITIONALLY APPROVED INDIVIDUALS OR TO ALL HOLDERS OF EXTENDED LICENSED LENDER ACT LICENSES AND MORTGAGE SOLICITOR REGISTRATIONS, AS APPLICABLE, WHO ARE AFFILIATED WITH THEIR FIRM.

October 19, 2010

Date

/s/ Garrett Komjathy

Garrett Komjathy, Director
Division of Banking

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