



State of New Jersey

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BULLETIN NO. 14-13

TO: ALL BUSINESS ENTITIES AND INDIVIDUALS LICENSED UNDER THE RESIDENTIAL MORTGAGE LENDING ACT, N.J.S.A. 17:11C-51 ET SEQ.

FROM: KENNETH E. KOBYSLOWSKI, COMMISSIONER

RE: 2015 LICENSE RENEWALS

The purpose of this Bulletin is to advise all business entities and individuals currently licensed under the Residential Mortgage Lending Act, N.J.S.A. 17:11C-51 et seq. ("RMLA"), whose current status in the Nationwide Mortgage Licensing System and Registry ("NMLS") is approved, approved-conditional, approved-inactive, or approved-deficient, of important information about the renewal or expiration of their license 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 such licenses begins on November 1, 2014, except as provided below. Renewal applications will be available for electronic submission to the New Jersey Department of Banking and Insurance ("Department") through the NMLS from November 1 through December 31, 2014. The NMLS website has renewal request instructions at <http://mortgage.nationwidelicensingsystem.org/Pages/default.aspx>.
2. Licensees in approved-deficient status will be blocked from requesting renewal through NMLS until the Department determines that all relevant requirements and/or deficiencies have been satisfactorily addressed. If such determination occurs on or before December 31, 2014, the licensee will be permitted to request renewal through the NMLS. Licensees in this status are urged to check their records as soon as possible and contact the Department about the resolution of outstanding issues.
3. All companies, branch offices, and individuals must review their NMLS filings prior to renewal to ensure that any requirements or deficiencies set by this Department have been addressed. Furthermore, if there has been a material change to any information previously submitted to the NMLS on a MU1, MU3, or MU4 filing (such as a name change, the occurrence of a

previously unreported bankruptcy filing or criminal conviction, or changes to any previously supplied answers to disclosure questions), then, to ensure the efficient processing of your renewal request and to avoid future questions regarding qualifications for continued licensure, your NMLS record must be updated before a renewal request is submitted. Each applicant is required to attest that the information on file with the NMLS as of the date the renewal request is submitted is current and accurate. Attesting to the accuracy of information that, in fact, is not correct will require later submission of corrected information, and may also be grounds for a denial of the renewal request and for the imposition of penalties, pursuant to N.J.S.A. 17:11C-70.

4. All companies must file any outstanding Mortgage Call Reports (“MCRs”) with the NMLS and any outstanding annual reports with the Department before filing a request for renewal. Failure to file any such reports will delay the processing of the company’s renewal request, which will be placed “on hold” in the NMLS pending further regulatory action. In such case, the processing of the renewals of all associated branch and individual licenses will also be delayed and designated “on hold” in the NMLS, which may affect their ability to do business in New Jersey.
5. Qualified Individuals and Mortgage Loan Originators are required under RMLA to complete twelve hours of Continuing Education (“CE”) in order to renew their licensed status. The twelve hours includes eight hours of CE required by the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. § 1501, et seq. (“SAFE Act”), plus an additional four hours of CE required by New Jersey. The CE specific to New Jersey must include two hours of instruction on New Jersey laws and regulations. The other two hours can be any additional SAFE Act CE above the eight hours or any combination of state-specific CE courses from other states. Individuals who have completed Pre-licensure Education in 2014 and who first became licensed in 2014 are not required to complete CE in order to renew for 2015.
6. All Qualified Individuals and Mortgage Loan Originators who are currently in approved-conditional or approved-deficient status must authorize a new credit report in order to be renewed, and they are requested to do so as soon as possible, to facilitate an updated review of financial responsibility in connection with the renewal process. Any additional information the Department may require as a result of its review of updated credit information should be submitted within 30 days of the Department’s request. The processing of renewal requests with outstanding requirements for information will be delayed and the individuals will be designated as “on hold” in the NMLS until such information is submitted and determined to satisfy the requirements.
7. Pursuant to N.J.S.A. 17:11C-70a(2)(b), one of the grounds on which the Commissioner may refuse to renew the license of a Qualified Individual Licensee or a Mortgage Loan Originator is a finding that the holder of the license has “[f]ailed at any time to meet the requirements for licensure” as set

forth in N.J.S.A. 17:11C-56 through N.J.S.A. 17:11C-65. N.J.S.A. 17:11C-57 provides that the Commissioner may renew the licenses of such individuals only if no information has been provided by the Division of State Police regarding an arrest in this State for a disqualifying felony offense and an FBI criminal history background check similarly contains no information indicating that the applicant has been convicted or pled guilty or nolo contendere to a disqualifying felony offense in this State or in any other jurisdiction. In order to determine whether applicants for renewal for 2015 have no disqualifying criminal history, all Qualified Individuals and Mortgage Loan Originators who completed their FBI fingerprinting scan in 2011 will be required to complete a new electronic scan of fingerprints through the NMLS process in order to be eligible to renew their licenses. The reasons for this requirement are as follows. The NMLS records of affected individuals will either reflect “Current Fingerprint Record Expiration Date: Expired” or an expiration date in November or December of 2014. As a practical matter, existing prints of persons whose Current Fingerprint Record has expired or will expire in 2014 cannot be used for a criminal history record check for 2015 renewal purposes. In these circumstances, the completion of a new fingerprint scan is necessary to ensure that results received from a new FBI criminal background check continue to demonstrate an individual’s compliance with the license eligibility standards related to criminal history established in the RMLA. Individuals should schedule the new fingerprint scan for the completion of a current FBI criminal history record check through the NMLS process as soon as possible.

8. A business entity renewal request will not be approved unless there is also a renewal request for that entity’s Qualified Individual Licensee and it can be determined that the Qualified Individual Licensee has satisfied both the SAFE Act and New Jersey’s CE requirements and otherwise qualifies for renewal. No renewal requests that are submitted for branch licenses of the business entity or for Mortgage Loan Originators can be approved until the business entity and Qualified Individual with whom they are associated have been renewed.
9. In the event that the Department does not complete its review of timely filed and complete renewal requests by January 1, 2015, individual applicants, business entity applicants, and all individuals affiliated with the business entity applicant, that timely-filed complete renewal requests will remain in “renewal requested” status. In accordance with provisions of the New Jersey Administrative Procedures Act at N.J.S.A. 52:14B-11, the authority of such individuals and business entities to perform RMLA licensed activities under their 2014 license will continue until the Department issues a decision on the 2015 renewal application. Similarly, the authority to perform RMLA licensed activities under their 2014 license of all business entities and individuals that timely filed renewal requests, but that are designated as “on hold” in the NMLS in accordance with paragraphs 4 and 6 above will continue until the Department issues a decision on the 2015 renewal

application. Please be advised that applicants for license renewal that are on hold as of January 1, 2015 will be subject to review and to potential enforcement action if deficiencies and requirements are not addressed in accordance with Department directives.

ALL BUSINESS ENTITIES THAT RECEIVE THIS BULLETIN ARE DIRECTED TO DISSEMINATE COPIES OF IT TO ALL LICENSED INDIVIDUALS WHO ARE AFFILIATED WITH THEIR FIRM.

12-8-14
Date



Kenneth E. Kobylowski
Commissioner

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