

the applicant's knowledge and comprehension in appropriate subject areas, including—

- (A) ethics;
- (B) Federal law and regulation pertaining to mortgage origination;
- (C) State law and regulation pertaining to mortgage origination;
- (D) Federal and State law and regulation, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.

**(3) Minimum competence**

**(A) Passing score**

An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than 75 percent correct answers to questions.

**(B) Initial retests**

An individual may retake a test 3 consecutive times with each consecutive taking occurring at least 30 days after the preceding test.

**(C) Subsequent retests**

After failing 3 consecutive tests, an individual shall wait at least 6 months before taking the test again.

**(D) Retest after lapse of license**

A State-licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a registered loan originator.

**(e) Mortgage call reports**

Each mortgage licensee shall submit to the Nationwide Mortgage Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide Mortgage Licensing System and Registry may require.

(Pub. L. 110-289, div. A, title V, §1505, July 30, 2008, 122 Stat. 2814.)

**§ 5105. Standards for State license renewal**

**(a) In general**

The minimum standards for license renewal for State-licensed loan originators shall include the following:

- (1) The loan originator continues to meet the minimum standards for license issuance.
- (2) The loan originator has satisfied the annual continuing education requirements described in subsection (b).

**(b) Continuing education for State-licensed loan originators**

**(1) In general**

In order to meet the annual continuing education requirements referred to in subsection (a)(2), a State-licensed loan originator shall complete at least 8 hours of education approved in accordance with paragraph (2), which shall include at least—

- (A) 3 hours of Federal law and regulations;
- (B) 2 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and

(C) 2 hours of training related to lending standards for the nontraditional mortgage product marketplace.

**(2) Approved educational courses**

For purposes of paragraph (1), continuing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

**(3) Calculation of continuing education credits**

A State-licensed loan originator—

- (A) may only receive credit for a continuing education course in the year in which the course is taken; and
- (B) may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

**(4) Instructor credit**

A State-licensed loan originator who is approved as an instructor of an approved continuing education course may receive credit for the originator's own annual continuing education requirement at the rate of 2 hours credit for every 1 hour taught.

**(5) Limitation and standards**

**(A) Limitation**

To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer any continuing education courses for loan originators.

**(B) Standards**

In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

(Pub. L. 110-289, div. A, title V, §1506, July 30, 2008, 122 Stat. 2816.)

**§ 5106. System of registration administration by Federal agencies**

**(a) Development**

**(1) In general**

The Bureau shall develop and maintain a system for registering employees of a depository institution, employees of a subsidiary that is owned and controlled by a depository institution and regulated by a Federal banking agency, or employees of an institution regulated by the Farm Credit Administration, as registered loan originators with the Nationwide Mortgage Licensing System and Registry. The system shall be implemented before the end of the 1-year period beginning on July 21, 2010.

**(2) Registration requirements**

In connection with the registration of any loan originator under this subsection, the Bureau shall, at a minimum, furnish or cause to be furnished to the Nationwide Mortgage Licensing System and Registry information concerning the identity of the employee, including—

- (A) fingerprints for submission to the Federal Bureau of Investigation, and any gov-

ernmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(B) personal history and experience, including authorization for the Nationwide Mortgage Licensing System and Registry to obtain information related to any administrative, civil or criminal findings by any governmental jurisdiction.

**(b) Coordination**

**(1) Unique identifier**

The Bureau,<sup>1</sup> and the Bureau of Consumer Financial Protection shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each registered loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and publicly adjudicated disciplinary and enforcement actions against loan originators.

**(2) Nationwide Mortgage Licensing System and Registry development**

To facilitate the transfer of information required by subsection (a)(2), the Nationwide Mortgage Licensing System and Registry shall coordinate with the Bureau,<sup>1</sup> and the Bureau of Consumer Financial Protection concerning the development and operation, by such System and Registry, of the registration functionality and data requirements for loan originators.

**(c) Consideration of factors and procedures**

In establishing the registration procedures under subsection (a) and the protocols for assigning a unique identifier to a registered loan originator, the Bureau shall make such de minimis exceptions as may be appropriate to paragraphs (1)(A) and (2) of section 5103(a) of this title, shall make reasonable efforts to utilize existing information to minimize the burden of registering loan originators, and shall consider methods for automating the process to the greatest extent practicable consistent with the purposes of this chapter.

(Pub. L. 110-289, div. A, title V, §1507, July 30, 2008, 122 Stat. 2817; Pub. L. 111-203, title X, §1100(2), (5), July 21, 2010, 124 Stat. 2106.)

**Editorial Notes**

AMENDMENTS

2010—Subsec. (a)(1). Pub. L. 111-203, §1100(5)(A)(i), added par. (1) and struck out former par. (1). Prior to amendment, text read as follows: “The Federal banking agencies shall jointly, through the Federal Financial Institutions Examination Council, and together with the Farm Credit Administration, develop and maintain a system for registering employees of a depository institution, employees of a subsidiary that is owned and controlled by a depository institution and regulated by a Federal banking agency, or employees of an institution regulated by the Farm Credit Administration, as registered loan originators with the Nationwide Mortgage Licensing System and Registry. The system shall be implemented before the end of the 1-year period beginning on July 30, 2008.”

<sup>1</sup> So in original. The comma probably should not appear.

Subsec. (a)(2). Pub. L. 111-203, §1100(5)(A)(ii), in introductory provisions, substituted “Bureau” for “appropriate Federal banking agency and the Farm Credit Administration” and “identity of the employee” for “employees’s identity”.

Subsec. (b). Pub. L. 111-203, §1100(5)(B), which directed substitution of “and the Bureau of Consumer Financial Protection” for “through the Financial Institutions Examination Council, and the Farm Credit Administration”, was executed in both places those words appeared, to reflect the probable intent of Congress.

Subsecs. (b)(1), (2), (c). Pub. L. 111-203, §1100(2), substituted “Bureau” for “Federal banking agencies”.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

**§ 5107. Bureau of Consumer Financial Protection backup authority to establish loan originator licensing system**

**(a) Backup licensing system**

If, by the end of the 1-year period, or the 2-year period in the case of a State whose legislature meets only biennially, beginning on July 30, 2008, or at any time thereafter, the Director determines that a State does not have in place by law or regulation a system for licensing and registering loan originators that meets the requirements of sections 5104 and 5105 of this title and subsection (d) of this section, or does not participate in the Nationwide Mortgage Licensing System and Registry, the Director shall provide for the establishment and maintenance of a system for the licensing and registration by the Director of loan originators operating in such State as State-licensed loan originators.

**(b) Licensing and registration requirements**

The system established by the Director under subsection (a) for any State shall meet the requirements of sections 5104 and 5105 of this title for State-licensed loan originators.

**(c) Unique identifier**

The Director shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each loan originator licensed by the Director as a State-licensed loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

**(d) State licensing law requirements**

For purposes of this section, the law in effect in a State meets the requirements of this subsection if the Director determines the law satisfies the following minimum requirements:

(1) A State loan originator supervisory authority is maintained to provide effective supervision and enforcement of such law, including the suspension, termination, or non-renewal of a license for a violation of State or Federal law.

(2) The State loan originator supervisory authority ensures that all State-licensed loan