

**Revised Supervisory Procedure MB 107
Application for Initial License as a Mortgage Loan Originator;
Request for Renewal of License**

(Statutory authority: Banking Law, Art. 12-E, §599-c)

§ 107.1 Definitions.

(a) For purposes of this Supervisory Procedure:

1. "Annual Expiration Date" has the meaning set forth section 420.3(a).
2. "Mortgage Loan Originator" or MLO has the meaning set forth in section 420.3(g) of Part 420.
3. "National Mortgage Licensing System and Registry" ("NMLS") has the meaning set forth in section 420.3(h) of Part 420.
4. "Originating Entity" has the meaning set forth in section 420.3(i) of Part 420. .

§ 107.2 General information.

- a. *Application for initial license.* Any individual seeking an initial license as an MLO shall submit an application for initial license. The application shall be sworn to or affirmed by the applicant and submitted in such form and in such manner as may be prescribed by the Superintendent. Applicants will be required to submit certain parts of an application electronically through the NMLS. Certain information must be submitted by mail to the Department at the address set forth in Supervisory Policy G 1.:

The application form prescribed by the Superintendent and instructions on how to use the NMLS will be available on the Department's website (www.dfs.ny.gov) or in links provided in the Department's website.

- b. *Request for annual renewal required.* An MLO seeking annual renewal of a license shall submit a request for renewal. The annual renewal request shall be sworn to or affirmed by the MLO and submitted in such form and in such manner as may be prescribed by the Superintendent.
- c. *Expiration date, renewal request period.* All licenses and renewals issued by the Superintendent under the provisions of Article 12-E of the Banking Law shall expire annually on the Annual Expiration Date; provided that the license may be renewed for an additional year by:
 1. paying the annual renewal fee;
 2. submitting an annual request for renewal during the renewal period announced by the Superintendent and available on the Department's website (www.dfs.ny.gov). Applicants shall submit renewal applications electronically through the NMLS. The form of renewal applicable will be available on the website of the NMLS and will also be available on the website of the Department; and
 3. providing evidence that the requisite continuing education courses have been completed.
- d. *License not transferable.* A license as an MLO shall not be transferable or assignable.

§ 107.3 Application for initial license.

- a. *Application requirements.* Each applicant for a license as an MLO shall submit the following documents as part of his or her application:

1. A completed application form, in the form prescribed by the Superintendent, a copy of which is available on the Department's website, which application shall be attested to by the applicant. An individual who was engaged in mortgage loan origination activities as of July 11, 2009, and who filed an application pursuant to the prior version of Article 12-E shall update his or her background information upon request by the Superintendent. For all such applicants, the Superintendent shall indicate when information regarding prior education, testing and bonding requirements must be submitted.
2. Two fingerprint cards with fingerprint certification, which shall be submitted to the address specified in Section 107.2(a) above. When required by the Superintendent, an applicant who has previously submitted his or her fingerprint cards also shall submit his or her fingerprints through the NMLS.
3. The prescribed fee, which shall be submitted electronically together with the application. A schedule of fees and a list of acceptable forms of payment shall be available at the Department's website (www.dfs.ny.gov). The fee shall consist of:
 - i. an investigation fee as set forth in Section 420.17(b)(1) of the Superintendent's Regulations,
 - ii. a fingerprint processing fee charged by the State Division of Criminal Justice Services and established pursuant to section Article 35 of the Executive Law. If the NMLS develops the capacity to process fingerprints through the FBI, the Superintendent may as noted above require the applicant to submit a new set of fingerprints in the form required by the NMLS and to pay any processing fees required by the FBI and the NMLS.;
 - iii. a processing fee charged by the NMLS; and
 - iv. an initial license fee as set forth in Section 420.17(b)(2) of the Superintendent's Regulations.

If the application is rejected or withdrawn, **none** of these fees will be refunded.

4. The applicant's credit report, which shall have been issued by a recognized credit reporting agency no more than thirty days prior to the date that the application is submitted. If the NMLS develops the capacity to process credit reports through the NMLS, the Superintendent may require an applicant to submit his or her credit report through the NMLS and to pay any processing fees required by the NMLS.
 5. An affidavit in the form prescribed by the Superintendent and subscribed by the applicant under penalty of perjury stating that:
 - i. the applicant will promptly advise the Superintendent of any changes that occur in the information furnished in the application after the application is submitted; and
 - ii. the applicant has personally reviewed the application and certifies that the application does not contain any untrue statement or omission of any material fact.
- b. *Additional information and in-person conferences.* The Superintendent may require additional information in connection with the application for an initial license, in order to determine the applicant's character and fitness. In the absence of a showing of undue hardship, the Superintendent may also require that the applicant and any officers, directors and/or representatives of the Originating Entity with which the applicant is employed or affiliated appear at the Department to present such information. The applicant may submit any additional information the applicant deems pertinent to the application for an initial license.
- c. *Incomplete application.*
1. No application shall be deemed to be complete until the Superintendent has received all required information, documents and fees. If an application is determined by the Superintendent to be incomplete, the Superintendent will send written notification to the applicant indicating the items that must be addressed in order for the Department to continue the application review process.

2. If a complete response fully addressing all such items is not received by the Banking Department within thirty days of the sending of such notice, the Superintendent may consider the application withdrawn.
3. Any individual seeking an initial license following withdrawal of an application shall submit a new application that includes all required information, documents and fees.

§ 107.4 Requirements for renewal.

- a. *Submission Date.* A completed request for renewal shall be submitted according to the schedule determined by the Superintendent and available at the Department's website (www.dfs.ny.gov).
- b. *Requirements for renewal.* A completed request for renewal shall consist of the following:
 1. The renewal request form, which shall be attested to by the licensed MLO and submitted electronically to the Banking Department through the NMLS. The information provided shall be accurate as of the date of such renewal.
 2. The annual license fee, which shall be submitted electronically together with the renewal request form, in the amount and paid by a method specified on the Department's website (www.dfs.ny.gov).
 3. Such additional information and documents as may be prescribed by the Superintendent and listed at the Department's website (www.dfs.ny.gov).
- c. *Additional information and in-person conferences.* The Superintendent reserves the right to acquire additional information in connection with the request for renewal. In the absence of a showing of undue hardship, the Superintendent may also require that the MLO requesting renewal and any officers, directors and/or representatives of the Originating Entity with which such MLO is employed or affiliated appear at the Department to present such information. The MLO may submit any additional information he or she deems pertinent to the request for renewal.

§ 107.5 Inactive Status.

- a. An MLO may not engage in Mortgage Loan Originating during any period when the MLO is not employed by or affiliated with a mortgage broker or mortgage banker registered or licensed pursuant to Article 12-D of the Banking Law. During such period the Mortgage Loan Originator license shall be placed in inactive status and shall remain in inactive status until the Superintendent receives written or electronic notice of the MLO's new employment or affiliation with an Originating Entity.
- b. An MLO may renew his or her license while in inactive status as long as the MLO pays the renewal fee and complies with the education requirements of Article 12-E

§ 107.6 Instructions and assistance.

- a. Additional instructions and assistance relating to this Supervisory Procedure may be obtained
 1. at the Department's website (www.dfs.ny.gov);
 2. by e-mail (MLO@dfs.ny.gov);
 3. by mail addressed to New York State Department of Financial Services, Mortgage Banking unit, One State Street, New York, NY 10004-1417;
 4. or by calling the Mortgage Banking unit at (212) 709-3535.