

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:)	
)	ORDER ADOPTING PROCEDURES
Mortgage License Renewals)	FOR REINSTATEMENT
)	OF EXPIRED
)	MORTGAGE LOAN ORIGINATOR
)	LICENSES
)	AND
)	MORTGAGE BANKER
)	LICENSES

WHEREAS, Neb. Rev. Stat. § 45-750 (Cum. Supp. 2010) provides that the Nebraska Department of Banking and Finance (“DEPARTMENT”) is responsible for the administration and enforcement of the Residential Mortgage Licensing Act (“the Act”); and

WHEREAS, Neb. Rev. Stat. § 45-727(1) (Cum. Supp. 2010) provides that an individual may not engage in, or offer to engage in, the business of a mortgage loan originator without first obtaining a license from the DEPARTMENT; and

WHEREAS, Neb. Rev. Stat. § 45-732(1) (Cum. Supp. 2010) provides that all mortgage loan originator licenses expire on December 31st of each year and requires each mortgage loan originator to submit a request to renew his or her license to the DEPARTMENT on or before that date; and

WHEREAS, Neb. Rev. Stat. § 45-732 (Cum. Supp. 2010) provides for the minimum standards for renewal of a mortgage loan originator license and provides that the DEPARTMENT shall deny a mortgage loan originator license renewal request if the mortgage loan originator does not meet the minimum standards for renewal; and

WHEREAS, Neb. Rev. Stat. § 45-705 (Cum. Supp. 2010) provides that no person shall act as a mortgage banker or use the title mortgage banker in this state unless he, she,

or it is licensed as a mortgage banker, is registered with the DEPARTMENT as provided in the Act, is licensed under the Nebraska Installment Loan Act, or is otherwise exempt from the Act; and

WHEREAS, Neb. Rev. Stat. § 45-706 (Cum. Supp. 2010) provides that all mortgage banker licenses expire on December 31st of each year and requires each mortgage banker to submit a request to renew its license to the DEPARTMENT on or before that date; and

WHEREAS, Neb. Rev. Stat. § 45-742(4)(a) (Cum. Supp. 2010) provides that the DEPARTMENT may issue a notice of expiration to a licensee in lieu of revocation if the licensee fails to renew the license or pay the required renewal fee; and

WHEREAS, Neb. Rev. Stat. § 45-742(4)(b) (Cum. Supp. 2010) provides that the DEPARTMENT may adopt by rule, regulation, or order procedures for the reinstatement of licenses for which a notice of expiration was issued in accordance with Section 45-742(4)(a) and that such procedures shall be consistent with standards established by the Nationwide Mortgage Licensing System and Registry (“NMLSR”), and that the fee for reinstatement shall be the same fee as the fee for the initial license application; and

WHEREAS, the NMLSR has adopted a process whereby the status of a mortgage banker or mortgage loan originator who fails to renew is automatically updated from an “Approved” status to “Terminated—Failed to Renew” if such mortgage banker or mortgage loan originator fails to submit a renewal request or pay the renewal fee on or before December 31st of each year. A licensee who fails to renew and whose status is updated from an “Approved” status to “Terminated—Failed to Renew” is not authorized to conduct business while the license is in such status, and the licensee’s record on NMLSR’s

public website will reflect that the licensee's license has expired and that such licensee is not authorized to conduct business; and

WHEREAS, the NMLSR has adopted a process whereby a mortgage banker or mortgage loan originator whose status is "Terminated—Failed to Renew" may reinstate the license on or before the last day of the succeeding February by submitting a reinstatement request, paying the required state reinstatement fees, and paying the NMLSR processing fee; and

WHEREAS, a state regulator who receives a reinstatement request may review the request and determine whether the mortgage banker or mortgage loan originator meets the requirements for renewal of the license, and may in accordance with state law either approve or deny the reinstatement request, and if the regulator approves the reinstatement request, the license status is returned to an "Approved" status allowing the resumption of mortgage banker and/or mortgage loan originator activity; and

WHEREAS, the NMLSR has adopted a process whereby an individual who fails to complete continuing education requirements on or before the December 31st renewal deadline may take specially-approved continuing education courses after the deadline in order to satisfy the deficiency; and

WHEREAS, such policy concerning continuing education is consistent with Neb. Rev. Stat. § 45-733(8) (Cum. Supp. 2010) which requires an individual who becomes unlicensed to complete the continuing education for the final year in which such individual was licensed prior to the DEPARTMENT issuing a new or renewal license; and

WHEREAS, Neb. Rev. Stat. § 45-747(1) (Cum. Supp. 2010) provides that any person required to be licensed or registered under the Act who, without first obtaining a

license or registration under the Act or while such license is on inactive status or expired or has been suspended, revoked, or canceled by the Director, engages in the business of or occupation of, advertises or holds himself or herself out as, claims to be, or temporarily acts as a mortgage banker or mortgage loan originator in this state is guilty of a Class II misdemeanor; and

WHEREAS, the Director has concluded that adopting a policy allowing mortgage bankers and mortgage loan originators to reinstate their licenses consistent with NMLSR's procedure will lead to greater uniformity between the states and promote the public interest.

IT IS THEREFORE ORDERED, ADJUDGED, and DECREED as follows:

1. The DEPARTMENT shall provide a Notice of Expiration to each licensee holding a mortgage banker license or a mortgage loan originator license who fails to submit a request to renew his, her, or its license or pay the renewal fee on or before December 31st as authorized by Neb. Rev. Stat. § 45-742(4)(a) (Cum. Supp. 2010).

2. A licensee who receives such Notice of Expiration may apply to reinstate his, her, or its mortgage banker license or mortgage loan originator license by submitting a reinstatement request to the DEPARTMENT via the NMLSR and by paying the required reinstatement fee set forth in Neb. Rev. Stat. § 45-742(4)(b) (Cum. Supp. 2010).

3. A licensee who receives such Notice of Expiration may not act as a mortgage banker or mortgage loan originator with respect to any residential mortgage loan secured by a dwelling located in Nebraska from the time that such Notice of Expiration is issued unless and until the DEPARTMENT approves the licensee's reinstatement request and returns the licensee's license status to an "Approved" status on the NMLSR. Should the

DEPARTMENT approve the reinstatement request, the DEPARTMENT will vacate the Notice of Expiration.

4. An individual who fails to complete the required continuing education requirements on or before December 31st shall complete the continuing education requirements by taking the specially-approved NMLSR courses as part of the request to reinstate the license.

5. Should the DEPARTMENT determine that the licensee submitting a reinstatement request does not meet the requirements to renew his or her license as set forth in Neb. Rev. Stat. §§ 45-705 or 45-732 (Cum. Supp. 2010), the DEPARTMENT shall deny the reinstatement request.

6. Nothing in this Order shall limit the DEPARTMENT from taking any administrative action it deems necessary concerning any mortgage loan originator or his or her sponsoring mortgage banker related to unlicensed activity conducted by a mortgage loan originator after a Notice of Expiration was issued by the DEPARTMENT and before the DEPARTMENT approved the mortgage loan originator's reinstatement request.

7. Nothing in this Order shall limit the DEPARTMENT from taking any administrative action it deems necessary concerning any mortgage banker related to unlicensed activity conducted by a mortgage banker after a Notice of Expiration was issued by the DEPARTMENT and before the DEPARTMENT approved the mortgage banker's reinstatement request.

8. This Order shall remain in effect until subsequently modified or vacated by Order of the Director.

9. The effective date of this Order shall be the date of the Director's signature.

DATED this 29th day of December, 2010.



**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

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