



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-28-2009
June 3, 2009

SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT OF 2008

Joint Notice of Proposed Rulemaking

Summary: The federal banking agencies, the National Credit Union Administration, and the Farm Credit Administration (collectively, the Agencies) are seeking comment on the attached proposed rule regarding the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act). Goals of the SAFE Act include improving accountability and tracking of mortgage loan originators (MLOs), enhancing consumer protection, reducing fraud, and providing consumers with easily accessible information about the professional background of MLOs. Comments are due 30 days from the date of publication in the *Federal Register*.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Credit Officer
Compliance Officer

Related Topics:

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008

Attachments:

Notice of Proposed Rulemaking, Subpart B 12 CFR Part 365 Real Estate Lending Standards

Contact:

Thomas F. Lyons, Examination Specialist, at (202) 898-6850 or tlyons@fdic.gov, or Victoria Pawelski, Policy Analyst (Compliance), at vpawelski@fdic.gov or (202) 898-3571

Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2009/index.html.

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained via the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

The proposed rule is intended to implement the requirements of Section 1507 of the SAFE Act pertaining to Agency-regulated institutions, their subsidiaries and employees acting as residential MLOs. The FDIC proposes to add this rule as a new subpart B to the Part 365 Real Estate Lending Standards. The proposed rule:

- tracks the SAFE Act's definition of an MLO and provides examples of when a person is or is not acting as an MLO;
- requires employees of Agency-regulated institutions and their subsidiaries who act as MLOs to register with the Nationwide Mortgage Licensing System and Registry (NMLSR);
- specifies fingerprinting and background check requirements;
- provides for de minimis exceptions to registration requirements for low-volume MLOs;
- requires information from Agency-regulated institutions and MLOs in order to register with the NMLSR;
- establishes minimum requirements for development and implementation of appropriate written policies and procedures; and
- explains how an MLO's unique identifier must be disclosed and made public.