



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

**Financial Institution Letter**  
**FIL-43-2010**  
**July 30, 2010**

## **SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT OF 2008**

### **Notice of Joint Final Rule: Registration of Residential Mortgage Loan Originators**

**Summary:** The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Farm Credit Administration, and the National Credit Union Administration published in the *Federal Register* the attached joint final rule implementing the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) on July 28, 2010. The rule takes effect on October 1, 2010, and institutions will be expected to implement appropriate policies, procedures and management systems to ensure compliance. Applicable mortgage loan originators (MLOs) must register with the Nationwide Mortgage Licensing System and Registry (NMLSR) within 180 days of the date the NMLSR can begin accepting registrations, which could be as soon as January 28, 2011. The FDIC will provide advance notice of the exact date.

**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

**Attachment:**

Final Rule, Subpart B to 12 CFR Part 365, Real Estate Lending Standards  
<http://edocket.access.gpo.gov/2010/pdf/2010-18148.pdf>

**Contacts:**

Thomas F. Lyons, Senior Examination Specialist, at (202) 898-6850 or [tyons@fdic.gov](mailto:tyons@fdic.gov); or Victoria Pawelski, Senior Policy Analyst (Compliance), at [vpawelski@fdic.gov](mailto: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/2010/index.html](http://www.fdic.gov/news/news/financial/2010/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 SAFE Act is intended to improve the accountability and tracking of residential MLOs, enhance consumer protection, reduce fraud and provide consumers with easily accessible information regarding an MLO's professional background.
- The final rule implements the requirements of Section 1507 of the SAFE Act applicable to insured state nonmember banks (including state-licensed insured branches of foreign banks), their subsidiaries, and employees of such banks or subsidiaries who act as MLOs.
- The final rule will be codified as a new subpart B to Part 365 of the FDIC's Rules and Regulations (12 C.F.R. Part 365), available at: <http://www.fdic.gov/news/news/press/2010/pr10170a.pdf>.
- The rule:
  - tracks the SAFE Act definition of an MLO and provides examples of when a person is or is not acting as an MLO;
  - requires MLOs employed by insured state nonmember banks and their subsidiaries to register with the NMLSR;
  - requires institutions and MLOs to provide certain information to the NMLSR, including MLO fingerprints (to run a criminal background check);
  - includes *de minimis* exceptions to the registration requirements for low-volume MLOs;
  - requires appropriate written policies and procedures for ensuring compliance with the rule and establishes minimum standards for such policies and procedures; and
  - explains how an MLO's unique identifier must be disclosed.
- The NMLSR is being modified to accept registrations required by this rule. That functionality could be available as soon as January 28, 2011.
- The NMLSR is expected to include a batch-upload capability to facilitate the registration of multiple MLOs.
- The NMLSR system operators expect to provide information on registration operations, logistics and training under the Federal Registration tab of the NMLSR Web site at: <http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>.