



STATE OF CONNECTICUT
 DEPARTMENT OF BANKING
 CONSUMER CREDIT DIVISION



260 CONSTITUTION PLAZA • HARTFORD, CT 06103-1800

MEMORANDUM

TO: All Connecticut Licensed Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Brokers, Mortgage Servicers, Mortgage Loan Originators, Loan Processors or Underwriters, and Exempt Registrants

FROM: Carmine Costa, Director *CC*

RE: License Auto-Renewal

DATE: September 28, 2017

The Department is pleased to announce that it has been working diligently to enable it to utilize the auto-renewal functionality available on the Nationwide Multistate Licensing System and Registry (“NMLS”). The Department will roll-out this functionality in the mortgage licensing area for the next renewal period, which commences on November 1, 2017.

This functionality should increase the Department’s efficiency in processing renewal applications while ensuring that the renewal applications meet all statutory qualifications for renewal licensure. Its success, however, is contingent on licensees understanding the auto-renewal process to ensure that licensees provide all information required to enable them to take full advantage of this feature.

Please read the information below carefully. If after reading it you have remaining questions about the upcoming renewal application process, please contact Richard Cortes at (860) 240-8138.

How do I request Auto-Renewal?

The renewal application process will be no different for you than last year: you will still have to submit a request for renewal of your license on NMLS between November 1, 2017 and December 31, 2017. Failure to request renewal will result in your license expiring and you will no longer be authorized to conduct business. However, you do not need to do anything to specifically request “auto-renewal”; we will activate that feature as of November 1, 2017.

Recommendation: Due to end of December holidays and weekends, you should request renewal no later than December 15, 2017.

How quickly will the license be renewed with auto-renewal?

The Department intends to set the auto-renewal feature to enable renewal applications to be approved no later than 15 days from receipt of an *eligible* application and associated payment.

- **If there is an outstanding license item on the account before you submit your renewal request, the renewal application will not be eligible for auto-renewal until such time as all license items have been cleared.**

Recommendation: Check your NMLS account. Attend to all posted license items now and in the future so that they may be cleared in advance of the renewal period.

- **If a renewal application requires fingerprints for an FBI criminal background check or authorization for a credit report, the renewal application will not be eligible for auto-renewal where there is *any* resulting criminal background or if certain changes are present in the credit report.** These items require our further review for assessment with statutory qualifications for licensure, and the renewal application will accordingly be processed manually.

Recommendation: Submit your renewal request earlier in the renewal period rather than later.

When will the renewal checklists be available?

Renewal checklists for the 2018 licensing period have already been posted to NMLS.

For company licensees, there will be certain items identified on the checklist that are required in connection with company renewal applications which must be uploaded to NMLS separately from the submission of the renewal request (*e.g.*, required information about worker's compensation coverage).

The Department will be emailing company licensees in advance of the renewal period requesting that they provide the Department with any such required supplemental information identified on the renewal checklist in advance of November 1, 2017. The Department will also be posting, in advance of the renewal period, a license item to licensee accounts for such supplemental information. Once the information is received, the license item will be removed.

Recommendation: Read the renewal checklist. If you intend to request renewal for the 2018 licensing period, the Department strongly encourages you to provide the required supplemental information in accordance with e-mail communications from the Department and in accordance with posted license items so that you are able to enter the renewal period with no outstanding license items.

How should renewal applications for mortgage loan originator licenses for qualified individuals and branch managers be coordinated with company license renewal requests?

Qualified individuals (“QI”) and branch managers (“BM”) are required for main and branch office licensure. For mortgage lenders, mortgage correspondent lenders and mortgage brokers, QIs and BMs must be individuals who are licensed as mortgage loan originators.

The mortgage company sponsoring the QI or BM may submit its company renewal request at a different time during the renewal period than the QI and BM submit their individual renewal requests. However, it is strongly suggested that the QIs and BMs request renewal of their mortgage loan originator licenses at the same time or in advance of the company’s renewal request.

While it is possible for a mortgage company renewal application to be approved in the absence of a QI or BM renewal request of their mortgage loan originator license, it will not be possible to maintain any renewed company license(s) after January 1, 2018 if the associated QI or BM failed to request renewal and their mortgage loan originator license expired. This would cause the main or branch office to fail to meet minimum requirements for continued licensure.

I am an exempt registrant. How am I impacted by auto-renewal?

NMLS requires exempt registrants to request renewal. So long as you have completed the supplemental annual statement setting forth the claimed basis for exemption (identified on the checklist), your renewal request will be eligible for auto-renewal. The Department will email you a copy of the form in advance of the renewal period and post a license item to your account. The Department strongly encourages you to provide the completed form before November 1, 2017, so that you may fully utilize auto-renewal functionality. Please note that the Department’s approval of any renewal of an exempt registration does not constitute a determination by the Commissioner that such entity is exempt, but rather shall evidence the Commissioner’s approval to use NMLS for the purposes of sponsoring and bonding.

It is after November 1 and I am not able to click renew. What do I do?

If you are in this situation, you have an outstanding license item that identifies a problem with a prerequisite for on-going licensure. As such, you are ineligible from requesting renewal until such time that license item is cleared. Depending on the nature of the item and the facts and circumstances, you may also be subject to administrative action for failure to presently meet statutory qualifications for licensure.

- **Company Example:** A licensed mortgage lender is in an “Approved-Deficient” status with a posted license item for failure to demonstrate statutorily required tangible net worth. The lender will not be permitted to request renewal until such time as the required tangible net worth is demonstrated and the license item is cleared.
- **Company Example:** A licensed mortgage broker is in an “Approved-Deficient” status with a posted license item for loss of its statutorily required QI or BM and no new individual has been designated. The broker will not be permitted to request renewal until such time as a new individual is designated for the QI or BM position.

- ***Individual Example:*** A licensed mortgage loan originator is in an “Approved-Inactive” status with a posted license item for loss of sponsorship. The Department does not permit renewal requests for mortgage loan originator licensees in inactive status because without a sponsor it is unable to make the statutorily required determination that such applicant has the requisite bond. Accordingly, the mortgage loan originator in inactive status will be unable to request renewal until he/she submits a sponsorship request and such request is approved by the Department.
- ***Individual Example:*** A licensed mortgage loan originator is in “Approved-Deficient” status with a license item for failure to complete statutorily required continuing education (“CE”). The mortgage loan originator will not be permitted to request renewal until such time as the CE requirement is completed and the license item is cleared.

Recommendation: Due to end of December holidays and weekends, you should attend to these types of license items no later than December 15, 2017.

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