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ORDER GOVERNING PARTICIPATION IN THE ESTABLISHMENT AND IMPLEMENTATION OF THE NATIONWIDE MORTGAGE LICENSING SYSTEM FOR MORTGAGE LOAN BROKERS, MORTGAGE LOAN COMPANIES, LOAN OFFICERS, AND ORIGINATORS

The Executive Director of the Office of Financial Institutions ("OFI") is charged with the administration of Chapter 286.8 of the Kentucky Revised Statutes, the Kentucky Mortgage Loan Company Mortgage Loan Broker Act (the "Act"), and Title 808, Chapter 12, of the Kentucky Administrative Regulations promulgated under the Act.

The Nationwide Mortgage Licensing System ("NMLS") is an Internet-based filing depository operated by the State Regulatory Registry LLC ("SRR"), a wholly owned operating subsidiary of the Conference of State Bank Supervisors ("CSBS"). The NMLS is designed to accept license and registration applications made electronically by state-registered and state-licensed mortgage loan brokers, mortgage loan companies, loan officers, and originators; collect associated regulatory filing fees on behalf of affected jurisdictions; and provide the public with Internet-based access to information on state-regulated mortgage loan brokers, mortgage loan companies, loan officers, and originators. Kentucky is one of thirty-seven states that have signed a statement of intent with CSBS and SRR to require its mortgage loan brokers, mortgage loan companies, loan officers, and originators to file electronically their applications with the OFI through the NMLS. The NMLS will begin to accept electronic filings of applications from state-regulated mortgage loan brokers, mortgage loan companies, loan officers, and originators from the various states on January 2, 2008.

KRS 286.8-140 of the Act states in part that the executive director shall exercise general supervision and control over mortgage loan companies and mortgage loan brokers doing business in the Commonwealth of Kentucky.

KRS 286.8-140(1) of the Act states that the powers and duties of the executive director are "[t]o prescribe rules, regulations and forms to promulgate such orders as are deemed necessary and appropriate to accomplish the basic purposes of and the provisions contained within this subtitle. The executive director may from time to time make, amend, and rescind such rules, forms and orders, including rules and forms governing applications, registrations, reports, and loan disclosure statements and defining any terms, whether or not used in this subtitle, insofar as the definitions are not inconsistent with the provision of this subtitle."

KRS 286.8-140(1) of the Act further states, "In prescribing rules and forms the executive director may cooperate with other state and federal agencies with a view to achieving maximum uniformity in the form and content of applications, reports and loan disclosure statement wherever practical."

In 2006, Governor Ernie Fletcher signed into law House Bill 462, codified as KRS 286.8-285 of the Act, which provides that the executive director shall be authorized to participate in the establishment and implementation of a multistate automated licensing system for mortgage loan brokers, mortgage loan companies, loan officers, and originators. Subsection (a) of this section states, "For such purpose, the executive director is authorized to waive or modify, in whole or in part, by rule or order, any or all of the requirements of this subtitle and to establish new requirements as reasonably necessary to carry out the purpose of this section."

The executive director has determined that it is necessary and appropriate in the public interest, and consistent with the purposes fairly intended by the policy and provisions of the Act, to participate in the NMLS to provide a uniform procedure for electronic filing of license and registration applications of mortgage loan brokers, mortgage loan companies, loan officers, and originators.

THEREFORE, the Executive Director **ORDERS** that, for the purpose of KRS 286.8-140 and KRS 286.8-285 of the Act, the web-based NMLS operated by the SRR is designated to receive license and registration application filings as well as to collect initial and renewal filing fees on the executive director's behalf in accordance with the **ORDER** and with respect to mortgage loan brokers, mortgage loan companies, loan officers, and originators.

Effective January 1, 2008, the executive director further **ORDERS** the following:

1. The license and registration renewal periods for mortgage loan brokers, mortgage loan companies, loan officers, and originators shall be on a calendar-year basis.

2. Mortgage loan brokers, mortgage loan companies, loan officers, and originators shall be required to access the NMLS between January 2, 2008, and June 20, 2008, in order to renew licenses and registrations for the period between July 1, 2008 and December 31, 2008.

3. Mortgage loan brokers, mortgage loan companies, loan officers, and originators shall be required to access the NMLS between November 1, 2008, and December 31, 2008, in order to renew licenses and registrations for the calendar year 2009.

4. Mortgage loan brokers and mortgage loan companies shall be required to pay a half-year renewal fee in the amount of $175.00 for the principal office and $125.00 for each branch office, for the renewal period between July 1, 2008 and December 31, 2008.

5. A new application for a mortgage loan broker and mortgage loan company that is received between January 2, 2008 and June 30, 2008 shall be required to pay the

full licensing fee in the amount of $750.00 for the principal office and $400.00 for each branch office.

6. A new application for a loan officer and originator that is received after January 2, 2008 shall be required to pay the full registration fee in the amount of $50.00.

7. Mortgage loan officers and originators shall be required to pay a renewal fee in the amount of $30.00 for the renewal period between July 1, 2008 and December 31, 2008, and further, shall be required to complete twelve (12) hours of continuing education.

8. Mortgage loan officers and originators shall be required to pay a renewal fee in the amount of $45.00 for the calendar year 2009, and thereafter pay a renewal fee in the amount of $50.00 in subsequent calendar years beginning calendar year 2010. Loan officers and originators shall not be required to complete continuing education to renew for the calendar year 2009. However, loan officers and originator shall be required to complete twelve (12) hours of continuing education for each subsequent year beginning calendar year 2010.

9. Mortgage loan brokers and mortgage loan companies shall be required to pay the full-year fee to renew for the calendar year 2009.

10. Mortgage loan brokers, mortgage loan companies, loan officers, and originators that license or register after November 1 of each calendar year shall pay the full licensing and investigation fee but are not required to apply for renewal of their license or registration until the following calendar year.

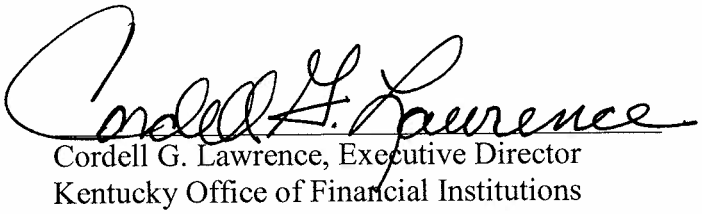
11. Mortgage loan brokers and mortgage loan companies that license between July 1 and November 1 of each calendar year, shall pay the investigation fee in the amount of $300.00 for the principal office and $150.00 for each branch office, and further shall pay the license fee in the amount of $150.00 for the principal office and $100.00 for each branch office. These entities shall file their application for renewal between November 1 and December 31 of the calendar year.

12. All fees shall be paid to the NMLS in the form of an electronic debit or credit card (Visa or MasterCard), or via Automatic Clearing House (ACH).

This **ORDER** shall remain in effect until modified, superseded, or vacated by the executive director or other lawful authority.

This **ORDER** is in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act.

This **ORDER** is executed and entered into the official agency record this the 6th day of September, 2007.



Cordell G. Lawrence, Executive Director
Kentucky Office of Financial Institutions

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