



STATE OF MICHIGAN

OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
ANDREW S. LEVIN, ACTING DIRECTOR

JENNIFER M. GRANHOLM
GOVERNOR

KEN ROSS
COMMISSIONER

September 28, 2010

TO: Mortgage Broker, Lender, and Servicer Licensees/Registrants, Consumer Financial Services Licensees, and Mortgage Loan Originator Licensees/License Applicants

FROM: Michigan Office of Financial and Insurance Regulation

RE: Enforcement of Unlicensed Mortgage Loan Origination Begins **October 15, 2010**

This notification is sent to inform you that on October 15, 2010, the Commissioner will begin enforcing the violation of unlicensed mortgage loan origination under the Mortgage Loan Originator Licensing Act, 2009 PA 75 MCL 493.131 *et seq.*

As you were previously informed, all mortgage *loan officer registrations* were terminated July 31, 2010, as appropriate mortgage loan officer language was repealed under the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173 MCL 445.1651 *et seq.* A mortgage *loan originator license* is required as of July 31, 2010.

On July 30, 2010, the Commissioner announced that there would be a transition period beginning July 31, 2010, during which enforcement action would not be taken against individuals conducting unlicensed mortgage loan originator activity. On October 15, 2010 this transition period will end. Therefore, all individuals that are not approved with a mortgage loan originator license in NMLS will be subject to enforcement action beginning October 15, 2010.

Section 25 MCL 493.155 of the Act states, in pertinent part:

(2) The commissioner may impose a civil fine on a mortgage loan originator or other person subject to this act, if the commissioner finds, on the record after notice and opportunity for hearing, that the mortgage loan originator or other person has violated

or failed to comply with a requirement of this act, a rule promulgated by the commissioner under this act, or an order issued under the authority of this act.

(3) The maximum fine for each violation or failure to comply described in subsection (2) is \$25,000.00.

(4) Each violation or failure to comply described in subsection (2) is a separate and distinct violation or failure.

All mortgage brokers, lenders, and servicers are responsible to verify that each individual who originates mortgage loans is appropriately licensed as a mortgage loan originator. Each individual originating mortgage loans is responsible to be properly licensed as a mortgage loan originator. A mortgage loan originator license application pending in NMLS does not authorize an individual to originate mortgage loans in Michigan. **To originate mortgage loans, an individual's mortgage loan originator license must be in an approved status in NMLS.**

If an individual has submitted a mortgage loan originator license application in NMLS, but it does not have an approved status in NMLS, the individual may contact our office to discuss the deficiency. The most common reasons that a mortgage loan originator license is still pending in NMLS are:

- The applicant has not submitted the required surety bond or the name is incorrect on the surety bond.
- The applicant has not passed the required NMLS national test.
- The applicant has not passed the required NMLS Michigan test, or if appropriate the applicant has not paid the required Michigan registration test certification fee.
- The applicant has not taken the 20-hour NMLS pre-license education course, or if appropriate the applicant has not paid the required Michigan pre-registration education certification fee.
- The applicant's employer has not requested sponsorship in NMLS.
- The applicant has not submitted a written response with appropriate documentation concerning a credit report issue.
- The applicant has not submitted a written response with appropriate documentation concerning an FBI background issue.

To verify the status of a mortgage loan originator license, the mortgage broker, lender, and servicer or the mortgage loan originator license applicant can view the license status in NMLS. If you have questions regarding NMLS navigation, please contact the NMLS Call Center at 240-386-4444.

We encourage you to check the status of your mortgage loan originator license application and correct all outstanding deficiencies immediately. If you have any questions regarding this correspondence or would like to discuss a mortgage loan originator license application, contact the Consumer Finance Licensing Unit at 877 999-6442.

Sincerely,

/s/

Mark W. Weigold, Director
Consumer Finance Section

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