



Bankers Advisory

COMPLIANCE MONITOR

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Colorado Adopts Multiple Licensing Education Revisions for Mortgage Loan Originators

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The Colorado Department of Regulatory Agencies, Division of Real Estate adopted multiple provisions regarding licensing education for mortgage loan originators. Such provisions include pre-licensing requirements, continuing education requirements, and renewal, reinstatement, and suspension of a license. These provisions are effective on March 1, 2016.

Chapter 2: Requirements for Licensure

2.1 An applicant for licensure as a Colorado mortgage loan originator shall successfully complete the requirements set forth below:

- A. Submit a set of fingerprints for a criminal history check to the Colorado Bureau of Investigations (CBI) within 1 year immediately preceding the date of application;
- B. Register with the Nationwide Mortgage Licensing System and Registry in accordance with policies and procedures established by the Nationwide Mortgage Licensing System and Registry. This includes, but is not limited to completion of the correct registration application, authorization for the registry to pull a credit report and payment of any fees associated with registration;
- C. Submit fingerprints to the Nationwide Mortgage Licensing System and Registry in accordance with policies and procedures established by the Nationwide Mortgage Licensing System and Registry;
- D. Complete the 20 hours of pre-licensing education reviewed and approved by the Nationwide Mortgage Licensing System and Registry or by a company contracted by the Nationwide Mortgage Licensing System and Registry for the review and approval of pre-licensing courses;
 1. Effective March 1, 2016, applicants must also complete two (2) hours of Colorado specific pre-licensing education reviewed and approved by the Nationwide Mortgage Licensing System and Registry or by a company contracted by the Nationwide Mortgage Licensing System and Registry for the review and approval of pre-licensing courses.
 2. The two (2) hours of Colorado specific education replaces what was a required general elective within the 20 hours of pre-licensing education.
 3. Applicants may also complete the two (2) hours of Colorado specific pre-licensing education as a standalone course outside of the 20 hour pre-licensing education.
 4. The two (2) hours of Colorado specific education must have a final examination that covers all major topics covered in the course. Applicants must receive a passing score of 75% on the Colorado specific education examination.
- E. Successful completion of the S.A.F.E. Mortgage Loan Originator examination, developed by the Nationwide Mortgage Licensing System and Registry, consisting of two sections. These two sections include a national component and a Uniform State Test (UST) component. An individual shall pass the test in accordance with policies and procedures developed and administered by the Nationwide Mortgage Licensing System and Registry and in compliance with the S.A.F.E. Mortgage Licensing Act;

- F. Acquisition of a surety bond as required by § 12-61-907, C.R.S. and in accordance with any rule of the Board that directly or indirectly addresses surety bond requirements;
- G. Acquisition of the errors and omissions insurance required by § 12-61-903.5, C.R.S. and in accordance with any rule of the Board that directly or indirectly addresses errors and omissions insurance requirements;
- H. Completion of the Colorado Division of Real Estate specific Mortgage Loan Originator Application; and
- I. Payment of the application fee established by the Board and is non-refundable.

Chapter 3: Continuing Education Requirements

3.1 The continuing education requirements for licensed individuals shall begin after issuance of the initial license. Individuals shall complete at least eight (8) hours of continuing education courses, which must include one (1) hour of Colorado specific education, reviewed and approved by the Nationwide Mortgage Licensing System and Registry or by a company contracted to review and approve continuing education courses. The Colorado specific education may replace what was a required general elective within the eight (8) hour continuing education course or may be completed as a standalone course. The continuing education requirements must be completed each calendar year and prior to license and registration renewals or reinstatements.

3.2 Completion of the 20 hours of pre-licensing education approved by the Nationwide Mortgage Licensing System and Registry in the same year in which the license was approved.

3.5 Authority to audit education provider

The Board or the Board's designee may audit any Colorado specific education course reviewed and approved by the Nationwide Mortgage Licensing System and Registry or by a company contracted to review and approve continuing education courses. The Board or the Board's designee may request from each education provider or schools offering such courses, all related instructional materials, student attendance records and other information that may be necessary for an audit. Failure to comply with this rule may result in the withdrawal of course approval.

Renewal, Reinstatement, Inactivation, Suspension, Surrender or Revocation of a License or Registration

4.3 Re-application.

- A. Individuals who fail to maintain a valid license for a period of up to five (5) years after the date of license expiration and were compliant with the annual continuing education requirements at the time of license expiration will need to complete the following:
 - 1. Register with the Nationwide Mortgage Licensing System and Registry in accordance with policies and procedures established by the Nationwide Mortgage Licensing System and Registry. This includes, but is not limited to completion of the correct registration application, authorization for the registry to pull a credit report and payment of any fees associated with registration;
 - 2. Submit fingerprints to the Nationwide Mortgage Licensing System and Registry in accordance with policies and procedures established by the Nationwide Mortgage Licensing System and Registry;
 - 3. Obtain a compliant surety bond. Surety bond requirements are defined in section 12-61-907, C.R.S. and by Board Rule;

4. Obtain compliant errors and omissions insurance. Errors and omission insurance requirements are defined in Section 12-61-903.5, C.R.S. and by Board Rule; and
 5. Complete the Colorado Division of Real Estate specific license application and pay the application fee.
- B. Individuals who fail to maintain a valid license for a period of up to five (5) years after the date of license expiration and who were not compliant with the annual continuing education requirements at the time of license expiration will need to complete the following:
1. Comply with all requirements set forth in section (a), subsection (1) to (5) of this Rule, and
 2. Complete at least eight (8) hours of "late" continuing education courses, which must include one (1) hour of Colorado specific education, reviewed and approved by the Nationwide Mortgage Licensing System and Registry or by a company contracted to review and approve continuing education courses;
- C. Individuals who fail to maintain a valid license for a period of more than five (5) years after the date of license expiration will need to complete the following:
1. Comply with all requirements set forth in section (b), subsection (1) and (2) of this Rule; and
 2. Retake and successfully pass the S.A.F.E. Mortgage Loan Originator examination, developed by the Nationwide Mortgage Licensing System and Registry, consisting of two sections. These two sections include a national component and a Uniform State Test (UST) component. An individual shall pass the test in accordance with policies and procedures developed and administered by the Nationwide Mortgage Licensing System and Registry and in compliance with the S.A.F.E. Mortgage Licensing Act.



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