

DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF REAL ESTATE
MORTGAGE LOAN ORIGINATORS
4 CCR 725-3

NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
September 19, 2018

**CHAPTER 4: RENEWAL, REINSTATEMENT, INACTIVATION, SUSPENSION, SURRENDER OR
REVOCATION OF A LICENSE OR REGISTRATION**

Pursuant to and in compliance with Title 12, Article 61 and Title 24, Article 4, C.R.S., as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Board of Mortgage Loan Originators (the "Board") to promulgate rules, or to amend, repeal or repeal and re-enact the present rules of the Board.

STATEMENT OF BASIS

The statutory basis for the rules titled Rules Regarding Mortgage Loan Originators is Part 9 of Title 12, Article 61, Colorado Revised Statutes, as amended.

STATEMENT OF PURPOSE

The purpose of this rule is to effectuate the legislative directive to promulgate necessary and appropriate rules in conformity with the state statutes concerning Mortgage Loan Originators.

SPECIFIC PURPOSE OF THIS RULEMAKING

The specific purpose of this rule is to add, modify, and amend the requirements necessary for licensure as a mortgage loan originator.

Proposed New, Amended and Repealed Rules

[Deleted material is shown ~~struck through~~; new material is shown in **red font**.] Rules, or portions of rules, which are unaffected are reproduced. Readers are advised to obtain a copy of the complete rules of the Board at www.dora.colorado.gov/dre.

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4.3 Re-application.

A. Individuals who fail to maintain an active valid license for at least three (3) years must satisfactorily complete the twenty (20) hours of pre-licensing education within the three (3) year period immediately preceding the date of application for licensure.

A.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 were compliant with the annual continuing education requirements at the time of license expiration ~~will need to~~ must complete the following:

1. Comply with the requirements set forth in section (A) of this Rule (if applicable);

4.2. 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;

~~2.3.~~ 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;

~~3.4.~~ Obtain a compliant surety bond. ~~Surety bond requirements are defined in accordance with s~~Section 12-61-907, C.R.S. and ~~by~~ Board Rule ~~2.19~~;

~~4.5.~~ Obtain compliant errors and omissions insurance. ~~Errors and omission insurance requirements are defined in accordance with~~ Section 12-61-903.5, C.R.S. and ~~by~~ Board Rule ~~2.23~~; and

~~5.6.~~ Complete the Colorado Division of Real Estate specific ~~license~~ application and pay the application fee.

~~B.C.~~ 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 must~~ complete the following:

1. Comply with all requirements set forth in section (~~aB~~), subsection (1) to (~~56~~) 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.D.~~ 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 must~~ complete the following:

1. Comply with all requirements set forth in section (~~bC~~), 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.

A hearing on the above subject matter will be held on Wednesday, September 19, 2018, at the Department of Regulatory Agencies, 1560 Broadway, Conference Room 110-D, Denver, Colorado 80202, beginning at 9:00 a.m.

Any interested person may participate in the rulemaking through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no less than ten (10) days prior to the hearing date and time set forth above. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered. Please be advised that the rule being considered is subject to further changes and modifications after public comment and formal hearing.