

PROPOSED CHANGES UNDER THE
CALIFORNIA FINANCE LENDERS LAW
CALIFORNIA RESIDENTIAL MORTGAGE LENDING ACT
(Additions shown by underline and deletions shown by strikethrough.)

1. Section 1422.6.1 is amended to read:

§ 1422.6.1. Qualifications of Mortgage Loan Originator Applicants.

Every applicant for a mortgage loan originator license shall meet the requirements of this section.

(a) QUALIFIED WRITTEN TEST: Every applicant for a mortgage loan originator license shall pass a qualified written test developed or otherwise deemed acceptable by the Nationwide Mortgage Licensing System and Registry and administered by a test provider approved by the Nationwide Mortgage Licensing System and Registry ~~within one year prior to the date of filing the application for, or the issuance of, a mortgage loan originator license.~~ The qualified written test shall consist of ~~a national component and a California component. An applicant shall abide by the rules, policies and procedures of the Nationwide Mortgage Licensing System and Registry in the administration of the test;~~

(1) the national component and the California state component; or

(2) the national component and the uniform state test; or

(3) the national component with uniform state content.

An applicant shall abide by the rules, policies and procedures of the Nationwide Mortgage Licensing System and Registry in the administration of the test.

(b) EDUCATION: Every applicant for a residential mortgage loan originator license shall complete at least 20 hours of NMLS approved education including:

(1) Three hours of instruction on federal law and regulations,

(2) Three hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues, ~~and~~

(3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace, and

(4) Two hours of training related to relevant California law and regulations, as prescribed by the Commissioner.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22109.1, 22109.2 and 22109.3, Financial Code.

2. Section 1422.6.3 is amended to read:

§ 1422.6.3. Continuing Education and Renewal Procedures for Mortgage Loan Originators.

(a) A mortgage loan originator license shall be renewed on an annual basis between November 1 and December 31. A license not renewed during the specified time period shall be deemed a lapsed or expired license. A mortgage loan originator with a lapsed or expired license may not engage in business as a mortgage loan originator until the mortgage loan originator's license is reinstated pursuant to Section 1422.11 of Subchapter 6 of these rules.

(b) To renew a license under subsection (a) of this rule, a licensed mortgage loan originator shall pay a renewal fee (\$300), comply with all submission requests by the Commissioner, and complete at least eight hours of NMLS approved continuing education on or before December 31st of every year, which shall include the following:

(1) Three hours of instruction on federal law and regulations,

(2) Two hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues, ~~and~~

(3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace, and

(4) One hour of training related to relevant California law and regulations, as prescribed by the Commissioner.

~~(c) As of January 1, 2011, to renew a license under subsection (a) of this rule, a licensed mortgage loan originator shall pay a renewal fee (\$300), and comply with (b).~~

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22107, 22109.4, 22109.5 and 22172, Financial Code.

3. Section 1950.122.5.1 is amended to read:

§ 1950.122.5.1. Qualifications of Mortgage Loan Originator Applicants.

Every applicant for a mortgage loan originator license shall meet the requirements of this section.

(a) QUALIFIED WRITTEN TEST: Every applicant for a mortgage loan originator license shall pass a qualified written test developed or otherwise deemed acceptable by the Nationwide Mortgage Licensing System and Registry and administered by a test provider approved by the Nationwide Mortgage Licensing System and Registry ~~within one year prior to the date of filing the application for, or the issuance of, a mortgage loan originator license.~~ The qualified written test shall consist of ~~a national component and a California component.~~ ~~An applicant shall abide by the rules, policies and procedures of the Nationwide Mortgage Licensing System and Registry in the administration of the test.;~~

(1) the national component and the California state component; or

(2) the national component and the uniform state test; or

(3) the national component with uniform state content.

An applicant shall abide by the rules, policies and procedures of the Nationwide Mortgage Licensing System and Registry in the administration of the test.

(b) EDUCATION: Every applicant for a residential mortgage loan originator license shall complete at least 20 hours of NMLS approved education including:

(1) Three hours of instruction on federal law and regulations,

(2) Three hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues, ~~and~~

(3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace, and

(4) Two hours of training related to relevant California law and regulations, as prescribed by the Commissioner.

Note: Authority cited: Section 50304, Financial Code. Reference: Sections 50142 and 50143, Financial Code.

4. Section 1950.122.5.3 is amended to read:

§ 1950.122.5.3. Continuing Education and Renewal Procedures for Mortgage Loan Originators.

(a) A mortgage loan originator license shall be renewed on an annual basis between November 1 and December 31. A license not renewed during the specified time period shall be deemed a lapsed or expired license. A mortgage loan originator with a lapsed or expired license may not engage in business as a mortgage loan originator until the mortgage loan originator's license is reinstated pursuant to Section 1950.122.5.4 of Subchapter 11.5 of these rules.

(b) To renew a license under subsection (a) of this rule, a licensed mortgage loan originator shall pay a renewal fee (\$300), comply with all submission requests by the

Commissioner, and complete at least eight hours of NMLS approved continuing education on or before December 31st of every year, which shall include the following:

(1) Three hours of instruction on federal law and regulations,

(2) Two hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues, ~~and~~

(3) Two hours of training related to lending standards for the nontraditional mortgage product marketplace, and

(4) One hour of training related to relevant California law and regulations, as prescribed by the Commissioner.

~~(c) As of January 1, 2011, to renew a license under subsection (a) of this rule, a licensed mortgage loan originator shall pay a renewal fee (\$300), and comply with (b).~~

Note: Authority cited: Section 50140 and 50304, Financial Code. Reference: Sections 50141, 50144 and 50145, Financial Code.