

**STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES
AND HEALTH CARE ADMINISTRATION**

In Re:)	
)	
8 V.S.A. Chapter 73)	Docket No. 09-128-B
Licensed Lender Statute)	
Act No. 29 (H.171) 2009)	
)	

ORDER REGARDING:

- (A) Modification Of Transition Deadline;
(B) Submission Of Credit Reports And Credit Scores; And
(C) The Date The Department Will Begin Accepting
Mortgage Loan Originator License Applications**

Background

1. On May 21, 2009 Governor Douglas signed Act 29 (H. 171) into law.
2. Act 29 modified the Licensed Lender Statute, 8 V.S.A. Chapter 73, to bring Chapter 73 into compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act (the "SAFE Act").
3. Among other things, Act 29 requires applicants to obtain and submit fingerprints for a criminal background check.
4. The Department has learned that the fingerprint and criminal background check functionality of the Nationwide Mortgage Licensing System and Registry ("NMLS") will not be available until late January 2010.

5. Act 29 also requires applicants to submit authorization for the NMLS and the commissioner to obtain credit reports and credit scores.
6. The Department has learned that the credit report and credit score functionality of the NMLS will not be available as of January 1, 2010 and may not be available until late spring 2010.
7. Pursuant to Act 29, Sec. 3 (b) (transition provisions), the commissioner may extend the date for compliance with any provision of Act 29.
8. The commissioner has determined that, under the current transition provisions in Act 29, Sec. 3 (b), the timing of the fingerprint and criminal background check functionality on the NMLS, and the current unavailability of the credit report and credit score functionality on the NMLS, may create problems for the Department and for those individuals who begin acting as a mortgage loan originator after December 31, 2009.
9. This Order is issued to modify the transition provisions of Act 29, to provide guidance as to how to accommodate the current unavailability of the credit report functionality, to inform potential mortgage loan originators when the Department will begin accepting mortgage loan originator license applications, and to enable the orderly transition to the licensing of mortgage loan originators in a manner consistent with the SAFE Act and Act 29.
10. This Order is permitted under Act 29, is not in conflict with the SAFE Act, and is permitted under HUD's interpretation of the SAFE Act

Order

11. The transitional provisions of Act 29, Sec. 3 (b), are hereby modified as follows:

All individuals who, on or before *March 31, 2010*, are employed by a mortgage broker holding a valid Vermont license and who are authorized

to act as a mortgage broker under such license, or are employed by a lender holding a valid Vermont lender license and are acting as a lender or loan officer under such license, shall complete the pre-licensing education and testing requirements and shall obtain a mortgage loan originator license as required by the Act 29 no later than *July 1, 2010*. All other individuals (i.e., those individuals who start acting as a mortgage loan originator under a Vermont mortgage broker or lender license beginning on or after *April 1, 2010*) must obtain a mortgage loan originator license as required by Act 29 prior to acting as a mortgage loan originator in this state.

12. Until such time as the credit report and credit score functionality is available on the NMLS, applicants shall obtain and submit to the Department, outside of the NMLS, a copy of their current credit report and credit score, which credit report and credit score must not be more than sixty (60) days old.

13. The Department will begin accepting mortgage loan originator applications February 1, 2010.

14. **The Department strongly encourages individuals to apply for a mortgage loan originator license well in advance of the July 1, 2010 deadline.** Those who wait until the July 1, 2010 deadline may experience significant backlogs and delays in the processing and issuance of a mortgage loan originator license, including a period of time during which the individual is not permitted to engage in mortgage loan originator activities in Vermont.

Dated at Montpelier, Vermont this 28th day of September 2009.

_____/s/_____
Paulette Thabault
Commissioner of Banking, Insurance, Securities
and Health Care Administration