

## TRANSCRIPT: MORTGAGE LOAN ORIGINATOR MARYLAND LICENSE RENEWAL AND MAINTENANCE VIDEO

### SLIDE 1 – TITLE SLIDE

Hello and welcome to the Mortgage Loan Originator Instructional Video on Renewing and Maintaining Your Maryland License, presented by the Licensing Unit of the Maryland Office of Financial Regulation.

Links that appear throughout this video are in the copy of the transcript and slides, which are available for download in the video description.

### SLIDE 2 – TOPICS

This presentation is for mortgage loan originators (or “MLOs”) who **already have their license**.

If you are looking for information about obtaining an initial MLO license, please see the industry resources section of our website at [www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance).

The purpose of this video is to address frequently asked questions about maintaining an MLO license, and to provide MLOs with the information they need to have a seamless experience during license renewal.

Topics covered in this presentation include: renewing an MLO license, continuing education requirements, tax liabilities, verification of employment, changing employers, and we conclude with a few final thoughts and reminders.

### SLIDE 3 – NATIONWIDE MULTISTATE LICENSING SYSTEM & REGISTRY

During this presentation you will hear references to “NMLS” - this is the Nationwide Multistate Licensing System & Registry.

NMLS is an online system used by state financial regulatory agencies for licensing financial service providers, including MLOs.

NMLS is the official system for companies and individuals seeking to apply for, amend, renew, or surrender their licenses to the Maryland Office of Financial Regulation.

It is assumed during this presentation all licensed MLOs are familiar with NMLS, since use of NMLS is necessary to obtain an initial license. If you are not familiar with NMLS, please visit [mortgage.nationwidelicencingsystem.org](http://mortgage.nationwidelicencingsystem.org).

### SLIDE 4 – LICENSE RENEWALS

Licensed MLOs are required to renew their license every year with the Office of Financial Regulation in order to continue conducting business in Maryland.

This includes **both** submitting the application **and** paying the renewal fee.

MLOs who are in “Approved-Inactive” status in NMLS must renew their license in order to remain in the Approved-Inactive status.

The annual renewal period begins November 1<sup>st</sup> and ends December 31<sup>st</sup>.

### SLIDE 5 – LICENSE RENEWAL TIMELINE

MLOs are strongly encouraged to submit their renewal requests **by December 17<sup>th</sup>**.

Maryland law requires that:

- If a license renewal application is submitted **before** December 17<sup>th</sup>, and our Office has not acted on the renewal by December 31<sup>st</sup>, then that license will **remain active** and the MLO may continue conducting business in the following year, until our Office acts on the renewal application.
- If a license renewal application is submitted **after** December 17<sup>th</sup>, and our Office has not acted on the renewal by December 31<sup>st</sup>, then that license will **expire** on December 31<sup>st</sup> and the MLO **must stop conducting business** until the renewal is approved.

Also, be aware that Maryland has no reinstatement period for MLOs.

- An MLO who fails to submit a renewal request by December 31<sup>st</sup> will **no longer be licensed**. They will see their license status in the NMLS changed to “Terminated-Expired” and they **must stop conducting business** in Maryland.
- If this occurs, the MLO will need to submit a new license application with all applicable fees in order to resume conducting business.

## SLIDE 6 – AUTO-RENEWAL

If there are no outstanding items in NMLS, the Office of Financial Regulation will auto-renew MLO license requests via NMLS five days after the request is submitted.

- MLO licenses will **not** be automatically renewed if there are any outstanding license items in NMLS, therefore MLOs should resolve all outstanding items **before** submitting a license renewal request.
- Do not assume that an employer’s compliance officer will address outstanding license items on an MLO’s behalf – **this is the MLO’s responsibility**.

## SLIDE 7 – CONTINUING EDUCATION

Continuing education is a common issue we see with MLO license renewals. We do not want MLOs to lose their license because of failure to complete their required continuing education.

MLOs must complete at least eight hours of continuing education to renew their license, **unless** the MLO completed their pre-licensing education in the current calendar year.

MLOs who do not complete CE courses by December 31<sup>st</sup> will be required to take late CE. This will affect timely renewal approval.

## SLIDE 8 – CONTINUING EDUCATION (CONT'D)

Continuing education must appear in the MLO’s NMLS record.

CE course providers have up to seven days to report course completion in NMLS. Therefore, our Office encourages MLOs to complete their continuing education **as early as possible**.

For more information about CE requirements, including course mandates for Maryland, see the education requirements page in the NMLS Resource Center.

## SLIDE 9 – TAX AND UNEMPLOYMENT INSURANCE LIABILITIES

A “tax liability” license item will be posted to an MLO’s MU4 when our Office is notified by the Maryland Comptroller that the MLO owes taxes or unemployment insurance to the State.

This license item will remain until it is resolved, and it will prohibit or delay the MLO’s application from being auto-renewed. To resolve this license item:

- The MLO must pay off the tax liability or enter into a repayment plan with the State agency that is owed.
- Our Office must receive notice from the agency that the tax liability is resolved or that there is a repayment plan in place.

## SLIDE 10 – VERIFICATION OF EMPLOYMENT

If a “Verification of Employment” license item is posted, it means that the MLO’s employer or sponsoring company has changed its address or legal name. This outstanding item will prevent the MLO’s application from auto-renewal.

***It is the MLO’s responsibility to resolve this item.*** To do this:

- The MLO must amend their MU4 filing by editing the employment history section to update the company name or address, whichever has changed.
- Once the MLO edits their employer information, makes the attestation, and submits the amended MU4 filing, the NMLS system recognizes the change and the MU4 license item is cleared automatically.

## SLIDE 11 – CHANGING EMPLOYERS

The Maryland Mortgage Loan Originator Law states that an individual may not act as an MLO under a name or for an employer that is different from the name and employer currently listed on the MLO’s license in the NMLS record.

Our Office must be notified within 10 business days if an MLO ceases to be employed by a licensed mortgage lender or broker.

Once notified, the MLO’s license status will be changed from “Approved” to “Approved-Inactive”.

During the time that an MLO’s license is in “Approved-Inactive” status, it is a violation of Maryland law for the MLO to engage in any activity for which a license is required.

Several things must occur before an MLO can successfully change employers in the State of Maryland. Only upon completion of all the steps and receipt of the required items, will our Office be able to process the employer change so that the MLO can return to Active status.

## SLIDE 12 – CHANGING EMPLOYERS (CONT’D)

Let’s walk through the process of what Maryland considers a “bona fide employer history change” or “change of employer” with an example:

***An MLO leaves ABC Mortgage to become an employee of Banana Mortgage.***

First, the previous employer, ABC Mortgage, must remove sponsorship through NMLS, or the MLO submits the sponsorship removal themselves.

- Our Office receives the sponsorship removal and the MLO’s license status is changed from “Approved” to “Approved-Inactive”.
- Under this status the MLO cannot originate loans.

Second, in order to resume loan origination, the MLO must update their MU4 employer history in NMLS. This action creates an amendment to change the MLO’s employer. ***The amendment is what notifies our Office that the MLO has changed their employer.***

- The MLO provides an end date for their previous employer, ABC Mortgage.
- And the MLO provides the name and start date for their new employer, Banana Mortgage.

## SLIDE 13 – CHANGING EMPLOYERS (CONT’D)

Third, the new employer (Banana Mortgage) must request sponsorship on behalf of the MLO, and the new employer must associate the MLO with the company’s location.

- Sponsorship requests remain active for 30 days. If the MLO has not completed the previous step (updating their MU4 employer history to reflect Banana Mortgage) within 30 days, then the sponsorship request will be rejected and Banana Mortgage will have to resubmit sponsorship.
- If Banana Mortgage does not submit a sponsorship request on behalf of the MLO, then the MLO’s NMLS record will remain in the “Approved-Inactive” status.

Finally, the MLO must upload the “Affidavit for License Amendment or Return to Active Status” to their NMLS record under “Verification of Employment”.

## **SLIDE 14 – AFFIDAVIT FOR LICENSE AMENDMENT OR RETURN TO ACTIVE STATUS**

The “Affidavit of Maryland Mortgage Activity – *License Amendment or Return to Active Status*” is based on the section of the Maryland Mortgage Loan Originator Law that states an individual may not act as an MLO under a name or for an employer that is different from the name and employer currently on their license in the NMLS record.

Sometimes an MLO who is changing their employer will submit the wrong affidavit.

***Please be mindful to submit the correct affidavit, which is the one called “License Amendment or Return to Active Status”.***

## **SLIDE 15 – FINAL THOUGHTS AND REMINDERS (#1)**

Just a few final thoughts and reminders for MLOs conducting business in Maryland...

First, an MLO should keep an eye on their MU4 filing. If they don't, it could be detrimental to their ability to originate loans in the state.

MLOs should ensure that their ***email address and phone number*** are always up to date in NMLS.

Regulatory guidance and industry updates from our Office are sent to the email address in the NMLS record.

If our Licensing Unit staff needs to speak directly to an MLO, we will call the number provided in the NMLS record.

## **SLIDE 16 – FINAL THOUGHTS AND REMINDERS (#2)**

Also, be aware that effective October 2021, our Office stopped issuing paper licenses or providing PDF files from which licenses can be printed.

The NMLS record is recognized as the official record of licensure.

An MLO is considered licensed so long as their NMLS record shows an “Approved” status.

## **SLIDE 17 – FINAL THOUGHTS AND REMINDERS (#3)**

And finally, MLOs are required to disclose their NMLS number and their employer's name in any advertisements.

If an MLO advertises through social media, they must disclose this information prominently on their home page in that social media platform.

## **SLIDE 18 – RESOURCES AND CONTACT INFO**

The Licensing Unit of the Office of Financial Regulation hopes that this video will help MLO's have a pleasant experience as a licensee authorized to conduct mortgage loan originations in Maryland.

Additional information, including FAQs, documents, and links to NMLS are available on the Office of Financial Regulation's website, at “[labor.maryland.gov/finance](http://labor.maryland.gov/finance)”, in the “Industry Resources” section, under “Mortgages”.

If you have questions or need assistance, please contact us by calling 410-230-6155 or emailing [FinReg.Licensing@maryland.gov](mailto:FinReg.Licensing@maryland.gov).

**END**

Slides with hyperlinks available for download at

<https://www.labor.maryland.gov/finance/industry/frmlo-licensing-video-slides.pdf>

Office of Financial Regulation  
Maryland Department of Labor  
1100 North Eutaw Street, Suite 611,  
Baltimore, MD 21201  
410-230-6100 | Toll-free: 1-888-784-0136  
DLFRFinReg-LABOR@maryland.gov

Visit us at  
[www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance)



Wes Moore, *Governor*  
Aruna Miller, *Lt. Governor*  
Portia Wu, *Secretary*,  
*Maryland Department of Labor*  
Antonio P. Salazar,  
*Commissioner of Financial Regulation*