

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To standardize, on an emergency basis, due to congressional review, licensing and registration application requirements using the Nationwide Mortgage Licensing System and Registry for all non-depository financial institutions regulated through the administration of the District of Columbia Banking Code, to require each applicant obtain a unique identifier from and apply through the Nationwide Mortgage Licensing System, to authorize the Commissioner to waive or modify any of the requirements of this act or other application requirements in the Banking Code and to establish new requirements as needed to participate in the Nationwide Mortgage Licensing System, to authorize use of the Nationwide Mortgage Licensing System for criminal history background checks and credit checks as necessary, to allow the Commissioner to share confidential information with specified third parties including the Nationwide Mortgage Licensing System, to authorize the Commissioner to contract with third parties to collect fees and share information and maintain records, to authorize license renewal and reinstatement periods, to provide for the payments of non-refundable application fees, to provide that the Commissioner shall report Banking Code violations and enforcement actions to the Nationwide Mortgage Licensing System, to require the Commissioner to establish an information challenge process for data entered into the Nationwide Mortgage Licensing System, and to provide that the Commissioner may promulgate regulations to implement the act.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Nationwide Mortgage Licensing System Conformity Second Congressional Review Emergency Act of 2014”.

Sec. 2. Definitions.

For the purposes of this act, the term:

(1) “Applicant” means a person filing an initial or renewal application for licensure or registration under the Banking Code.

38 (2) "Application" means an initial or renewal application for licensure or  
39 registration under the Banking Code processed through the Department or its designee such as  
40 the NMLS or any other person or third party prescribed by the Commissioner.

41 (3) "Banking Code" means the statutory provisions concerning banking and  
42 financial institutions that are codified in Title 26 of the District of Columbia Official Code, laws  
43 administered by the Commissioner, and rules and regulations promulgated under those statutory  
44 provisions and laws.

45 (4) "Commissioner" means the Commissioner of the Department of Insurance,  
46 Securities, and Banking.

47 (5) "Conference of State Bank Supervisors" or "CSBS" means the professional  
48 association of state officials responsible for chartering, regulating, and supervising state-  
49 chartered commercial and savings banks and state-licensed branches and agencies of foreign  
50 banks.

51 (6) "Department" means the Department of Insurance, Securities, and Banking.

52 (7) "Nationwide Mortgage Licensing System and Registry" or "NMLS" means a  
53 mortgage licensing system developed and maintained by the Conference of State Bank  
54 Supervisors, the American Association of Residential Mortgage Regulators, or their successors  
55 for the licensing and registration of persons engaged in the state-regulated financial service  
56 industries.

57 (8) "State Regulatory Registry, LLC" or "SRR" means the entity which owns and  
58 operates the NMLS, or its successors.

59 (9) "Unique identifier" means a number or other identifier assigned by protocols  
60 established by the NMLS.

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62 Sec. 3. Unique identifier required.

63 Each licensee and registrant under the Banking Code shall register with, and maintain, a  
64 valid unique identifier issued by the NMLS.

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66 Sec. 4. Form and contents of application.

67 (a) An application shall be filed on a form prescribed by the Commissioner, including all  
68 information required by the Commissioner as set forth by statute or regulation.

69 (b) For purposes of participating in the NMLS, the Commissioner is authorized to waive  
70 or modify in whole or by part any statutory or regulatory requirements for applications in any  
71 provision of the Banking Code, and to establish new requirements as are reasonably necessary to  
72 participate in NMLS.

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74 Sec. 5. Background checks.

75 The Commissioner may use the NMLS as an agent for requesting information from, and  
76 distributing information to, the Federal Bureau of Investigation, the Department of Justice, any  
77 governmental agency, or any source as directed by the Commissioner.

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80           Sec. 6. Confidential information.

81           To assist in the performance of the Commissioner's duties under this act, the  
82 Commissioner may:

83           (1) Share documents, materials, or other information, including confidential and  
84 privileged documents, materials, or information subject to this act, with state, federal, and  
85 international regulatory agencies and law enforcement authorities, and with the CSBS, SRR,  
86 NMLS, and their affiliates or subsidiaries; provided, that the recipient agrees to maintain the  
87 confidentiality and privileged status of the documents, materials, or other information;

88           (2) Receive documents, materials, or information, including confidential and  
89 privileged documents, materials, or other information, including confidential and privileged  
90 documents, materials, or other information, from state, federal, or international regulatory  
91 agencies or law enforcement authorities or from the CSBS, SRR, NMLS or their affiliates or  
92 subsidiaries, and shall maintain as confidential or privileged any documents, materials, or other  
93 information received with notice or the understanding that it is confidential or privileged under  
94 the laws of the jurisdiction that is the source of the documents, materials, or other information;

95           (3) Enter into agreements for sharing and using confidential information  
96 consistent with this act;

97           (4) Authorize a national criminal background check and submission of  
98 fingerprints and other identifying information, submitted through the NMLS, and receive  
99 criminal history record information from NMLS, the Metropolitan Police Department, and the  
100 Federal Bureau of Investigation for the purposes of facilitating determinations regarding  
101 eligibility for licensure or registration under the Banking Code; and

102           (5) Contract with a third party, including the SRR, the CSBS, or their affiliates or  
103 subsidiaries, to perform any functions, including the collection of licensing, registration and  
104 processing fees, collection of contact information and other identifying information, fingerprints,  
105 written consent to a criminal background check, personal history and experience, and conduct of  
106 examinations-related activities covered under the Banking Code, that the Commissioner may  
107 consider appropriate.

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109           Sec. 7. Renewal.

110           (a) A license or registration issued under this act shall expire on a date to be determined  
111 by the Commissioner. A license or registration may thereafter be renewed for one-year term  
112 extensions as provided by this section.

113           (b) Before a license expires, the applicant may renew the license or registration for  
114 additional one-year terms, if the applicant:

115           (1) Demonstrates that the applicant continues to meet the standards for licensing  
116 or registration under this act and under all relevant provisions of the Banking Code;

117           (2) Pays all applicable fees as prescribed by the Commissioner and all third-party  
118 fees; and

119 (3) Submits to the Commissioner a renewal application on the form that the  
120 Commissioner requires.

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122 Sec. 8. Application fees.

123 (a) When filing an application, each applicant shall pay the applicable fees prescribed by  
124 the Commissioner and any third-party fees. Any fees paid in connection with the processing of  
125 an application shall be non-refundable.

126 (b) The Commissioner may, from time to time, increase or decrease the fees set forth in  
127 this section. The fees shall be fixed at such rates, and computed on such bases and in such  
128 manner as may, in the judgment of the Commissioner, be necessary to defray the approximate  
129 costs of carrying out the regulatory functions set forth in this act and the Banking Code. These  
130 fees shall not be abated or refunded by surrender, suspension, cancellation, or revocation of a  
131 registration.

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133 Sec. 9. NMLS reporting requirements.

134 The Commissioner shall regularly report violations of the Banking Code, as well as  
135 enforcement actions and other relevant information, to the NMLS. The reports shall be subject to  
136 the provisions of section 6t.

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138 Sec. 10. NMLS information challenge process.

139 The Commissioner shall establish a process whereby applicants, licensees, and registrants  
140 may challenge information entered into the NMLS by the Commissioner.

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142 Sec. 11. Rules.

143 The Commissioner may issue rules to implement the provisions of this act.

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145 Sec. 12. Applicability.

146 This act shall apply as of January 6, 2015.

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148 Sec. 13. Fiscal impact statement.

149 The Council adopts the fiscal impact statement in the committee report for the  
150 Nationwide Mortgage Licensing System Conformity Act of 2014, passed on 2<sup>nd</sup> reading on  
151 November 18, 2014 (Enrolled version of Bill 20-802), as the fiscal impact statement required by  
152 section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87  
153 Stat. 813; D.C. Official Code §1-206.02(c)(3)).

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155 Sec. 14. Effective date.

156 This act shall take effect following approval by the Mayor (or in the event of veto by the  
157 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than  
158 90 days, as provided for emergency acts of the Council of the District of Columbia in section  
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Councilmember Vincent B. Orange, Sr.

160 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;  
161 D.C. Official Code § 1-204.12(a)).