

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare, on an emergency basis, the need to standardize the licensing and registration application requirements using the Nationwide Mortgage Licensing System and Registry (NMLS), in order to ensure that the Department of Insurance, Securities, and Banking has the necessary statutory authority to use the NMLS for all non-depository financial service providers.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Nationwide Mortgage Licensing System Conformity Emergency Declaration Resolution of 2014”.

Sec. 2. (a) The Nationwide Mortgage Licensing System and Registry (“NMLS”) is a secure, web-based licensing system which allows applications for, and the maintenance and renewal of, state licenses in one or more states through a single record that is accessible to the general public.

(b) The NMLS provides improved coordination and information-sharing among regulators, enhanced consumer protection and greater efficiency for industry.

(c) When the NMLS became operational in 2008, it was limited to mortgage brokers and lenders.

(d) In 2012, the NMLS expanded to include all non-depository financial service providers, however, the Department of Insurance, Securities, and Banking (“DISB”) only has the authority to use the NMLS for mortgage-related financial services.

28 (e) DISB currently processes about 3,400 non-depository licenses which are eligible for
29 renewal in December of 2014.

30 (f) If DISB is unable to declare their participation in the expanded NMLS program by
31 September 1st, 2014, the next opportunity will not be until March 2015, and would require the
32 manual input of the 3,400 renewals.

33 (g) However, because the Council is on recess from July 15th until September 15th, the
34 Council must authorize the Department to declare their participation prior to the start of the
35 summer recess if they are going to be able to participate in the expanded program this year.

36 (h) Participation in the expanded NMLS program will improve regulatory efficiency,
37 conserve financial and staff resources, and ease coordination with other participating state
38 agencies.

39 (i) Participation in the expanded program will also provide a streamlined platform for the
40 submission and maintenance of annual reports and financial statements, and the processing of
41 criminal background checks and credit reports.

42 (j) The proposed legislation would authorize DISB to declare their participation by the
43 July 1st deadline, allowing their participation in the expanded program, easing the financial
44 burden as well as the inefficiency of a manual renewal process.

45 Sec. 3. The Council of the District of Columbia determines that the circumstances
46 enumerated in section 2 constitute emergency circumstances making it necessary that the
47 Nationwide Mortgage Licensing System Conformity Emergency Act of 2014 be adopted after a
48 single reading.

Sec. 4. This resolution shall take effect immediately.