

Frequently Asked Questions

Licensing and NMLS (Nationwide Mortgage Licensing)

How do I get a license?

The state accepts applications for licensure through NMLS. The application checklist for all Alaska mortgage license types and applicable MU Forms are available through NMLS. A link to the NMLS is provided on this website. The NMLS call center is also available to assist you with the application process. Their phone number is 240-386-4444.

What is NMLS?

NMLS is a secure internet based licensing system for mortgage lenders, brokers and originators to apply for, amend, update and renew licenses. States use the system to process and manage licenses in their jurisdictions. NMLS processes license applications and renewals. Each state retains the authority to approve, deny, suspend or revoke licenses.

Does the state issue me a license or the NMLS?

The state is always the licensing entity. The NMLS is a repository where you provide all of your information that is then transmitted to the state to review for licensure. You receive a Unique Identifier Number through NMLS for tracking purposes but the state issues you a license.

Once I've submitted my information in NMLS how will I know if you need anything else for my license to be approved, or when my license is approved?

All communication on your license is completed through NMLS. If there is anything that the state needs to complete your application you will receive a deficiency or requirement notice in the form of an email notification from NMLS. The email notification will inform you that there is a license item action on your license. It is your responsibility to go into NMLS to retrieve the information. This also applies to license status change. You will receive notification of license status change (i.e., "license requested" to "license approved"). You must go into NMLS to view the change. Remember you can call the NMLS call center if you have question on maneuvering through the system at 240-386-4444.

What is SAFE?

The Secure and Fair Enforcement Act (SAFE) is a federal law that was passed on July 30, 2008. The federal law requires licensure of mortgage loan originators to national standards and the participation of state agencies on the NMLS. SAFE requires states to enact SAFE compliant legislation or the Department of Housing and Urban Development (HUD) will take over licensing and enforcement in the state. You may view more information on the SAFE Act at www.hud.gov/offices/hsg/ramh/safe/sfea.cfm.

Testing

Do I have to take both a National and State Test?

Yes. SAFE requires that the "Qualified Test" measure applicant's knowledge and comprehension of State law and regulations. Therefore, a separate test has to be taken for each state in which the Mortgage Loan Originator (MLO) applies for licensure.

I took the state test when I got my license. Do I have to take another state test through NMLS?

No. The department will certify current licensees with NMLS and you will not have to take another state test. The state will continue to administer our own state test (the current state test) outside of NMLS until November 4, 2010 and certify all individuals who have passed the state test as of that date. On or after November 5, 2010 individuals requesting licensure in Alaska will have to apply for the state test (new state test) through NMLS.

Until the "new" State test is available through NMLS how do I take the "current" state test?

When you complete and submit the MU4 filing in NMLS the state receives notification. Upon receipt of notification we will send you a voucher number through NMLS communication. You will receive notification from NMLS that there is a license item on your license request – you need to go into your NMLS account to retrieve the information which contains your voucher number. The voucher number is needed to sign up to

take the current state test. All the information for signing up to take the test is outlined in the instruction and checklist that are part of the New Application Jurisdictional-Specific Requirement for Alaska available in NMLS.

How do I know that the state has certified me as having taken the state test?

On September 1, 2010, the state will send a list of MLOs who have successfully taken the state test to NMLS. NMLS will enter the data into their system that you have successfully completed the Alaska state test requirement. You will receive an email notification that you must log into NMLS and pay the invoice for processing the certification. That is a charge by NMLS of \$5.00. The certification process will not be complete until you pay the \$5.00 invoice. If you fail to pay the invoice, it will affect your ability to renew your license. The state will send an updated list to NMLS on November 5, 2010 to capture those individuals not contained in the previous lists.

Is there a waiting period for retaking the test?

Yes. You may retake the test 3 consecutive times with at least a 30 day waiting period after each consecutive time. If you fail 3 consecutive tests you must wait at least 6 months before taking the test again. The waiting period applies to both the National and "new" State test. See question on "new" state test listed above.

The waiting period on the "current" state test is 24 hours before making a reservation for re-examination. Candidates who fail the examination 3 consecutive times must wait at least 14 days before making a reservation to take the test again.

Education

What is the difference between pre-licensing education (PE) and continuing education (CE)?

Pre-licensing education is the courses you must complete prior to being considered SAFE compliant and eligible for license renewal for 2011. With the passage of the state's revised legislation, effective July 1, 2010 new licensees have to meet the 20 hours of PE prior to obtaining a license.

Continuing education is the requirement to take 8 hours of SAFE compliant educational courses every calendar year after you have completed the PE.

I just completed my 20 hours of PE. Do I now have to complete the additional 8 hours of CE?

No. You do not have to complete CE in the same year that you completed your 20 hours of PE. For example if you completed your 20 hours of PE in 2010 your CE requirement would not be applicable until calendar year 2011 and would be required to complete your renewal for that year.

(Please note: Alaska will not require any CE requirement for current licensees be met until calendar year 2011)

I have taken several mortgage courses throughout the years. Will Alaska accept any of these courses toward my PE requirement?

Yes, if another state certifies to NMLS that you have met the PE requirements. States who have had educational requirements for licensing MLOs may certify that the MLO has met the SAFE 20 hours of PE. States have been given strict guidance for providing certification. If a state certifies to your PE requirement it will become part of the NMLS record which Alaska will accept.

Background Check (Fingerprint Cards)

I just got my license in Alaska and had to submit fingerprint cards. Do I have to submit another set to NMLS?

Yes. SAFE requires the MLO to furnish to the NMLS fingerprint cards for submission to the FBI. Although you have submitted fingerprint cards to the state they do not meet the SAFE requirement of having been submitted to NMLS.

Since the state does an FBI background check does that mean I will automatically pass the background check that is done by NMLS?

No. The state compared your previous background report against the requirements of the Alaska Mortgage Lending Regulation Act (AMLRA) that was enacted in 2008. The new FBI background check will be forwarded to the state to review for compliance with minimum SAFE requirements that were enacted in the recently passed Alaska SAFE Act 2010. A copy of the Alaska SAFE Act 2010 is available on our website under "Reference Information."

What are the differences in the AMLRA of 2008 state law and regulations on background checks and the minimum SAFE requirements for licensing that were enacted on July 1, 2010 under the Alaska SAFE Act 2010?

Under AMLRA of 2008 state law and regulations did not apply to felonies unless they were financially related, and after 7 years those felonies did not affect licensure.

Under the Alaska SAFE Act 2010 the MLO is not eligible for licensure if:

1. They have had their license revoked in any governmental jurisdiction.
2. Been convicted of, pled guilty or nolo contendere to a felony (**any kind of felony**) during the 7 years preceding the date of the application for licensing.
3. Been convicted of, pled guilty or nolo contendere, at any time preceding the date of the application; to a felony involving an act of fraud, dishonesty or breach of trust, or money laundering. Therefore, if the felony involved one of these acts the MLO is not eligible for licensure regardless of lapse of time.

Credit Report Check

I currently have my license. Will I have to have a credit report pulled?

Yes. SAFE requires that you provide authorization through NMLS for the system to obtain an independent credit report. This functionality will not be available in NMLS until October 2010 and you will be required to provide the authorization for the credit report at the time of renewal.

What criteria does the state use to evaluate my credit history?

The department has drafted proposed regulations that address the financial responsibility required to obtain and maintain a license under 3 AAC 14.063. The draft regulations are now open for public comment and a copy of the regulations are available on this website under the "NEWSFLASH" section at the top of the website page.

Renewal

When and how do I renew my license?

Licenses must be renewed annually through NMLS. The first annual renewal will be in 2010. The renewal period opens on November 1st of each year and closes on December 31st. NMLS provides a link on their website to assist you with the renewal process and also offers a "Renewal Tutorial".

My current license was issued for 2 years and doesn't expire until after December 31, 2010. Do I still have to renew my license by December 31, 2010?

Yes. SAFE requires that licensee's renew annually. The revised state legislation, Alaska SAFE Act 2010, also changed the biennial licensing period to an annual licensing period to be in compliance with SAFE.

I just got my license on November 2, 2010. Do I have to renew my license for 2011?

No. Licenses that are approved on or after November 1, through December 31, 2010 will be good until the following December of the next year. In the case above, the license will be valid until December 31, 2011 and the licensee must renew their license for 2012. However, licensees approved prior to the November 1st date have to renew their license. For example if the licensee was approved on October 15, 2010 they would have to renew their license by December 31, 2010.

Is renewal automatic? Do I have to submit anything? And, how do I know when I'm approved?

Renewal is not automatic. The renewal for 2011 will be different than subsequent years because in this renewal cycle the state will be checking to ensure that you have met the minimum SAFE requirements. This includes the 20 hours of pre-licensing education, passing the national test and criminal background check. As you complete these items through NMLS they will become part of your NMLS record. **AND**, the NMLS system will not allow you to request renewal unless these items have been completed.

In subsequent years, the minimum renewal standards will be attestation that you continue to meet the standards for licensing and have completed the continuing education requirements through NMLS.

You will know that your renewal has been approved when your "renewal status" is changed in NMLS to "approved". You will receive an email notification by NMLS and will need to check your license status.

If I file my request for license renewal by December 31st am I going to be okay to do business on January 1st?

Yes. Your license status does not change if you request renewal by December 31st.

What if I miss the renewal deadline date?

On January 1st the system automatically changes the license status of all licensees who failed to renew to “Terminated – Failed to Renew”. This means that you cannot conduct mortgage loan activities. However, the state is providing a reinstatement period – please see the next question.

What is the reinstatement period? Can I conduct business once I’ve requested reinstatement?

The reinstatement period runs from January 1st through the last day of February every year and allows MLOs who have missed the renewal period to pay a late renewal fee versus having to reapply for licensure. The licensee must meet all of the renewal criteria before they are eligible to apply for reinstatement (refer to questions above).

No. You cannot conduct business during the reinstatement period. Your license remains in a “Terminated – Failed to Renew” status. Once your reinstatement renewal request has been reviewed and approved by the department your license status will be changed to “Approved” allowing you to conduct mortgage loan activities.

What happens on March 1st if I missed the reinstatement deadline date?

On March 1st the license status will be changed to “Terminated – Expired”. In order to conduct mortgage loan activities in Alaska you must reapply for a new license. You will need to resubmit all required licensing documentation for new licensees and pay all new application fees.