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January 14, 2011

To: Clients and Friends

From: David F. Dulock

Subject: Mortgagee Letter 2011-04 – FHA Capture of NMLS Information

This is to advise all clients that on January 5, 2011, FHA published the above Mortgagee letter (*copy attached*) notifying all FHA mortgagees that FHA will begin collecting the unique identifiers assigned by the Nationwide Mortgage Licensing System and Registry (NMLS) to individuals and entities participating in the origination of loans submitted for insurance by FHA at a number of points in the lender approval and loan origination processes, as described below.

1. FHA will collect the NMLS company ID of lenders seeking approval to participate in FHA programs at application.
2. FHA will collect the NMLS company ID for lenders seeking to renew their FHA lender approval at time of renewal.
3. FHA will collect the NMLS company ID of Sponsored Third Party Originators (TPO) from the sponsoring FHA-approved mortgagee at time of TPO registration with FHA.
4. FHA will collect the NMLS unique identifiers of the following parties involved in the origination of a loan submitted for FHA insurance endorsement at the time of case number assignment:
 - The loan officer who took the application from the applicant, and
 - For TPO loans, the TPO company name and TIN.
5. FHA will capture the company name, TIN and NMLS ID (if applicable) of a sponsored TPO company on the revised form HUD 92900-A, "HUD/VA Addendum to Uniform Residential Loan Application (dated 9/2010)." The revised form 92900A must be used for all loan applications taken by a sponsored TPO, which may be obtained at <http://www.hud.gov/offices/adm/hudclips>.

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Attachments: Mortgagee Letter 2011-04

ML 2011-04: FHA Capture of Nationwide Mortgage Licensing System and Registry (NMLS) Information (01/05/11)

TO: ALL APPROVED MORTGAGEES

This Mortgagee Letter is being issued to inform mortgagees that the Department of Housing and Urban Development (HUD) will begin collecting the unique identifiers assigned by the Nationwide Mortgage Licensing System and Registry (NMLS) to individuals and entities participating in the origination of loans submitted for insurance by the Federal Housing Administration (FHA). FHA-approved mortgagees and their employees must comply with the NMLS registration requirements of the states and entities with jurisdiction over their activities, and must register in accordance with the guidelines set forth by the NMLS. Additionally, FHA approved mortgagees that act as a sponsor for a third party originator should ensure that their sponsored third party originators obtain and maintain an NMLS unique identifier (NMLS ID), as is required by the states and entities with jurisdiction over their activities and in accordance with the registration guidelines set forth by the NMLS. HUD will capture NMLS IDs at a number of points in the lender approval and loan origination processes, as described below.

Application for or Renewal of FHA Lender Approval

- HUD will collect the NMLS company ID of lenders seeking approval to participate in FHA programs via a new field in the "Application for Federal Housing Administration Lender Approval" (Form HUD-92001-A)¹.
- HUD will collect the NMLS company ID for lenders seeking to renew their FHA lender approval via the completion of a new field in the renewal screens in FHA Connection.

Completion of these new fields will become mandatory upon their release² for those institutions that possess an NMLS company ID.

¹ Paperwork reduction information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB Control Numbers 2502-0005 and 2502-0059. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB Control Number.

² Upon approval by OMB, the revised Form HUD-92001-A will be released and available on HUD's website at <http://www.hud.gov/offices/adm/hudclips/forms/hud9.cfm>. Changes to the renewal screens in FHA Connection were released on October 4, 2010.

Sponsored Originator Registration

- As explained in Mortgagee Letter 2010-33, HUD will collect the NMLS company ID of Sponsored Originators via entry by a sponsoring FHA-approved mortgagee in the Sponsored Originator Maintenance screen in FHA Connection.

Loan Processing and Underwriting

Modifications will also be made to FHA Connection to capture the NMLS unique identifiers of parties involved in the origination of a loan submitted for FHA insurance endorsement. FHA-approved mortgagees will be required to complete the following new fields on the FHA Connection case number assignment screen, as appropriate:

- The NMLS ID of the loan officer who took the application from the applicant, and
- For sponsored third party originator loans, the sponsored third party originator's company name and Taxpayer Identification Number (if applicable).

This information will allow HUD to provide FHA-approved sponsoring mortgagees with Neighborhood Watch performance data for their sponsored third party originators, and will assist in ensuring that participants in FHA loan transactions comply with the eligibility requirements governing participation in FHA programs.

Entry of the name and NMLS ID of a loan officer is optional until March 31, 2011. For all case numbers assigned on or after April 1, 2011, this information must be entered in accordance with the following guidelines:

- The loan officer's first and last name are required, and
- If registered in NMLS, the loan officer's NMLS ID is required.

Example:

Case Number Assigned on: 06/22/2010

FHA Case Number: 061-3862716

* General Information *

Field Office: Hartford, CT Lender Case Ref:

Is this a Sponsored Originator Case? Yes

Sponsored Originator EIN: 123456789 <small>THIS IS A TEST NAME</small>	Sponsor/Agent ID: 5000109990 <small>ABC Lender NEW YORK NY 100014350</small>
NMLS ID: 1059867	NMLS ID: 43986644

Loan Officer Name: Suffix:

First Name: <input type="text" value="WILLIAM"/>	MI: <input type="text" value="D"/>	Last Name: <input type="text" value="MCKNIGHT"/>	
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Loan Officer NMLS ID:

Finally, changes have been made to form HUD 92900-A, "HUD/VA Addendum to Uniform Residential Loan Application," to capture the company name, Taxpayer Identification Number and NMLS ID (if applicable) of a sponsored third party loan origination company. Mortgagees may obtain the revised form at <http://www.hud.gov/offices/adm/hudclips>. The revised form 92900A (dated 9/2010) must be used for all loan applications taken by a sponsored originator. For loan originations not involving a sponsored originator, FHA-approved mortgagees may use the prior version of the 92900-A (dated 5/2008) until January 1, 2011.

Non-compliance with NMLS Registration Requirements

Under the Helping Families Save Their Homes Act of 2009 (Pub.L. 111-22), the failure of an FHA-approved lender to comply with requirements of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (12 U.S.C. 5101-5116) and applicable state law is cause for withdrawal of FHA lender approval or loss of authorization to participate in FHA lending programs. Therefore, HUD encourages mortgagees to comply with applicable federal and state requirements governing NMLS licensing and registration. For more information on your state's NMLS requirements and implementation plans, please visit: <http://mortgage.nationwidelicencingsystem.org>.

If you have questions regarding this mortgagee letter, please call the FHA Resource Center at 1-800-CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may access this number via TDD/TTY by calling 1-877-TDD-2HUD (1-877-833-2483).

Sincerely,

David H. Stevens

Assistant Secretary for Housing-

Federal Housing Commissioner