Corporate & Financial Weekly Digest

Posted at 12:08 PM on January 14, 2011 by Jeffrey M. Werthan

S.A.F.E. Act Registration Set

On January 4, the Federal Deposit Insurance Corporation announced its expectation, along with the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, the Farm Credit Administration, and the National Credit Union Administration (the Agencies), that the system for federal registration of residential mortgage loan originators (MLOs) will begin operation on or around January 31. The Agencies' rules implementing the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act) require MLOs to register with the Nationwide Mortgage Licensing System and Registry within 180 days of the date the Registry begins accepting federal registrations. The Agencies will confirm the opening date for federal registration closer to the actual date and will publish notice of that date in the *Federal Register*.

- The S.A.F.E. Act is intended to improve the accountability and tracking of residential MLOs, enhance consumer protection, reduce fraud and provide consumers with easily accessible information regarding an MLO's professional background.
- MLOs employed by Agency-regulated institutions will have 180 days from the date on which the Registry begins accepting federal registrations to complete initial registration. At present, the Agencies expect the initial registration period to expire on July 29.
- After the initial registration period expires, MLOs will be prohibited from originating residential mortgage loans until they successfully complete the federal registration process.
- The Agencies' rules provide a *de minimis* exception whereby MLOs that originated five or fewer mortgage loans during the previous 12 months are not required to complete the federal registration process.

Read more.

Katten Muchin Rosenman LLP
Charlotte Chicago Irving London Los Angeles New York Washington, DC