



Charles G. Cooper  
Commissioner

## TEXAS DEPARTMENT OF BANKING

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### INDUSTRY NOTICE 2011-4

Date: May 17, 2011

### Registration Deadline for MLOs

To: Texas State-Chartered Banks

Mortgage loan originators<sup>1</sup> (MLOs), sometimes referred to as residential loan officers, must be registered with the [Nationwide Mortgage Licensing System](#) (NMLS) database by **July 29, 2011**.



After the registration period expires, MLOs will be prohibited from originating residential mortgage loans until they successfully complete the federal registration process. The [rules](#) provide a de minimis exception whereby MLOs that originated 5 or fewer mortgage loans during the previous 12 months are not required to complete the federal registration process.

With licensing and registration, all originators will have a unique ID number, which will remain with them regardless of changes in employment. This will allow consumers and employers to more easily verify the track record of an originator on [NMLS Consumer Access](#). NMLS Consumer Access is a free service for consumers to confirm that the mortgage company or mortgage professional with whom they wish to conduct business is licensed in their state.



If you have not begun the registration process for your MLOs, we encourage you to do so before the deadline.

<sup>1</sup>*12 CFR Part 34, 208, 211, et al. Registration of Mortgage Loan Originators; Final Rule*

(b) (1) *Mortgage loan originator means an individual who:*

- (i) *Takes a residential mortgage loan application; and*
- (ii) *Offers or negotiates terms of a residential mortgage loan for compensation or gain.*

(2) *The term mortgage loan originator does not include:*

- (i) *An individual who performs purely administrative or clerical tasks on behalf of an individual who is described in paragraph (b)(1) of this section;*
- (ii) *An individual who only performs real estate brokerage activities (as defined in 12 U.S.C. 5102(3)(D)) and is licensed or registered as a real estate broker in accordance with applicable State law, unless the individual is compensated by a lender, a*

- mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator, and meets the definition of mortgage loan originator in paragraph (b)(1) of this section; or*
- (iii) *An individual or entity solely involved in extensions of credit related to timeshare plans, as that term is defined in 11 U.S.C. 101(53D).*