

THE IDAHO DEPARTMENT OF FINANCE

SUMMER 2018



THE IDAHO COMPLIANCE CONNECTION

Inside this issue:

Why is Your License Still in the “Paper” World?	1
Here are the Top Things That Delay a License Application...and the Renewal	2
Did you know....	3
Enforcement Actions	4
Idaho 2018 Continuing Education Opportunities	5
Consumer Finance Bureau Statistics	6
Top Consumer Complaints	7
Important Dates to Remember	8
Department Contact Information	9

Why Is Your License Still in the “Paper” World?

Does your company still maintain its Idaho consumer lender or collection agency licenses in the paper world with varying renewal dates...March 15 and May 31? Do you also have one or more licenses on NMLS for Idaho or another state with a renewal date of December 31? Simplify your licensing compliance requirements and transition all of your Idaho licenses to NMLS. Why you ask?

NMLS is a secure web-based system created by state regulators, with industry input, to provide efficiencies in the processing of state licenses and to improve supervision of state-regulated industries. NMLS is NOT a regulatory body—it is a central repository and system of record of licensing information. All licensing decisions are still made by each individual state. Through NMLS your company will be able to apply for, amend, and renew its license authorities conveniently and safely online. Your NMLS company and branch records are entered and maintained under the one-record concept regardless of how many states you operate in. No more putting together separate paper application packages, amendments and renewals, copying those packages and paying postage to wait and see if delivery is made on time.

Other benefits of automated licensing systems are numerous and include less paperwork, online payment processing with payment options like credit and debit cards not available in the “paper” world, immediate confirmation of submission, and typically faster application review processing times at the state. State regulators have access to one uniform set of data for any given company and the individuals associated with it while streamlining the licensing process for companies throughout the country. Since NMLS is a web-based system your company can access its records and perform functions from anywhere with an internet access close to 24 hours a day—even weekend hours--362 days a year—something not available in the paper world. Your company can see its records at a glance. Licensees will appear on NMLS Consumer Access which is a free and easy web-based service for consumers and others to use to confirm that the financial-services company or professional with whom they wish to conduct business is authorized to conduct business in the state. (www.NMLSConsumerAccess.org). No more going to each state’s webpage to verify licensure.

NMLS also offers users free access to the NMLS Call Center where an applicant or licensee can get help in navigating the NMLS or guiding callers to specific functions, getting directions to information an applicant or licensee needs as well as putting your company in touch with any state regulator for policy and requirement questions for any license type in the System. There is also an extensive Resource Center with helpful information on applying for licenses including checklists for each state and each license type offered, Quick Guides and suggested workflow guidance, NMLS and Agency News items, report capabilities and much more. During the renewal season NMLS sends email reminders to keep you on top of deadlines and provides renewal information for each state.

To encourage participation in the program, there is no NMLS processing fee for submitting a new application or transitioning an existing license into NMLS. The only charge will be at the time of renewal which opens November 1. Once an applicant is registered in the system, NMLS will annually charge a processing fee of \$100 per company license and \$20 per licensed or registered branch location which helps offset the costs of the System, supports the Call Center as well as the features available. All state regulatory fees will remain the same. Transitioning licensees in Idaho that have already renewed licenses into 2019 will be charged a prorated fee that is already pre-calculated in NMLS.

Still not convinced? Contact the Consumer Finance Bureau Licensing Section at (208) 332-8002 or send an email to mortgage@finance.idaho.gov, icc.mail@finance.idaho.gov or collections@finance.idaho.gov. We will make sure the inquiry gets to someone who can answer any of your transition or NMLS questions.

Here are the Top Things That Delay a License Application...and

One of the top inquiries made to the Bureau is “*How long does an application take before I get a license?*” There are many variables that affect a response--such as application volumes, license renewal periods, staff training, phone and email inquiries---but the number 1 thing that affects application turn times is the quality of the application packages. Submitting an incomplete application package will delay *your* application as well as all applications behind it. *Your* application gets delayed by the incomplete packages in front of it.

How do we fix this? Here are 10 helpful ideas that will help us help you:

1. Utilize the checklists and instructions. These documents, whether for a new application or renewal, contain important information on what is needed to be in an application package.
2. If your license is maintained on NMLS, become familiar with the Policy Guidebook and the Quick Guides accessible from the [NMLS Resource Center](#) under “Popular Links” as well as many other tools available. Whether information is needed on what documents need to be uploaded for disclosure question responses or *how* to perform a particular task correctly such as the upload process, the Resource Center is your go-to assistant.
3. If your company uses a trade name, or a version of the company name that is different in any way from the legal name, those trade names or variations must be listed in the Other Trade Name section of the applications, and in most cases will also need to be filed with, and approved by, the Idaho Secretary of State. Review your company forms, websites, social media accounts and advertisements as needed to keep the application information current.
4. Make sure that the company business plan includes and addresses the identified business activities your firm indicates it will perform in Idaho. Company structure organization charts should match the reported direct owners, indirect owners, subsidiaries and affiliates on the application. Discrepancies need to be explained.
5. Company management charts should match the reported control persons identified in the application, as well as other significant persons within the company.
6. Make sure to provide all requested documents that appear on the checklist or instructions such as formation documents, name verifications, resumes, surety bonds, financials, asset verification, business plans, initial agent filing—whatever is required of the license for which you are applying. If you maintain your license(s) on NMLS keep the document upload section current and remove outdated or incorrect documents. Only upload documents into sections specifically noted for that document. Some documents may need to be provided outside the NMLS.
7. For license types that require specific experience in a particular business activity make sure to provide a resume that contains detailed experience in the activity required. Sales levels and volumes, awards, and other accolades are not evidence of experience. Describe the duties and activities actually performed.
8. For individuals that may have had financial, civil or other legal issues in the past do not wait for Bureau staff to ask about them—provide the information, at the time of application submission, as the disclosure section of the application states or if the application requires a credit report for the individuals, review and comply with [Idaho’s Financial Responsibility Policy](#). If you decide to wait for an inquiry from Bureau staff then respond quickly once you receive notification. If the application record is on NMLS make sure that each event is explained separately with only documents related to that event uploaded. Each event must be addressed separately.
9. Over disclosure cannot hurt your application; under disclosure always will whether in time delays or in the final decision.
10. If you are one of the licensees still maintaining a “paper” license application record—transition to NMLS to maintain your license. Questions regarding the transition process can be sent to mortgage@finance.idaho.gov, icc.mail@finance.idaho.gov, collections@finance.idaho.gov or you may call (208)-332-8002.



Did you know....

- You can still help shape NMLS 2.0? Your feedback and participation through email and Yammer Groups are needed and you are encouraged to get involved and be heard. Visit <https://new.nmls.org> for the opportunity to help improve operations, enhance the user experience and build a more modern platform.
- Over 50% of Idaho's paper-based Consumer Lender and Collection Agency licensees have transitioned their license records to the NMLS and maintain their licenses electronically? Licensees gain access to their records almost 24/7 from any location with access to the internet allowing for access to centralized resources and information, filing of amendment updates, renewals, new applications, as well as training information, reports and more at their convenience. If you are still in the paper-license world we strongly encourage your company to transition to NMLS. Call (208) 332-8002 for more information!
- The Primary Contact Person listed on all license applications and renewals CANNOT be a third-party firm or non-employee of the applicant or licensee. Third-party persons may be listed as Secondary-contact personnel only.
- The number one reason collection agent notification filings fail in Access Idaho submissions to the Department is due to incorrect date configuration. Use of the calendar function to insert any date by the licensee, instead of manual input, will alleviate this problem. Access Idaho opens 30 days prior to each filing deadline and closes 2 weeks after the deadline. It is not live beyond those time frames.
- The Bureau does not mail annual renewal forms. The Bureau has sent courtesy email notifications as a reminder to renew licenses and how to obtain necessary forms and information. It is important that all licensees keep current email addresses on file with the Bureau whether through NMLS or paper amendment. Maintaining a current email address associated with your company's contact person, especially one that several employees have access to, will help your company stay abreast of important communications from the Department of Finance.
- The Bureau does not issue paper licenses for any of its license programs and does not require proof of licensure to be posted by the licensee within its offices. All approved license information is displayed on the Department's website at <http://www.finance.idaho.gov>, along with renewal confirmation and other detailed information. Licenses may additionally be verified in NMLS Consumer Access at <http://www.nmlsconsumeraccess.org> for mortgage broker/lenders, mortgage loan originators, and transitioned regulated lenders, payday lenders, and collection agencies.
- As of April 30, 2018, the Bureau has processed over 78,500 loan originator sponsorship/relationship requests since January 2, 2008 when the NMLS went live. *These transactions are solely related to employment changes.*
- Between June 1, 2017, and April 30, 2018, Bureau examiners participated in 14 consumer education conferences, high school and college financial education training programs as well as providing financial literacy information through event booths reaching over 2,760 participants and attendees.

ENFORCEMENT ACTIONS

MORTGAGE BROKER/LENDERS

MANN MORTGAGE, LLC, d/b/a HERITAGE HOME LOANS; CHIMNEY ROCK MORTGAGE; ALLIED MORTGAGE RESOURCE; AFFINITY MORTGAGE; and MORTGAGE DESIGN (Whitefish Stage, Montana) – September 10, 2017-- Consent Order issued addressing this company's continued violations of the Idaho Residential Mortgage Practices Act (Act), the rules pursuant to the Act, the federal Truth in Lending Act, implemented by Regulation Z, and the Real Estate Settlement Procedures Act of 1974, implemented by Regulation X. The company agreed to pay to the Department an administrative penalty in the amount of \$150,000 plus attorney fees and investigative costs of \$1,000, with \$75,000 suspended pending an examination by the Department during calendar year 2018. The company agreed to comply with all provisions of the Act and rules promulgated thereunder at all times in the future.

OCWEN LOAN SERVICING, LLC (West Palm Beach, Florida) –September 28, 2017-- Consent Agreement concluding the matter in the Department's Order to Cease and Desist against Ocwen issued on April 20, 2017. The company agreed to transition its servicing portfolio from its current servicing platform to a platform better able to manage escrow accounts and to establish a new complaint resolution process and was required to hire a third-party firm to audit its portfolio. The settlement further required restitution for customers harmed by its failure to properly handle mortgage payments.

COLLECTION AGENCIES, DEBT/CREDIT COUNSELORS, DEBT BUYERS, DEBT SETTLEMENT COMPANIES, CREDIT REPAIR COMPANIES

CAPITAL ACCOUNTS, LLC (Franklin, Tennessee) – September 28, 2017-- Consent Order issued addressing unlicensed collection agency activity under the Idaho Collection Agency Act (Act). The company admitted to engaging in violations of the Act and agreed to pay to the Department an administrative penalty of \$2,000 and attorney fees and investigative costs of \$500. The company further agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

The company applied for and was granted an Idaho collection agency license.

INVESTMENT RETRIEVERS, INC. (Folsom, California) – October 6, 2017—

Settlement Agreement and Consent Order issued addressing unlicensed collection agency activity under the Idaho Collection Agency Act (Act). The company agreed that it would not engage in collecting against Idaho residents without a license; agreed to cease and desist from all collection activities in Idaho until licensed and agreed to pay to the Department an administrative penalty of \$2,000 and attorney fees and investigative costs of \$500. The company further agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.



NMLS Training

September 11 - Idaho Falls
September 12 - Boise, ID
September 13 - Coeur d'Alene

SAVE THE DATE!!

IAMP and IMLA Members: **\$75** Non-Members: **\$149**

IAMP, and IMLA, in conjunction with the Idaho Department of Finance present **8 Hours of Continuing Education**

Class Includes: ALL CLASSES DIFFERENT FROM LAST YEAR!!

2 Hours Ethics --- 2 Hours Non-Traditional --- 1 Hour State -- 3 Hours Federal

MORE INFORMATION –

208-321-9309 OR TOTTENS@AMSIDAHO.COM

OR WWW.IDAHOMORTGAGEPROFESSIONALS.ORG

Registration Available in July





CONSUMER FINANCE BUREAU STATISTICS

AS OF April 30, 2018

Active Licensees (as of 4/30/2018)

Mortgage Brokers/Lender	1024
Mortgage Loan Originators (Approved-Active)	3951
Mortgage Loan Originators (Approved-Inactive)	621
Regulated Lenders (Inc. Title/Payday Lenders)	836
Collection Agencies	629
Debt/Credit Counselors	28
Debt Buyers	86
Credit Repair Company/Organizations	10
Debt Settlement Companies	8
Collection Agency Agents/Solicitors	58,570

New Applications Received (6-1-17 to 4-30-18)

Mortgage Brokers/Lenders	348
Mortgage Loan Originators	1729
Regulated Lenders (Inc. payday/title)	70
Collection Agencies	225

Revocations/Denials (6-1-17 to 4-30-18)

Withdrawals (6-1-17 to 4-30-18)

Mortgage Broker/Lenders	54
Mortgage Loan Originators	595
Regulated Lenders (Inc. Payday/Title)	66
Collections	46

Terminations (failed to renew licenses) (6-1-17 to 4-30-18)

Mortgage Broker/Lenders	24
Mortgage Loan Originators	839
Regulated Lenders (Inc. Payday/Title)	11
Collection (all categories)	45

(Exams Conducted 6-1-17 to 4-30-18)

Mortgage Brokers/Lenders	62
Branches	99
MLOs	383
Regulated Lenders (Inc. Payday/Title)	22
Branches	76
Collection Agency	19

Complaints filed (written) (6-1-17 to 4-30-18)

Mortgage (Origination/servicing)	39
Loan Originators	5
Collection Agency	72
Regulated Lenders (Inc. Payday/Title)	49
Idaho/Federal Chartered Banks and Credit Unions	32

Unlicensed Activity (all categories)	30
--------------------------------------	----

Complaints Closed (6-1-17 to 4-30-18)

262

Top Consumer Complaints

June 1, 2017 through April 30, 2018

Mortgage Servicers:

- Foreclosures / modifications- request for assistance
- Disclosure issues regarding servicing of existing mortgage
- Payment disputes – escrows and servicing transfers

Mortgage Broker/Lender:

- Advertising
- Disclosures

Mortgage Loan Originators:

- Communications

Debt/Credit Counseling:

- Unlicensed activity
- Account and payment disputes

Collection Agencies:

- Unlicensed activity
- Account and payment disputes

Payday Lenders:

- Payment and disclosure disputes
- Unlicensed activity

Consumer and Title Lenders:

- Unlicensed activity
- ID theft via online consumer loans
- Payment and disclosure disputes



Important Dates to Remember

Renewals

Collection Agencies --Paper Submissions

Collection Agencies--NMLS

Regulated Lenders (includes payday and title lenders)

Paper Submissions reinstatement with fee

Regulated Lenders (includes payday and title lenders) - NMLS

Reinstatement with fee

Mortgage Brokers/Lenders

Reinstatement with fee

Mortgage Loan Originators

Reinstatement with fee

Annual Reporting of Activity

Collection Agencies (“paper” or NMLS licensees)

Mortgage Broker/Lenders Call Reports (MCR)
February 14th

Regulated Lenders (“paper” or NMLS licensees)

Reinstatement with fee

*Idaho Collection Agency Annual Agent Report filings are due March 15 and Quarterly Agent Report filings are due on June 15, September 15 and December 15 regardless of whether company license records are maintained in a “paper” format or electronically on NMLS, or whether agent filings are reported on paper or electronically through Access Idaho. These must be filed close to the 15th and no more than 30 days prior. Please mark your calendar.

Last Date to Complete

March 15

December 31

May 31

July 31

December 31

February 28

December 31

February 29

December 31

February 29

Final Date to File

March 15th

Qtr1--May 15th , Qtr2—August 14th , Qtr3—November 14th , Qtr4—

May 31

July 31



COLLECTION AGENT QUARTERLY REPORT INSTRUCTIONS

Paper Report Filers

(Only applicable for initial license applications and those reporting less than 100 agents/RPICs in any quarter, including annual report. All others must file electronically through Access Idaho)

- Quarterly Notifications are due June 15, September 15, and December 15;
- Annual Notifications are due March 15;
- Reports must be dated no more than 30 days prior to the due date;
- Complete the entire top left portion of the report and mark the box on the right indicating which quarter is being reported;
- The list must be in alphabetical order and by location order;
- List terminated agents at the end of the Quarterly Report in alphabetical order;
- Attach explanations and supporting documentation if checked “yes” for any felony or misdemeanor answers;
- A fee of \$20.00 (each) for all newly activated agents or RPICs must accompany the reports filed for the periods ending June 15th, September 15th and December 15th;
- Attach ONE check payable to the Idaho Department of Finance for the total fees due (\$20 for each new agent/RPIC you are registering);

Access Idaho Filers

- Quarterly Notifications are due June 15, September 15, and December 15;
- Annual Notifications are due March 15;
- Filing window will open 30 days prior to due date;
- Email explanations and supporting documentation to collections@finance.idaho.gov if checked “yes” for any felony or misdemeanor answers;
- Payment may be made via e-check, ACH or credit card.



**Idaho Department
of Finance**



USPS

(Regular Mail)

IDAHO DEPARTMENT OF FINANCE
P.O. BOX 83720
BOISE, ID 83720-0031

OVERNIGHT DELIVERY

IDAHO DEPARTMENT OF FINANCE
800 PARK BLVD STE 200
BOISE, ID 83712
Phone: (208) 332-8000

Consumer Finance Bureau: (208) 332-8002

Facsimile: (208) 332-8096

Website:

www.finance.idaho.gov

Email Contacts

Mortgage Companies:
mortgage@finance.idaho.gov

Mortgage Loan Originators:
mlo@finance.idaho.gov

Regulated Lenders, Title Lenders,
Payday Lenders:
icc.mail@finance.idaho.gov

Collection Agencies:
collections@finance.idaho.gov

Access Idaho Agent Filings:
agents@finance.idaho.gov



This newsletter is produced semi-annually as a part of the Consumer Finance Bureau's continued communication outreach with the companies it regulates. Delivery is provided by electronic notification of its availability on the Department's website at www.finance.idaho.gov.

Suggestions and comments concerning the newsletter or its contents should be sent to the Bureau at P.O. Box 83720, Boise, Idaho 83720-0031 or via email to **K.C.Schaler@finance.idaho.gov**