



THE IDAHO COMPLIANCE CONNECTION

FALL 2009

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In Idaho, The Term "Mortgage Brokering" Includes Residential Mortgage Loan Modification Activities Are You Properly Licensed?

During the past year the Idaho Department of Finance has seen a substantial increase in business activities involving various forms of mortgage loan modification—from third party companies offering mortgage modification services to distressed homeowners to negotiating short sales in order to sell properties at a profit. These activities have emerged as the Department's number one area of consumer complaints.

The 2009 Idaho Legislature amended the Idaho Residential Mortgage Practices Act (IRMPA) to include model language incorporating the federal *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* (S.A.F.E. Act). IRMPA was also amended to include mortgage loan modification activities as falling within the definition of mortgage brokering activities. Consequently, an entity that offers to perform, or engage in, mortgage loan modification activities, which may include short sale negotiations, on behalf of a borrower for compensation or gain, or for the expectation of such, must be licensed as a mortgage broker/lender. Additionally, an individual who engages in mortgage loan modification activities on behalf of a mortgage broker/lender must be licensed as mortgage loan originator.

Entities licensed under IRMPA have an affirmative obligation to keep their licensing information current with the Department. Licensees must also have any forms, contracts, disclosures, or other documents used in conducting their business, approved by the Department *prior* to usage. For loan modification activities, this includes the approval of proposed fee schedules to assure compliance with IRMPA's restrictions on upfront fees and charges, as well as the requirement that licensees obtain a written agreement with a borrower that fully discloses fees, terms, and the expected impact of the modification on the borrower's monthly payment and length of the borrower's loan.

Entities desiring to engage in mortgage loan modification activities must file license applications and application update amendments through the Nationwide Mortgage Licensing System and Registry (NMLS). The business activity that a license applicant proposes to engage in must be identified in Section 4 of Form MU1, which is the entity application. For those proposing to offer mortgage loan modification activities, the "Other" box should be marked and the mortgage modification activity identified. Forms, contracts and other items to be approved by the Department should be attached to an Idaho Jurisdiction Specific Requirement Checklist (JSR) and sent to the Department outside of the NMLS. JSRs for any state can be located in the NMLS at

<http://mortgage.nationwidelicensingsystem.org/slr/Pages/default.aspx>.

If you have questions as to whether your business activities require licensure under IRMPA, you may request an opinion from the Department. Such requests must include a detailed *written* description of the business activities to be conducted, as well as any supporting documents. Requests may be made by e-mailing the Department at mortgage@finance.idaho.gov or via mail or other delivery service. Opinions for licensure will NOT be provided verbally in phone inquiries.



Mortgage Fraud Program

Your Partner in Fighting Mortgage Fraud™

Mortgage Fraud News: July 2009

Preforeclosure Sales Abuse

Fannie Mae has become aware of a new variant of property flipping involving preforeclosure (short) sales.

The trend we have observed involves a perpetrator who submits a short sale offer to purchase a preforeclosure property at a price less than the current indebtedness. This perpetrator locates a second buyer, who may not be arms length, to purchase the property at a higher price simultaneous with the short sale or in rapid succession, concealing the second (higher) transaction from the lender approving the short sale. The second transaction may involve a new loan based on an inflated appraisal.

In some cases, the perpetrator convinces the homeowner to deed the property into a land trust, with the perpetrator (or his accomplice) as trustee.

We have been advised of instances where the perpetrator is the listing agent, and the agent presents his/her short sale offer as the “best” offer, even though the agent has received other, higher, arms length offers.

As this trend has gained momentum, some title companies have begun to refuse to close the simultaneous transactions. As a result, a second version of this scheme has evolved in which the closing involves only one transaction: from the homeowner to (the perpetrator’s) ultimate purchaser. The perpetrator is paid out through or outside of closing. Some of the tactics observed include a second mortgage filed by the perpetrator against the property immediately before closing, and inflated real estate commissions.

These flips can potentially be identified and thwarted by either the pre-foreclosure lender or the lender financing the second (inflated) transaction. Fannie Mae recommends the following best practices in assessing preforeclosure sale activity:

- ✓ Confirm the ownership status of the property:
 - Is the title held in trust? Was it an allowable transfer? (Servicing Guide, Section III, Chapter 4)
- ✓ Review marketing efforts such as the MLS listing
- ✓ Condition approval on disclosure of all contracts pending on the property prior to mortgage payoff
- ✓ Validate the purchaser’s loan approval, deposit and funds to close
- ✓ Condition approvals for preforeclosure sales on review of the final HUD-1 Settlement Statement
 - Review the sales price and payouts against the purchase offer

Fannie Mae recommends the following best practices to avoid financing inappropriate property flips:

- ✓ Validate the purchaser’s deposit and funds to close
- ✓ Use reliable appraisal valuation sources
- ✓ Review the final HUD-1 and do not allow excessive seller concessions to be paid to the purchaser
- ✓ Question excessive sales commissions
- ✓ Validate that the seller holds clear marketable title to the property

Fannie Mae partners with a wide variety of industry groups, with law enforcement, and with our customers in mortgage fraud education and prevention efforts. If you have any questions or suggestions about this information, please contact Fannie Mae’s [Mortgage Fraud Program](#) or your Customer Account Manager.

FANNIE MAE AND FREDDIE MAC DELAY MANDATORY REPORTING OF NMLS UNIQUE ID NUMBERS ON MORTGAGE APPLICATIONS

Fannie Mae and Freddie Mac have announced a delay in the requirement to report unique identification numbers assigned by the Nationwide Mortgage Licensing System (NMLS) to mortgage loan originators and their sponsoring mortgage companies. Both entities had initially established January 1, 2010 as the start date for reporting the unique ID numbers on all mortgage loan applications taken on or after that date.

The new mandatory reporting date has been moved to July 1, 2010. However, Freddie Mac is prepared for voluntary delivery of the unique ID numbers starting in December 2009 and Fannie Mae will begin accepting voluntary deliveries of the unique ID numbers on March 1, 2010.

For detailed information visit:

Freddie Mac's website at http://www.freddiemac.com/sell/secmktg/new_details.htm and Fannie Mae's website at <https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2009/ntce100609.pdf>.

“Did You Know



Surety Bonds for mortgage broker and mortgage lender licensees are no longer required as of July 1, 2009? The surety bond requirement has been replaced with a mortgage recovery fund. New company and loan originator applicants began contributing to the fund on July 1, 2009. All existing licensees must pay into the recovery fund during the 2010 renewal process. Recovery fund contributions are only collected at the time of a new application (MU1, MU3, MU4) or during the annual renewal period for each license.

The Bureau has processed 17, 831 loan originator sponsorship/relationship requests since January 2, 2008 when the NMLS went live?

The Bureau no longer prints mortgage loan originator licenses? All approved license information is displayed on the Department's website at <http://finance.idaho.gov> and is contained in the NMLS.

The Bureau only prints company licenses at initial approval? Renewal confirmation and detailed information may be obtained on the Department's website, and additionally in the NMLS for mortgage brokers and lenders, mortgage loan originators, registered regulated lenders, and exempt entities.

The Nationwide Mortgage Licensing System (NMLS) can be reached by phone at (240) 386-4444 AND email at NMLS_CallCenter@statemortgageregistry.com?

Bureau examiners participated in 58 consumer education conferences, high school and college financial education training programs reaching over 1,700 participants and attendees between January 1, 2009 and October 31, 2009?

New on the Web!

Press Releases (Press Releases Section): Twelve new releases added to information on civil lawsuits filed by the department, financial literacy, mortgage loan modification scams and related issues, the state of Idaho financial institutions, credit repair scams and much more.



Administrative Actions (Administrative Actions Section): The Consumer Finance Bureau, Financial Institutions Bureau and Securities Bureau are placing final administrative actions on the website for easy access

Civil Actions (Civil Actions Section): Completed civil actions in Idaho courts filed by the Department are available in this section.

Continuing Education Courses (Approved Licensee and Provider Section): Approvals of these Idaho providers and courses will only be valid through December 31, 2009. In 2010 continuing education providers and courses will be required to obtain provider and course approval through the NMLS.

12.01.10 Rules Pursuant To The Idaho Residential Mortgage Practices Act (News and Announcements Section): The Rules were modified July 29, 2009 in order to remove state-specific continuing education provider requirements and other education items to be in compliance with the SAFE Act. New definitions were added for loan modification activities and related fee collection for services.

Statute Updates (Laws/Statutes Section): **Idaho Residential Mortgage Practices Act and Idaho S.A.F.E. Mortgage Licensing Act of 2009:** Effective July 1, 2009, the new statute incorporates the model state S.A.F.E. language approved by HUD in response to the new federal requirements. New requirements include pre-license testing, pre-license education, credit report checks and federal criminal background checks for all mortgage loan originators, as well as updated licensing and renewal standards. Additionally, the surety bond requirement for mortgage brokers and mortgage lenders was removed and replaced with a mortgage recovery fund. **Idaho Credit Code:** Effective July 1, 2009 new provisions pertaining to the enforceability of payday loans granted to Idaho consumers by unlicensed payday lenders were incorporated.

Department Training (Training Presentations): Review the mortgage-related training presentations conducted by Department staff around the state in June 2009, as well as previous years.

Idaho S.A.F.E. Mortgage Licensing Act of 2009 Interpretive Letter (News and Announcements Section): This letter provides guidance in understanding the new licensing requirements pertaining to mortgage loan originators, independent contractor mortgage underwriters and mortgage loan processors, and mortgage loan modification companies. The letter covers some of the major issues and changes brought on by the passage of the federal "S.A.F.E. Mortgage Licensing Act of 2008" otherwise known as [P.L. 110-289](#) - The Housing and Economic Recovery Act of 2008 and incorporated into the Idaho Residential Mortgage Practices Act.

Idaho Mortgage Loan Originator Testing Requirements under SAFE (News and Announcements Section): This memo provides basic information on the testing requirements under the SAFE act for mortgage loan originators and where to register and obtain information.

Continuing Education and Certification Information for Mortgage Loan Originators (News and Announcements Section; Loan Originator and Mortgage Forms Section): This memo contains information on the upcoming deadline to participate in the continuing education certification process. Certification allows existing licensees, with Idaho mortgage loan originator licenses issued prior to July 1, 2009, to utilize continuing education credits they have received in past years and use those credits towards the SAFE Act 20 hour pre-licensing education requirement. Credits to be used for certification MUST be completed by December 31, 2009.

SAFE Act Testing Deadline Reminder (News and Announcements Section; Loan Originator and Mortgage Forms Section): Mortgage loan originators and their sponsoring companies will want to read this reminder information on the national and state component testing timelines!

SAFE Act Requirement Tracking Information (Approved Mortgage Loan Originator Licensee Section): A new column has been added to the records of approved loan originator licensees displayed on the Department's website at <http://finance.idaho.gov/Mortgage/LoanOriginatorLicense.aspx> that tracks the completion of SAFE Act requirements such as testing, education, fingerprints and credit checks. At the column titled "SAFE Reqs Met" click on "show". Displayed are items completed shown by a check mark in the box and items yet to be completed by that licensee, or a message that states there are no items to show for that licensee. This will allow licensed loan originators as well as their sponsoring employers to view SAFE Act compliance progress.

CONSUMER FINANCE BUREAU STATISTICS

AS OF OCTOBER 31, 2009

Active Licensees (as of 10/31/2009)

Mortgage Brokers/Lenders	984
Mortgage Loan Originators (Approved-Active)	2913
Mortgage Loan Originator (Approved-Inactive)	695
Escrow /1031 Exchange Companies	43
Regulated Lenders (inc. title lenders)	479
Payday Lenders	223
Collection Agencies	605
Debt/Credit Counselors	58
Debt Buyers	44
Credit Repair Company/Organization	5
Collection Agency Agents/Solicitors	39,278
Continuing Education Providers	30
Continuing Education Courses	131

New Applications Received (5/1/2009-10/31/2009)

Mortgage Brokers/Lenders	129
Mortgage Loan Originators	809
Regulated Lenders (inc. payday/title)	52
Collection Agencies (all categories)	80
Escrow/1031 Exchange Companies	4
Continuing Education Providers	0
Continuing Education Courses	6

Revocations/Denials (5/1/2009-10/31/2009) 2

Withdrawals (5/1/2009-10/31/2009)

Mortgage Broker/Lenders	127
Mortgage Loan Originators	337
Escrow	4
Regulated Lenders (inc. payday/title)	33
Collection (all categories)	7

Terminations (failed to renew licenses) (5/1/2009-10/31/2009)

Mortgage Broker/Lenders	NA
Mortgage Loan Originators	NA
Escrow	NA
Regulated Lenders (inc. payday/title)	1
Collection (all categories)	NA

Exams Conducted (5/1/2009-10/31/2009)

Mortgage Brokers/Lenders	7
Escrow	0
Regulated Lenders (inc payday/title)	149
Collection Agency	13

Complaints filed (written) (5/1/2009-10/31/2009)

Mortgage (origination/servicing)	28
Loan Originators	0
Escrow/1031 Exchange	1
Collection Agency	81
Payday Lender, Regulated	
Lender (finance co., payday, title)	33
Idaho chartered banks and credit unions	16
Federal chartered banks and credit unions	11
Unlicensed activity (all categories)	127

Complaints Closed (all) (5/1/2009-10/31/2009) 279



ENFORCEMENT ACTIONS

May 1, 2009 through October 31, 2009

MORTGAGE LOAN ORIGINATORS

SUZANNE DANIELLE REED (Murphey, Texas) – April 9, 2009 – Administrative complaint to suspend Ms. Reed's loan originator license due to failure to timely submit continuing education certificates of completion. A Notice of Proposed Default Order was served upon Ms. Reed after she failed to file an answer. After receiving the Notice of Proposed Default Order, Ms. Reed surrendered her license. As a result, the action was dismissed on May 5, 2009.

DARIN ANDREW STUBBS (Boise, Idaho) – September 1, 2009 – Order issued denying Mr. Stubbs's application for a mortgage loan originator license based on his failure to disclose information and lack of financial fitness. Mr. Stubbs contested the denial order, and a hearing is scheduled to take place in November 2009.

RICHARD DALE MILLWARD (Salt Lake City, Utah) – September 21, 2009 – Order issued denying Mr. Millward's application for a mortgage loan originator license based on his failure to disclose required information. After Mr. Millward contested the denial order, a Consent Order was entered on November 3, 2009 resolving the issues alleged in the denial order.

MORTGAGE BROKER/LENDERS

ACCESS MORTGAGE COMPANY, INC. (Seattle, Washington) – March 19, 2009 – Civil lawsuit filed in Ada County District Court alleging multiple violations of the Idaho Residential Mortgage Practices Act, the Idaho Financial Fraud Prevention Act, and federal and state rules and regulations related to mortgage brokering. The Department seeks penalties, restitution, and an order permanently enjoining Access Mortgage from further violations of Idaho state and federal laws. A trial is set for April of 2010.

APS NORTHWEST IDAHO LLC, DBA HOMEMODIFIER (Post Falls, Idaho) – September 18, 2009 – Order issued denying the company's application for a mortgage broker license based on violations of the Idaho Collection Agency Act and the Idaho Residential Mortgage Practices Act. The Director concluded that APS lacked the character and financial fitness that would warrant the belief that it would conduct business in an honest and fair manner.

VICTOR J. CARLINO, DBA IDAHO CAPITAL GROUP (Hayden, Idaho) – September 21, 2009 – Consent Order issued addressing the company's unlicensed mortgage modification activity. Mr. Carlino agreed to pay to the Department the sum of \$1,000 attorney fees and investigative costs in addition to restitution in the amount of \$1,120, and so far has made two of the three required payments.

INTERNATIONAL CO-OP LLC (Meridian, Idaho) – October 6, 2009 – Order to Cease and Desist issued against this company addressing unlicensed mortgage modification activity. The Order also included a provision whereby the Director would impose sanctions against the company, to include restitution and penalties, if the company failed to timely request a hearing. The company requested a hearing and settlement discussions are ensuing.

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

FREEDOM DEBT RELIEF, LLC (San Mateo, California) – June 17, 2009 – Order issued denying the company's application for an Idaho debt/credit counselor license based on its failure to cure the deficiencies and disclose information in its license application. The Director concluded that the company lacks fitness to hold such license. The company filed a motion for reconsideration and an administrative hearing is set in November of 2009.

SIERRA CAPITAL SERVICES, INC. (Tulsa, Oklahoma) – June 30, 2009 – Consent order entered addressing violations of the Idaho Collection Agency Act. Sierra Capital agreed to execute, file, and record a satisfaction of judgment on two outstanding judgments it was awarded in Idaho courts; to cease engaging in the business activities which brought rise to the issuance of the consent order; and to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

APPLY 2 SAVE, INC. (Post Falls, Idaho) – June 30, 2009 – Order issued denying the company's application for a debt/credit counselor license based on the fact that the company had received compensation from Idaho consumers through false or fraudulent representations or statements; had engaged in mortgage loan modification activity without a license; and had filed a Chapter 7 bankruptcy petition. The Director concluded that such facts demonstrated a lack of the fitness required to hold the license it sought.

SUNRISE CREDIT SERVICES, INC. (Farmingdale, New York) – August 17, 2009 – Consent order entered addressing violations of the Idaho Collection Agency Act. Sunrise paid \$5,500 to the Department constituting penalties, investigative costs, and attorney fees. Later, Sunrise applied for and was granted an Idaho collection agency license.

OUTSOURCE CREDIT SOLUTIONS (Jacksonville, Florida) – September 16, 2009 – Order to Cease and Desist issued addressing the offer of a personal loan for an upfront fee, which is a violation of Idaho law.

REGULATED LENDERS, TITLE LENDERS PAYDAY LENDERS

HILLSIDE FINANCIAL GROUP (Orlando, Florida) – September 15, 2009 – Order to Cease and Desist issued addressing the offer of a personal loan for an upfront fee, which is a violation of Idaho law.

HUD ANNOUNCES RESTRAINT IN RESPA ENFORCEMENT FOR FIRST FOUR MONTHS OF NEW RULE

Aimed at mortgage professionals making good faith effort to comply with new requirements

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) today announced that for the first four months of 2010, the staff of the Mortgagee Review Board (MRB) will exercise restraint in enforcing new regulatory requirements under the Real Estate Settlement Procedures Act (RESPA), due to take full effect on January 1. The MRB instructed its staff to exercise such restraint in considering an action against FHA-approved lenders who have demonstrated that they are making a good faith effort to comply with RESPA's new requirements.

In addition, HUD is asking other federal and relevant state enforcement agencies to exercise the same 120-day restraint in enforcement for non-FHA originators and other settlement service providers who demonstrate the good faith effort to implement RESPA's new rules. In determining whether a mortgagee has made a good faith effort, MRB staff will consider whether the mortgagee has relied on the new RESPA rule and other written guidance issued by the Department, and the extent to which the mortgagee has made sufficient investment and commitment in technology, training, and quality control designed to comply with the new rule.

"We will work with those who are making an honest effort to work with us as we implement these important new consumer protections," said HUD Secretary Shaun Donovan. "While we will not delay implementation of RESPA's new requirements, we are sensitive to the concerns of the industry as it integrates these new rules into their day-to-day business practices."

On January 1, 2010, HUD will require that lenders and mortgage brokers provide consumers with a standard *Good Faith Estimate (GFE)* that clearly discloses key loan terms and closing costs. Closing agents will also be required to provide borrowers a new *HUD-1 Settlement Statement* that clearly compares consumers' final and estimated costs. The new RESPA rule became effective on January 16, 2009, but provided a one-year transition period for the mortgage industry to incorporate these changes. HUD will continue to work with the mortgage industry during this period, including providing a comprehensive set of frequently asked questions (FAQs) on its website.

By improving the disclosures borrowers receive when applying for a mortgage, and by promoting comparison shopping, HUD believes its new RESPA regulation will save consumers an average of nearly \$700 in mortgage costs.

The Idaho Department of Finance will follow the example set by HUD during its examinations of licensees during the first four months of 2010.

“TIP” OVER BOX

Please keep your email addresses current! The Department’s primary method of communication and information distribution is electronic. Communications include training notices, newsletters, renewal information, application and license deficiency notifications and more. Since 2008 the Department has significantly moved to electronic communication, and licensees risk not receiving pertinent information if their company, individual work and personal emails, as applicable, are not kept current. This is *particularly* critical for mortgage company and loan originator licensees filing records through the Nationwide Mortgage Licensing System (NMLS).

Remember! All mortgage broker/lender licenses, mortgage loan originator licenses, independent contractor licenses, regulated lender *registrations* and exempt entity *registrations* **MUST BE RENEWED THROUGH THE NMLS BY DECEMBER 31, 2009.**

TOP CONSUMER COMPLAINTS

Mortgage Brokers/Lenders

Unlicensed Loan Modification Companies

Collection Agencies

Unlicensed Activity

Regulated Lenders (includes payday and title lenders)

Modification of debts

Other

Servicing and foreclosure issues



IDAHO MORTGAGE LOAN ORIGINATOR CONTINUING EDUCATION CERTIFICATION DEADLINE AND REQUIREMENTS

Mortgage loan originators required to be licensed in Idaho must accrue twenty (20) hours of pre-license education credits, including two (2) hours specific to Idaho law, by the following deadlines to avoid interruption in licensure:

- For those who obtained their Idaho loan originator license on or before June 30, 2009, the deadline to accrue pre-license education credits is December 31, 2010; and
- For those who obtain an Idaho loan originator license between July 1, 2009, and July 31, 2010, the deadline to accrue pre-license education credits is July 31, 2010.

Education Certification Process

Loan originators that had an "Approved" Idaho mortgage loan originator license on or before June 30, 2009 are eligible to take part in an education certification process that allows them to utilize their past Idaho-approved continuing education credits towards their 20-hour pre-license education credit requirement. Eligible credits must be for courses obtained from providers that were approved in Idaho at the time the course was taken, between October 2005 and **December 31, 2009**. Credits may be combined if the loan originator held more than one loan originator license during this time period due to license expiration or withdrawal.

Idaho-approved continuing education courses will not be available **AFTER DECEMBER 31, 2009**. To meet the education credit certification deadline, loan originator licensees **MUST** complete the required minimum twenty (20) hours of continuing education credits, including two (2) credit hours of Idaho law, by December 31, 2009. Otherwise, loan originator licensees will have to take the full twenty (20) hours of **NMLS-approved** pre-license education by December 31, 2010. Loan originator licensees who fail to meet the December 31, 2009, certification deadline will not be able to use their previously accrued state-approved continuing education courses toward their 20-hour pre-license education credit requirement.

It is **STRONGLY RECOMMENDED** that mortgage loan originator licensees immediately review their continuing education records. Loan originators should check with the various states they are licensed in to determine whether they have met state-specific education requirements. A loan originator licensee will be certified by only one state for the SAFE Act twenty (20) hour pre-license education requirement. Continuing education credit hours accrued in multiple states cannot be combined to meet the twenty (20) hours.

Loan Originator licensees that are certified for the core twenty (20) hour SAFE Act education requirement by a state *other than Idaho*, without inclusion of the required two (2) credit hours of Idaho law, will be required to take two (2) credit hours of Idaho law prior to renewing their licenses in 2010.

Idaho mortgage loan originator licensees that successfully participate in the education *certification* process, and successfully renew their license by December 31, 2009, will **NOT** be required to obtain the eight (8) hours of annual continuing education credits until calendar year 2011.

Idaho mortgage loan originator licensees not eligible for the certification process should note the continuing education start dates set forth below:

- Those who obtained, or will obtain, their Idaho loan originator license on or after July 1, 2009, **AND** who complete their twenty (20) hours of NMLS-approved pre-license education by December 31, 2009, must satisfy the eight (8) hour annual continuing education credit requirement during calendar year 2010.

(Continued on page 10)

(Continued from page 9)

- Those who obtained, or will obtain, their Idaho loan originator license on or after July 1, 2009, **AND** who complete their twenty (20) hours of NMLS-approved pre-license education by July 31, 2010, must satisfy the eight (8) hour annual continuing education credit requirement during calendar year 2011.

The Idaho Department of Finance has set up a tool in the loan originator approved license portion of its website to assist companies and loan originator licensees track their SAFE Act requirements. A new column entitled "SAFE Reqs Met" has been added to the online loan originator licensee record. Click the "Show" button to view the requirements and each portion completed will contain a check mark. The Department's website for approved mortgage loan originators may be found at: <http://finance.idaho.gov/Mortgage/LoanOriginatorLicense.aspx>.

For more information on SAFE Act education requirements please visit the NMLS website at: <http://mortgage.nationwidelicencingsystem.org/profreq/Pages/default.aspx>.

If you have any questions concerning the number of continuing education credits under your license number on record with the Department, or if you have continuing education completion certificates to file, please contact the Licensing Section of the Idaho Consumer Finance Bureau at: (208) 332-8002, via fax at (208) 332-8096, or via email at: mortgage@finance.idaho.gov. **To have continuing education credits recorded for certification, loan originators must file copies of their continuing education completion certificates with the Department.**



COLLECTION AGENCY NEWS

ATTENTION ALL COLLECTION AGENCIES

NEW APPLICATIONS, QUARTERLY AND ANNUAL REPORTING JUST GOT EASIER!

There is no longer a requirement to file the Form CA4 for any new agents—not at initial application, quarterly notification or at the annual renewal.

The Quarterly/Annual Report has been revised as of mid-November 2009 to simplify these filing processes and allow one form to be used for all agent filing needs.

Remember these reports are due June 15th, September 15th, December 15th as well as at annual renewal by March 15th. The new and improved report is now available on the Department's website at <http://finance.idaho.gov/CollectionAgency/CollectionAgencyForms.aspx>.



The Department adopted these license activity designations as of
July 1, 2008 —

- ◆ CCA — Collection Agencies
- ◆ CDC — Debt Counselor Agencies
- ◆ CDB — Debt Buyers
- ◆ CCR — Credit Repair Agencies



Quarterly/Annual Report

**STATE OF IDAHO
DEPARTMENT OF FINANCE
IDAHO COLLECTION AGENCY ACT
NOTIFICATION OF AGENTS/COLLECTORS**

**GAVIN M. GEE
DIRECTOR**

LICENSE NO. _____ DATE: _____

Check if this is submitted with a new application

NEW APPLICATION

QUARTERLY REPORT -
New Agents YEAR _____

JUN 15

SEP 15

DEC 15

ANNUAL REPORT (All Active Agents)
MARCH 15, 20 _____

NAME OF LICENSEE _____

STREET _____

CITY, STATE, ZIP _____

NAME OF SIGNATOR (Print clearly) _____

SIGNATURE _____

Applicant/Licensee agrees to be responsible, under Title 26, Chapter 22, Idaho Code, for acts of Agent(s) while said Agent(s) is employed by the Licensee. Licensee certifies that Agent(s) has been instructed as to the requirements of the Idaho Collection Agency Act and the Fair Debt Collection Practices Act and that Agent(s) has a reasonable understanding and will comply with same.

DISCLOSURES: IF YES, THE AGENT MUST SUPPLY A SIGNED DETAILED WRITTEN EXPLANATION ALONG WITH SUPPORTING COURT DOCUMENTS.
 COMPLETE COLUMN B - within the past ten (10) years have you been convicted of or plead guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?
 COMPLETE COLUMN C - within the past ten (10) years have you been convicted of or plead guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a misdemeanor involving: Collection, Credit Repair, Debt/Credit Counseling, Debt Buying, Financial Services or a Financial Services related business?

Listing Order: List Newly Hired Agents first, then list all newly terminated Agents on Quarterly Reports.

A	B	C	D	E	F	G	H	I	J
PLEASE TYPE THE AGENT NAME Alphabetical Order by Location LAST, FIRST, (M)	If Yes for Felony	If Yes for Misdemeanor	GROUP BY LOCATION CITY & STATE OF OFFICE	SOCIAL SECURITY # OR EQUIVALENT	DATE OF BIRTH mm/dd/yy	HIRE DATE mm/dd/yy	TERM DATE mm/dd/yy	DESK NAME IF USED	\$20 FEE
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									

CONSUMER FINANCE BUREAU
P O BOX 83720 BOISE ID 83720-0031
KAREN.CARLYLE@FINANCE.IDAHO.GOV

INSTRUCTIONS FOR THE ANNUAL/QUARTERLY REPORT

NEW APPLICATION INSTRUCTIONS:

- ✓ Complete the entire top left portion of the report (information about the licensee) and mark the box on the right indicating it is a new application;
- ✓ The list must be in alphabetical order and by location order;
- ✓ List terminated employees at the end of the Quarterly Report in alphabetical order and location order;
- ✓ Attach Legal Dispositions and explanations for checked Felony or Misdemeanor answers;
- ✓ A fee of \$20.00 (each) for all **new** active agents, including the RPIC(s), must accompany this report;
- ✓ Attach ONE check payable to the Idaho Department of Finance for the total fees due (\$20 for **each new** agent you are registering)

QUARTERLY REPORT INSTRUCTIONS:

- ✓ Quarterly Notification is DUE June 15, September 15, and December 15;
- ✓ Send the Quarterly Report only once a quarter on or near the due date;
- ✓ Complete the entire top left portion of the report (information about the licensee);
- ✓ Mark the quarter being reported with the year (i.e. 2009, 2010 etc) on the top right portion of the report;
- ✓ The list must be in alphabetical order and by location order;
- ✓ List terminated employees at the end of the Quarterly Report in alphabetical order and location order;
- ✓ Attach Legal Dispositions and explanations for checked Felony or Misdemeanor answers;
- ✓ A fee of \$20.00 (each) for all **new** active agents, including the RPIC(s), must accompany this report for reporting on 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 you are registering);
- ✓ The Quarterly Report form may be copied or downloaded as needed; be sure the form is signed.

ANNUAL REPORT INSTRUCTIONS:

- Complete the entire top left portion of the report (information about the licensee);
- List **all ACTIVE** agents, including the **RPIC(s)**, in alphabetical order, by location;
- List terminated employees since last Quarterly Report;
- Attach Legal Dispositions and explanations for checked Felony or Misdemeanor answers;
- Attach ONE check payable to the Idaho Department of Finance for the total fees due (\$20 for **each** new agent you are registering);
- The Annual Report form may be copied or downloaded and reproduced as needed; be sure the form is signed.

IDAHO COLLECTION AGENCY ACT Idaho Code §26-2240: *Each applicant for a license under this act, with its initial license application, and each licensee at annual renewal, shall file with the director a list of all agents including the name of each agent and any other identifying information the director may require. A fee of twenty dollars (\$20.00) for each listed agent shall accompany the list. Each licensee shall notify the director in writing of any additions to its agent list no less often than every calendar quarter. A fee of twenty dollars (\$20.00) shall be paid to the director for each additionally identified agent in the quarterly notification of additions to a licensee's agent list. An agent is not required to be listed, nor the fee paid therefore, unless the agent acted for the licensee for more than thirty (30) business days.*

If you have any questions, please feel free to contact the licensing administrative assistant at 208-332-8085.



This newsletter is produced semi-annually as a part of the Bureau’s continued communication outreach with the companies we regulate. Delivery is provided by electronic notification of its availability on the Department’s website at <http://finance.idaho.gov>.

Suggestions and comments concerning the newsletter or its contents should be sent to the Bureau at PO Box 83720, Boise, Idaho 83720-0031 or via email to kc.schaler@finance.idaho.gov or mortgage@finance.idaho.gov

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IMPORTANT DATES TO REMEMBER!

<u>Annual License Renewals</u>	<u>Date to Complete</u>
Collection Agencies	March 15 th
Escrow/1031 Exchange Companies	April 30 th
Regulated Lenders (includes payday and title lenders)	May 31 st
Mortgage Brokers/Lenders	December 31 st
Mortgage Loan Originators	December 31 st
Continuing Education Course Completions for SAFE Act Certification (only in 2009)	December 31 st

Annual Reporting of Activity

Collection Agencies	March 15 th
Escrow/1031 Exchange Companies	April 30 th
Regulated Lenders	May 31 st
Mortgage Brokers/Lenders Call Reports	March 31 st

**Quarterly Agents Report for all Idaho Collection Agencies are due
June 15, September 15, December 15**

Please make a note on your Calendar