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On July 30, 2008 the President signed into federal law “The Housing and Economic Recovery Act of 2008,” which includes a provision that mandates licensing or registration of all mortgage loan originators. Title V of the new law requires states to adopt minimum licensing standards for mortgage loan originators and to participate in the Nationwide Mortgage Licensing System and Registry (NMLSR). The NMLSR is being developed by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR).

The Division of Banking & Securities last week signed a Statement of Intent with the CSBS and the AARMR to participate in the NMLSR.

Until July of 2008, Alaska did not regulate mortgage lenders and originators. However, a new law called the Alaska Mortgage Lending Regulation Act (AMLRA) became effective July 1, 2008. Under this state law, current loan officers and mortgage companies have until March 1, 2009 to become licensed. The AMLRA will need to be slightly revised to comply with new requirements under federal law.

These new state and federal laws will bring significant changes to the mortgage licensing in our state. NMLS contains a single record for each mortgage lender, broker, branch and loan originator. This single record can be used to apply for, amend and renew licenses in any participating jurisdiction.

The NMLS has been designed to streamline the licensing process, improve supervision by regulators and increase transparency in the mortgage industry, with the overall objective to better protect borrowers.

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