



TO: Industrial Loan and Thrift Company Registrants  
FROM: Mike Igney, <sup>M.I.</sup>Assistant Commissioner, Compliance Division  
DATE: April 21, 2011  
RE: **Mortgage Call Report ("MCR")**

The purpose of this communication is to inform you that, as a result of federal legislation described below, all companies holding a license under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, *et seq.* (the "Mortgage Act"), or registered under the Industrial Loan and Thrift Companies Act ("TILT Act") and engaged in making residential mortgage loans under the TILT Act, or employing mortgage loan originators licensed under either Act, must complete and submit Mortgage Call Reports beginning in the second quarter of 2011 for activity and financial information reflective of the first quarter of 2011. Functionality for submission of the MCR is expected to be available in the Nationwide Mortgage Licensing System and Registry ("NMLS") on April 30, 2011 with a submission deadline of May 15, 2011.

The TILT Act, Tenn. Code Ann. § 45-5-101 *et seq.*, was amended in 2009 to carry out the purposes of, and to be compliant with, the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101, *et seq.* (the "SAFE Act"). Tenn. Code Ann. § 45-5-207(i) states in pertinent part; "A [TILT] registrant that is authorized to make residential mortgage loans shall, pursuant to order or direction of the commissioner, submit reports of condition to the Nationwide Mortgage Licensing System and Registry pertaining to its residential mortgage loan business, which shall be in the form and shall contain the information that the Nationwide Mortgage Licensing System and Registry requires."

Because the MCR form and information must be filed electronically through the NMLS, it is necessary for your company to complete and submit to the Department the **Exempt Company Registration** through NMLS. To get started, a company record must be created in NMLS on its website as follows:

- Enter "NMLS" in your web browser
- Click on "Welcome to the NMLS Resource Center"
- Click on "Getting Started Company or Institution"
- Click on "State Licensing"

**Note:** NMLS call center representatives are available to assist with this process of creating a company record and completing and filing the Exempt Company Registration by calling 240-386-4444.

With the imposition of the NMLS MCR, the Department recognizes that some companies may have transitional issues in complying with this requirement in a timely manner. If a TILT registrant has legitimate reasons as to its inability to meet the 2011 Quarter 1 deadline, the Department may grant an extension with the expectation that both the 1<sup>st</sup> and 2<sup>nd</sup> quarter 2011 MCR filings will be submitted by August 15, 2011. Failure to submit both may result in the Department taking administrative action.

### **What You Need to Know**

All TILT registrants engaged in the business of making residential mortgage loans must complete the NMLS MCR on a calendar quarterly basis and submit it through NMLS. The NMLS MCR is a single report of condition that reflects the entire mortgage activity and financial information of a company. Reportedly, NMLS will not charge a processing fee in 2011 for submission of the MCR as licensees and registrants transition to this requirement. Whether NMLS may charge a processing fee for submission of the MCR in 2012 and beyond is yet to be determined. Failure to submit the NMLS Mortgage Call Report will result, at a minimum, in a deficiency being placed on your license. Failure to cure the deficiency before a renewal period may prevent a company from renewing the company's license or registration.

### **What You Need to Do**

Visit the [NMLS Resource Center > State Licensing > Common Requirements > Mortgage Call Report](#) to find out what information your company will need to submit as part of the NMLS MCR. This information will be reported through NMLS starting in the second calendar quarter of 2011 for the first calendar quarter activity. NMLS functionality will enable companies to submit this data either manually or through an XML upload option. Each company must ensure that the "Other Business" section of its Form MU1 Record is accurate. All companies that are Fannie Mae or Freddie Mac Approved Sellers/Serviceers or Ginnie Mae Issuers are required to submit more comprehensive information than other companies, but such information is substantially similar to information these companies already submit as part of the Mortgage Bankers' Financial Reporting Form.

The NMLS will conduct MCR training workshops to be held during May to acquaint your company with the MCR functionality in the system. The dates and times are listed below. For more details, or to register, go to *NMLS Workshops* on the NMLS website.

- Thursday, May 5<sup>th</sup> 1:30 pm ET
- Tuesday, May 10<sup>th</sup> 1:30 pm ET

Should you have any questions, you should feel free to contact either David Axford or me by email at [David.Axford@tn.gov](mailto:David.Axford@tn.gov) or [Mike.Igney@tn.gov](mailto:Mike.Igney@tn.gov) respectively, or by telephone at (615) 253-6714.