



October 29, 2015

Ms. Marcia Waters
Director
Division of Real Estate
Colorado Department of Regulatory Agencies
1560 Broadway, Suite 925
Denver, CO 80202
Marcia.Waters@state.co.us

Re: Notice of Proposed Permanent Rulemaking Hearing, November 9, 2015

Chapter 2: Requirements for Licensure, Tracking Number 2015-00601
Chapter 3: Continuing Education Requirements, Tracking Number 2015-00602
Chapter 4: Renewal, Reinstatement, Inactivation, Suspension, Surrender or Revocation of a License or Registration, Tracking Number 2015-00603

Dear Director Waters,

Thank you for the opportunity to offer comments. The Mortgage Bankers Association (MBA)¹ supports enacting the proposed rules noted above, which would allow the Colorado Division of Real Estate ("the Division") to adopt the Uniform State Test (UST) for Colorado's state-licensed mortgage loan originators (MLOs).

MBA supports the UST because it would reduce costs for state-regulated mortgage companies without jeopardizing the important consumer financial protections that have been enacted in Colorado law over many years. The UST would also help address the regulatory asymmetry that Colorado's smaller independent mortgage companies – and the MLOs they employ – face when expanding to operate in multiple states.

The UST was developed by state regulators for state regulators. More specifically, the test is the product of a deliberative and collaborative effort of state mortgage banking regulators working through the Nationwide Mortgage Licensing System and Registry (NMLS) and the State Regulatory Registry, LLC (SRR). Launched on April 1, 2013, the test has subsequently been adopted by 50 state mortgage banking regulators, representing 43 states plus the District of Columbia, Puerto Rico, Guam and the Virgin Islands.

¹ *The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mba.org*

The federal *Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act of 2008* requires employees of state regulated firms to take a national licensing test and also, for each state in which they wish to be licensed, take pre-licensing education requirements, annual continuing education requirements and pass state testing requirements.

State-specific tests are particularly burdensome for small and independent mortgage companies, because employers bear these costs for their employees. If those companies conduct business in multiple states, the cost of MLOs retaking multiple, largely duplicative state tests becomes challenging. The UST reduces these unnecessary burdens through the inclusion of uniform state content with the national test. Colorado's adoption would encourage companies to grow and expand in the State because it will be easier and more cost effective for them to locate call/service centers in Colorado.

Importantly, these proposed rules would also guarantee that Colorado-specific laws and practices would be taught to these MLOs within the State's pre-licensing and continuing education requirements. This approach is much more effective at ensuring that all MLOs in the State are well versed in the Colorado's current and future requirements than a one-time test. Moreover, MBA supports the proposed rule's incorporation of these requirements into the current 20 hours of preliminary education and 8 hours of annual continuing education rather than adding more hours above these requirements.

On a final note, please consider that since the UST's 2013 launch, applications to test for state MLO licensure have increased by approximately 50 percent in states that have adopted the UST, which is a significantly higher percentage than states which have not adopted the test. This is not only a valuable indicator that MLOs are eager to work for state-regulated companies, but also a clear sign that UST adoption presents an opportunity for additional licensing revenue for state regulators.

Thank you again for the opportunity to offer comment, and also for consideration of the views expressed in our letter. MBA urges the adoption of these proposed rules as they are in the interests of Colorado's consumers, regulators, and the real estate finance industry. If you have any questions, please feel free to contact William Kooper (wkooper@mba.org) or Scott Nowak (snowak@mba.org).

Respectfully,



Pete Mills
Senior Vice President, Residential Policy and Member Engagement

cc: Colorado Board of Mortgage Loan Originators