

# Agenda

## 2008-2009 Mortgage Broker Education Task Force

September 30, 2008  
9:00 a.m. –12:00 p.m.  
DRE 9<sup>th</sup> floor conference room  
Colorado Division of Real Estate  
1560 Broadway, Suite 925  
Denver CO 80202  
303.894.2166

### Task Force Members:

DJ Davenport, Don Exley, Jason Berman, Bruce M. Jordan, Chris Streiff,  
Evan Mellman, Zach Urban, Cheryl Dingwell, Patrick C. Armbrust and Jim  
McCloskey.

### Agenda topics

|                            |  |               |
|----------------------------|--|---------------|
| 9:00 - 9:30 a.m.           | Education Numbers                                | Cary Whitaker |
| 9:30 - 10:00 a.m.          | January 1, 2009 Deadline                         | Cary Whitaker |
| 10:00 - 10:15 a.m.         | Break  |               |
| 10:15 - 10:45 a.m.         | The SAFE Act                                     | Cary Whitaker |
| 10:45- 11:00 a.m.          | Current Colorado Education Requirements          | Cary Whitaker |
| 11:00– 11:15 a.m.          | Break  |               |
| 11:15 - 11:50 a.m.         | Current Colorado Education Requirements and Test | Cary Whitaker |
| 11:50 a.m. – 12:00<br>p.m. | Public Commentary                                | Cary Whitaker |

# Minutes

## Mortgage Broker Rule Making Task Force

September 30, 2008  
9:00 a.m. – 12:00 p.m.  
DRE 9<sup>th</sup> floor conference room  
Colorado Division of Real Estate  
1560 Broadway, Suite 925  
Denver CO 80202  
303.894.2166

**Task Force Members Present:**

### Agenda topics

9:00 – 9:30 a.m.

Education Numbers

Cary Whitaker

Discussion:

1. What are the numbers for the educators. This includes:
  - a. Enrollment; and
  - b. Individuals completing the course work.
2. Current testing numbers.

Results:

Action Items:

Person Responsible:

Timeline:

|   |                          |               |
|---|--------------------------|---------------|
| 9:30 – 10:00 a.m.   | January 1, 2009 Deadline | Cary Whitaker |
| Discussion:   |                          |               |
| <ol style="list-style-type: none"> <li>1. After reviewing the education and testing numbers, review of the January 1, 2009 deadline.</li> <li>2. Task force to discuss if this timeline is realistic and a possible extension.</li> </ol> |                          |               |
| Results:  |                          |               |
| Action Items:   |                          |               |
| Person Responsible:   |                          |               |
| Timeline:   |                          |               |
| 10:00 - 10:15 a.m.  | Break                    |               |
| Discussion: N/A   |                          |               |
| Conclusions: N/A  |                          |               |
| Action items: N/A   | Person responsible:      | Deadline:     |

## Discussion:

1. SAFE Act overview
  
2. Pre-licensing Education of Loan Originators
  - a. In order to meet the pre-licensing education requirement referred to in this subsection (b)(4), a person shall complete at least 20 hours of education approved in accordance with paragraph (2), which shall include at least:
    - i. Three (3) hours of Federal law and regulations;
    - ii. Three (3) hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and
    - iii. Two (2) hours of training related to lending standards for the nontraditional mortgage marketplace.
  - b. Pre-licensing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.
  
3. Testing of Loan Originators
  - a. In order to meet the written test requirement referred to in subsection (b)(5), an individual shall pass, in accordance with the standards established under this subsection, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by an approved test provider.
  - b. A written test shall not be treated as a qualified written test for purposes of paragraph (1) unless the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including:
    - i. Ethics;
    - ii. Federal law and regulation pertaining to mortgage origination;
    - iii. State law and regulation pertaining to mortgage origination;
    - iv. Federal and state law, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.
  - c. Minimum competence
    - i. An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than 75% correct answers to questions.
      1. Initial retests. An individual may retake a test 3 consecutive times with each consecutive taking occurring at least 30 days after the preceding test.
      2. Subsequent retests. After failing 3 consecutive tests, an individual shall wait at least 6 months before taking the test again.
      3. Retest after laps of license. A state-licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a

registered loan originator.

4. Continuing Education

- a. In order to meet the **annual** continuing education requirements referred to in subsection (a)(2), a State-licensed loan originator shall complete at least 8 hours of education approved in accordance with paragraph (2), which shall include:
  - i. Three (3) hours of Federal law and regulations;
  - ii. Two (2) hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and
  - iii. Two (2) hours of training related to the lending standards for the nontraditional mortgage produce marketplace.
- b. Approved educational courses. Continuing education shall be reviewed and approved by the Nationwide Mortgage Licensing System and Registry.
  - i. Calculation of continuing education requirements
    - 1. A loan originator may only receive credit for a continuing education course in the year in which the course is taken; and
    - 2. A loan originator may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

Results:

Action Items:

Person Responsible:

Timeline:

|                    |   |               |
|--------------------|---|---------------|
| 10:45 – 11:00 a.m. | Current Colorado Education Requirements | Cary Whitaker |
|--------------------|---|---------------|

Discussion:

- 1. Review and discussion of Colorado course requirements
  - a. Is Colorado in compliance?
  - b. Ethics?
  - c. What about mortgage brokers who have the exemption?

Results:

Action Items:

Person Responsible:

Timeline:

11:00 - 11:15 a.m. Break

Public Attendees:

Results:

Action Items:

Person Responsible:

Timeline:

11:15 – 11:50 a.m. Current Education and Testing Requirements Cary Whitaker

Discussion:

1. Continuation of discussion regarding current compliance with course work and outline.
2. Discussion regarding the compliance of the test.
  - a. Currently, we have a 70% passing rate; and
  - b. Currently, mortgage brokers may take the test with no restrictions.

Results:

Action Items:

Person Responsible:

Timeline:

11:50 a.m. – 12:00 p.m. Public Commentary

Public Attendees:

Comments: