**02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**030 BUREAU OF CONSUMER CREDIT PROTECTION**

**Chapter 711:** **ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE’S SUPERVISED LENDERS AND REQUIREMENT FOR LICENSING OF ALL SUPERVISED LENDERS THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)**

**SUMMARY**

This Chapter makes the modifications necessary to transition licensing of all non-mortgage supervised lenders currently managed by paper applications and paper renewals to a multistate online system called the Nationwide Multistate Licensing System (NMLS). The State of Maine will continue to administer the licensing program but will utilize NMLS as the system of record for all supervised lenders. As authorized by law, this Chapter converts the two-year license for supervised lenders who do not make or arrange residential mortgage loans to a one-year license; eliminates the September 30 licensing date, substituting an annual license effective from January 1 through December 31 of each year; and sets application and renewal fees for all supervised lenders. The rule permits currently licensed lenders who do not make residential mortgage loans to transition as renewals onto the system for a limited period of time starting November 1, 2022 and permits applicants for new licenses to apply to NMLS as of the effective date of this rule. It also sets requirements for information and documentation required to be filed in support of the application.

**I.** **Authority**

Pursuant to 9-A M.R.S. § 2-302(1), the Administrator may establish, by rule, fees to apply for or renew licenses, except that the fee for an initial application may not exceed $1,000.00 and for a renewal may not exceed $600.00 for any licensed location. Renewal applications received after the expiration date are subject to a late fee of $100.00. Fees for a nonprofit organization exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3) and engaged in the financing of housing for low-income people under a program designed specifically for that purpose may not exceed $150.00 for an initial application. The fee is $100.00 per year for a renewal for any licensed location, plus the applicable nationwide mortgage licensing system and registry processing fee.

Title 9-A M.R.S. § 6-105-A authorizes the Bureau to establish routine technical rules to transition supervised lender licensing to the Nationwide Multistate Licensing System (NMLS), including rules authorizing NMLS to collect fees and remit those fees to the Bureau, authorizing collection of fees by NMLS for its processing costs, authorizing NMLS to process and maintain license records, and authorizing the use of NMLS’s uniform forms.

Title 9-A M.R.S. § 2-302(1)(A) authorizes the Bureau to establish routine technical rules to establish fees for the initial licensing and renewal licensing of supervised lenders and to set requirements for information to be provide in support of such application.

**II. Purpose**

The purpose of this Chapter is to permit the State of Maine to utilize NMLS for the licensing of all supervised lenders. Use of the system will provide improved oversight over the activities of the companies and will simplify recordkeeping and standardize processes for all supervised lenders licensed in Maine. This chapter also establishes application requirements and fees for initial and renewal licensing.

**III. Definitions**

For the purpose of this Chapter, the following terms have the following meanings:

1. “Administrator” means the Superintendent of the Bureau of Consumer Credit Protection.
2. “Bureau” means the Maine Bureau of Consumer Credit Protection.
3. “Change of control” means a change in the direct or indirect ownership of the licensee of 25% or more.
4. “Nationwide Multistate Licensing System,” herein referred to as “NMLS,” means the nationwide multistate licensing system and registry for mortgage lender licensing and loan brokering referred to in 9-A M.R.S. § 13-102(8) (previously the ”Nationwide Mortgage Licensing System”).
5. “Nonprofit organization” means an organization exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3) and engaged in the financing of housing for low-income people under a program designed specifically for that purpose.
6. “Controlling person” means an individual, wherever located in the chain of ownership of the applicant, who controls more than 25% of the ownership interests in the applicant.
7. “Supervised financial organization” has the same meaning as set forth in 9-A M.R.S. § 1‑301(38-A).
8. “Supervised lender” has the same meaning as set forth in 9-A M.R.S. §1-301(39), but for purposes of this Chapter, “supervised lender” does not include “supervised financial organizations.”
9. **General Provisions**
10. **Application Contents.** Each applicant for a license or renewal shall supply the following information and documentation either to NMLS or on such form as the Administrator require.
    1. The applicant’s legal name, address, telephone number, website, federal Tax Identification Number or Social Security Number as applicable.
    2. All location(s) where loan records are not stored. at the above location.
    3. All locations from which business with Maine residents will be transacted.
    4. All names under which business will be transacted.
    5. The name, title, address, telephone number, and email address of the person to contact if the Bureau receives consumer complaints regarding the activities of the applicant.
    6. The name, title, address, telephone number, and email address of the person to contact for the scheduling of routine compliance examinations.
    7. For corporations: the date and state of incorporation; a certificate of good standing from the state of incorporation; a complete description of corporate structure (including parents, subsidiaries, and whether any are publicly traded on any stock exchange); a certified copy of authority to do business in Maine as a foreign corporation, LLC, LLP, or other foreign entity required to register with the State of Maine before doing business, including any assumed or fictitious names; and the name and address of designated agent upon whom service of process may be made in this State
    8. For all entities, including partnerships and sole proprietorships: a copy of the most recent audited financial statement.If audited financial statements are not available, a copy of unaudited, accountant prepared financial statements or signed copies of the applicant’s filed federal income tax return for the immediately preceding two-year period demonstrating that the applicant has “financial responsibility” as required by 9-A M.R.S.§ 2-302(B) and (D).
    9. The names, business addresses, residential addresses, and employment positions for the last 10 years of each owner, partner, executive officer, manager who will be in charge of the offices to be licensed, managers of an LLC or similar entity, and any controlling person.
    10. Whether any owner, partner, executive officers, manager who will be in charge of the location to be licensed, or controlling person has been involved in material litigation and/or convicted of a crime for the ten (10) year period prior to this application. If so, for each such instance, provide the title of the action, jurisdiction, date of disposition, and a detailed explanation of the individual’s involvement.
    11. A management chart displaying the applicant’s directors, officers, and managers by name and title. The management chart must also identify compliance reporting and internal audit structure.
    12. A chart showing or a description of the percentage of ownership of direct owners (total direct ownership percentage must equate to 100%), indirect owners, subsidiaries, and affiliates of the applicant/licensee.
    13. An original bond in form provided by the Bureau in the amount of $50,000.00 for each licensed location furnished by a surety company authorized to conduct business in Maine. The name of the principal insured on the bond must match exactly the full legal name of the applicant and must include all assumed or fictitious names.
    14. A consumer report for each owner, partner, executive officers, manager who will be in charge of the location to be licensed, and controlling person.
    15. A criminal history report for each owner, partner, executive officers, manager who will be in charge of the location to be licensed, and controlling person.
    16. Whether the applicant has ever been denied a license in another jurisdiction, had a license revoked, been the subject of an administrative proceeding relating to the business for which it seeks to be licensed, or been convicted of a crime related to the business of money transmission or supervised lending, forgery, theft or false representation. If so, for each such instance, provide the title of the action, jurisdiction, date of disposition, and a detailed explanation of the applicant’s involvement.
    17. A copy of the applicant’s quality control program.
    18. A copy of the applicant’s credit denial form conforming to the requirements of the Federal Fair Credit Reporting Act.
    19. A sample contract (promissory note) and Truth-in-Lending disclosure form that will be provided to customers.
11. **Administrative authority granted to NMLS.** To effectuate the transition of all supervised lender licensing to NMLS, NMLS is authorized to collect fees and remit those fees to the Bureau, collect fees for its processing costs, process and maintain license records, and require use of NMLS uniform electronic and paper forms.

1. **Licensing periods.** Previously, some licenses for supervised lenders which did not make residential mortgage loans were granted for a two-year period and expired on September 30th. Others were granted for a one-year period and expired on December 31st. Effective with this rule, all licenses as a supervised lender are granted for a one‑year period commencing on January 1 and expiring on December 31st.
2. **Supervised lenders that hold a valid Maine license not issued through NMLS as of September 30, 2023.**
   1. **Transitional period.** The period October 1, 2023 through December 31, 2023 is considered a transitional period, during which all existing supervised lenders must transition from the State of Maine’s licensing system and must obtain licenses through NMLS.
   2. **One-month *late* transitional period.** All renewal applications from existing licensees received between January 1, 2024 and January 31, 2024 will be processed, but applicants will be assessed a late fee of $100.00.
   3. **Deadline.** Transitional renewal applications will not be accepted after January 31, 2024. All applications received after that date will be considered new applications, subject to the provisions and fees set forth in subsection 5 below.
   4. **NMLS processing fees.** At the time existing licensees apply to NMLS for a renewal license, they must pay the NMLS processing fee directly to NMLS.
   5. **Extension of license term.** To effectuate the transition of all licensing to NMLS, the term of any license scheduled to expire on September 30, 2023 is hereby extended to December 31, 2023.
   6. **For licensees whose licenses would not expire until September 30, 2024.** Licensees whose licenses are not scheduled to expire until September 30, 2024 shall still be required to transition to NMLS as set out herein but shall not be charged a fee for licensing for 2024.
   7. **State of Maine renewal license application fees**. Fees assessed to renewal applicants are as follows:

i. For supervised lenders: $250.00;

ii. For a supervised lender branch office: $100.00;

iii. For a nonprofit lender or broker: $10.00.

1. **Applicants that do *not* hold a valid Maine supervised lender license as of the effective date of this rule (“new applicants”).**
   1. At the time of application to NMLS for a license, the applicant must pay the

NMLS processing fee directly to NMLS.

* 1. Applicants that submit applications for a new license after the effective date of this rule and prior to November 1, 2023 will do so by filing directly with the Bureau on forms as required by the Administrator and will be granted a license expiring on December 31, 2023. Applications filed November 1, 2023 or after must be filed through NMLS.
  2. **Terms of licenses.**. New licenses issued November 1 or later each year shall be valid through December 31 of the following year. Licenses issued before November 1 will expire on December 31 of the same year.
  3. **State of Maine new license application fees.** Fees assessed to new applicants (as well as existing licensees that apply after January 31, 2023) are as follows:

i. For supervised lenders: $300.00;

ii. For a supervised lender branch office: $150.00;

iii. For a nonprofit lender or broker: $40.00.

* 1. **State of Maine license renewal fees.** Fees assessed to renewing applicants are

as follows:

i. For a supervised lender: $250.00;

ii. For a supervised lender branch office: $100.00;

iii. For a nonprofit lender or broker $10.00.

1. **New licenses and renewal licenses issued following completion of the transition to NMLS.**
   1. **NMLS to determine license and renewal procedures.** New licenses and renewal licenses issued after the effective date of this rule shall be processed pursuant to the procedures established by NMLS.
   2. **NMLS to determine time periods for license validity.** New licenses and renewal licenses issued after the effective date of this rule shall be valid for the time periods established by NMLS.
   3. **Payment of fees.** Application, renewal, and processing fees will be paid directly to NMLS.
   4. **Late renewal.** Renewal applications received after December 31 of any year will be considered late. The status of such licenses will be changed to “terminated – failed to renew” or an equivalent status. Such licenses may be reinstated if a renewal application is received between January 1 and the end of February, together with all renewal fees and late fee of $100.00. Beginning March 1 of any year, renewal requests will not be processed, and companies must apply for a new license.
2. **Mortgage Call Reports.** Supervised lenders who make mortgage loans must submit mortgage call reports on a quarterly basis. Such call reports will be submitted directly to NMLS in a format established by the Administrator and NMLS. All supervised lenders must file the mortgage call report, although some of the questions on those reports may not be applicable. Responding “0” or “not applicable” is acceptable in such cases, but the report must be filed.
3. **Changes to existing licensing information.** If any information reported by a licensee changes during a period of licensure, the licensee must amend its information on file with NMLS within 30 days of the occurrence of the change or such shorter period as required by NMLS rules or procedures. Notice of a change of control of the licensee must be provided to the Bureau by advance change notice on NMLS, and the Bureau must approve any change of control before the same becomes effective.
4. **Other required reporting.** All licensed supervised lenders must also file directly with the Bureau the annual notification and report required by 9-A M.R.S. Article 6, Part 2 and pay any required volume fees.
5. **Unique identifier shown.** A supervised lender must list its NMLS unique identifier in any advertising that references the availability of loans or loan-related services.
6. **Routine technical rule.** This is a routine technical rule as authorized by 9-A M.R.S.

§ 6‑105-A(1) and 9-A M.R.S. § 2-302(1).

STATUTORY AUTHORITY: 9-A M.R.S. § 2-302(1); 9-A M.R.S. § 6-105-A(1).

EFFECTIVE DATE:

September 2, 2023 – filing 2023-142