

* Provide an explanation for why you believe or do not believe that the occupational regulations overseen by your board have been effective. File must be a PDF:

The Nebraska Residential Mortgage Licensing Act is designed to enhance consumer protection and reduce fraud by establishing minimum standards for the licensing of state-licensed mortgage loan originators. By establishing and following licensing standards under the Act, the State works in concert and coordination with other states to provide uniform license applications and reporting requirements for licensees. Licensing under the Act also improves the flow of communication between state regulators to make consumers safer. The licensing measures provide consumers with easily accessible information, at no charge, regarding employment, disciplinary, and enforcement history of licensed loan originators.

Individuals who act as mortgage loan originators are in a position of trust and have access to sensitive personal financial information about Nebraska consumers. The Department has a strong interest in monitoring the industry and removing bad actors. From the numbers provided in this survey, the limited number of license denials demonstrates a low barrier of entry into the profession. While most registrants meet minimum standards for licensure, the existing regulatory framework gives the Department the necessary authority to remove bad actors from taking advantage of the sensitive information and position of power they have access to.

Licensing of mortgage loan originators provides increased integrity of the residential mortgage loan market. Thus, licensing of mortgage loan originators plays a vital role in helping prevent an economically perilous residential mortgage loan environment.

What is the potential harm if this occupation is no longer licensed, certified, or regulated?

Nebraska would lose its ability and authority monitor residential mortgage originators and remove bad actors. Mortgage loan originators have access to sensitive personal and financial information of Nebraska consumers. As such, must meet certain minimum requirements related to education, knowledge, and character. The ability to remove bad actors from the marketplace is an important protection for Nebraska consumers.

All States have mortgage loan originator licensing acts based around the Federal SAFE Act. Disciplinary actions and violations of one jurisdiction's laws and rules may be the basis for a denial of a registrant in another jurisdiction. The Department is able to share license information with other state or federal agencies. If Nebraska stopped licensing and regulating this occupation it would lose its accreditation status from the Conference of State Bank Supervisors.

* Provide a comparison of whether and how other states regulate the occupation.

See above.