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ARKANSAS SECURITIES DEPT.

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER**

**IN THE MATTER OF:**

**FAIR MORTGAGE LENDING ACT  
AND RULES**

**ORDER NO. C-16-0115-16-OR01**

**ORDER PRESCRIBING LOAN OFFICER STATE LAW TEST COMPONENT  
REQUIREMENT UNDER THE FAIR MORTGAGE LENDING ACT**

This Order is entered by the Arkansas Securities Commissioner (“Commissioner”) pursuant to the Fair Mortgage Lending Act (“Act”), Ark. Code Ann. §§ 23-39-501 through 23-39-518.

**FINDINGS OF FACT**

1. The Act, in Ark. Code Ann. § 23-39-503 requires all persons conducting residential mortgage loan activity in Arkansas to be licensed by the Commissioner as a loan officer.
2. The Act, in Ark. Code Ann. § 23-39-505(b)(3), requires applicants for a loan officer license to satisfactorily complete education and testing requirements set out by the Commissioner by rule or order.
3. Rule 5005-6 of the Rules of the Fair Mortgage Lending Act (“Rules”) provides that a loan officer applicant must pass a qualified written national test developed by the Nationwide Multistate Licensing System and Registry (“NMLS&R”) and a qualified written state test developed by the Commissioner. The Rule further provides that both the national test and the state test shall be administered by a test provider approved by the NMLS&R.
4. The federal Secure and Fair Enforcement Licensing Act of 2008 (“SAFE Act”) requires that all states have a system of licensure for individuals that originate residential mortgage loans. The SAFE Act licensing requirements for states include use of the NMLS&R and passing a

national test administered by NMLS&R that includes components on federal law and regulation and state law and regulation. The Commissioner developed a written state law and regulation test component that has been used along with the NMLS&R federal law and regulation test component to license qualified loan officer applicants in Arkansas.

5. The NMLS&R has developed a uniform state law and regulation component test based upon a uniform model act of state law. The NMLS&R now administers one test for loan officer applicants that incorporates both a federal law and regulation component and a state law and regulation component.

### **CONCLUSION OF LAW**

Pursuant to Ark. Code Ann. § 23-39-505(b)(3), the Commissioner may by order designate testing requirements for loan officer applicants.

### **OPINION**

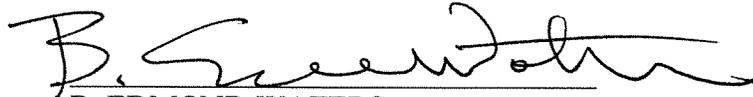
Loan officer applicants in Arkansas shall satisfy the state law and regulation testing component for licensure by satisfactorily completing the uniform state law and regulation test component administered by the NMLS&R. It is no longer necessary for applicants to take an additional Arkansas specific state law and regulation test.

### **ORDER**

Effective January 1, 2017, an applicant for licensure in Arkansas as a mortgage loan officer shall satisfy the state law and regulation testing component requirement by passing the uniform state law and regulation test component of the national test administered by the NMLS&R. Use of the Arkansas specific state law and regulation test shall be discontinued.

This Order shall remain in effect until amended by subsequent order or when the substantive provisions of this Order are adopted into the Rules of the Fair Mortgage Lending Act.

WITNESS MY HAND AND SEAL ON THIS 21<sup>st</sup> day of November 2016.

A handwritten signature in black ink, appearing to read "B. Edmond Waters", written over a horizontal line.

B. EDMOND WATERS  
ARKANSAS SECURITIES COMMISSIONER