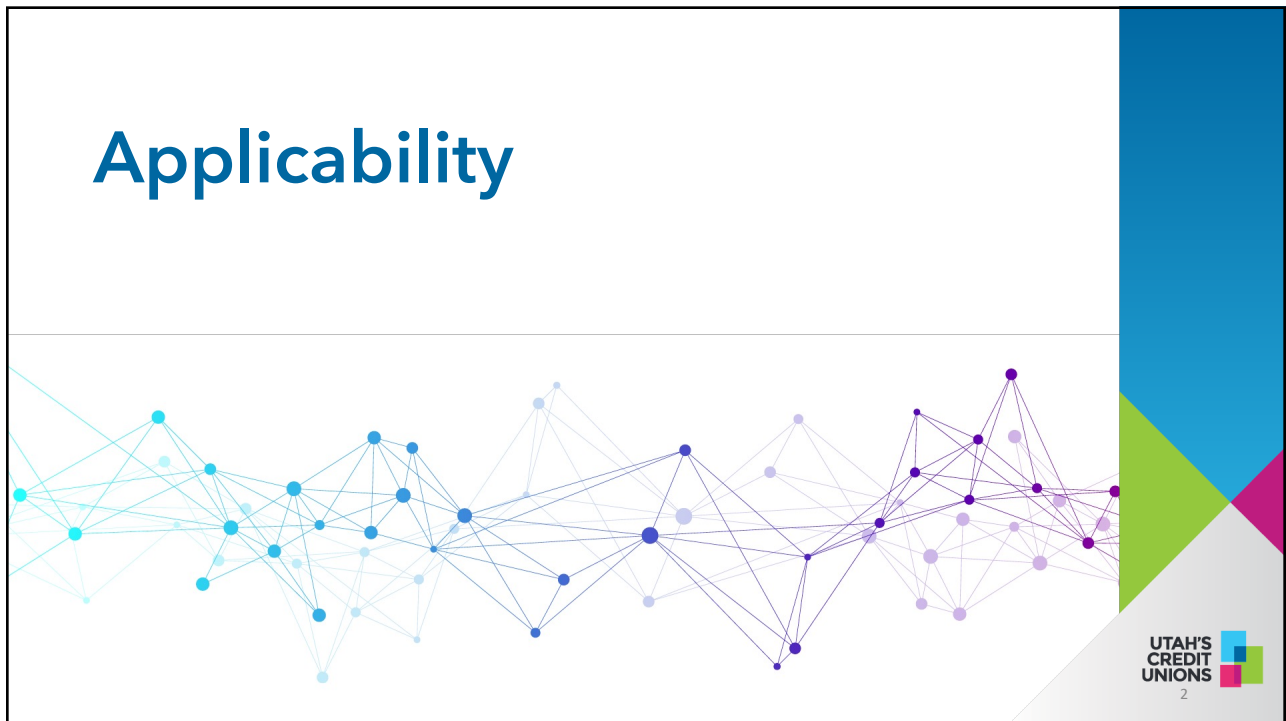




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Applicability

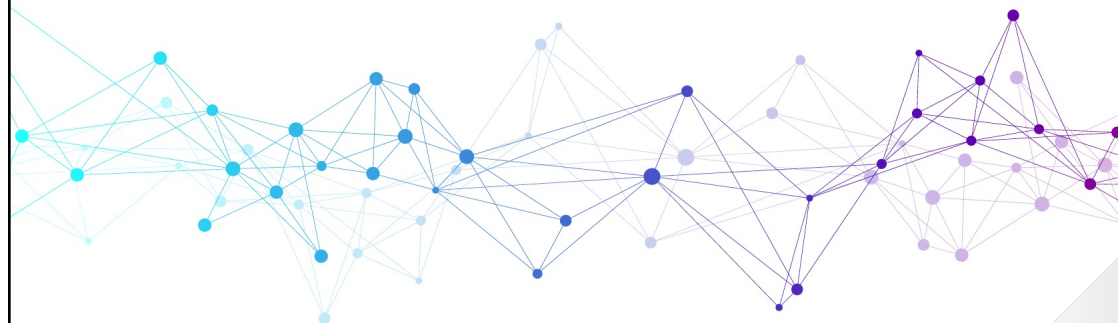
Applies to any Federally-insured credit union and its employees, including volunteers, who act as mortgage loan originators.

De Minimis Exception

- The requirements of the SAFE Act do not apply to any employee of a credit union who has never been registered or licensed through the Registry as a mortgage loan originator if during the past 12 months the employee acted as a mortgage loan originator for five or fewer residential mortgage loans.
- Prior to engaging in mortgage loan origination activity that exceeds the exception limit, a credit union employee must register with the Registry.
- Credit unions are prohibited from engaging in any act or practice to evade the limits of the de minimis exception.

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Definitions



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Definitions

Annual Renewal Period

The annual renewal period is November 1 through December 31 of each year.

Mortgage Loan Originator

- An MLO is an individual who:
 - Takes a residential mortgage loan application.
 - Offers or negotiates terms of a residential mortgage loan for compensation or gain.
- An MLO does not include:
 - An individual who performs purely administrative or clerical tasks on behalf of an MLO.
 - An individual who only performs real estate brokerage activities and is licensed or registered as a real estate broker in accordance with applicable State law, unless the individual is compensated by a lender, a mortgage broker, or other mortgage loan originator and meets the definition of an MLO.

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Definitions

Administrative or Clerical Tasks

Administrative or clerical tasks are the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the residential mortgage industry and communication with a member to obtain information necessary for the processing or underwriting of a residential mortgage loan.

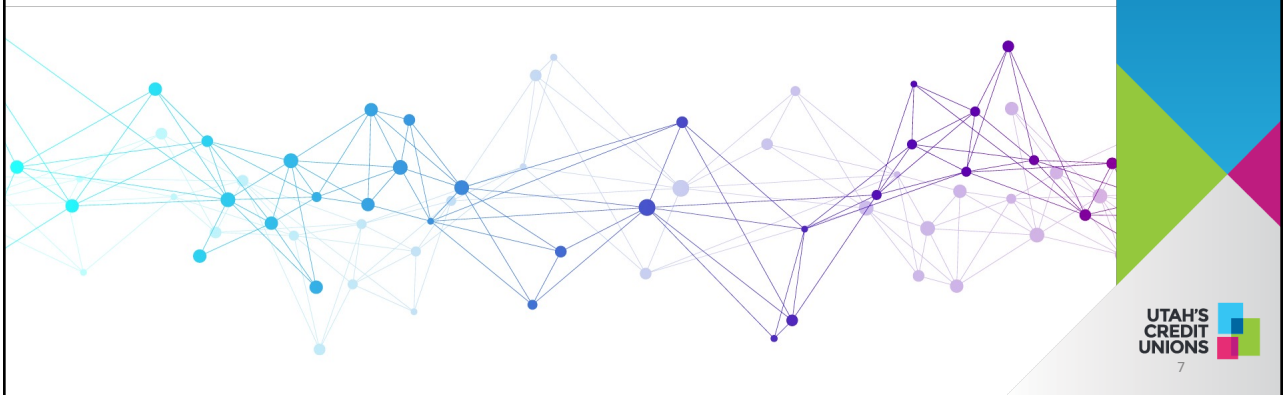
Residential Mortgage Loan

A residential mortgage loan is any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent security interest on a dwelling and includes:

- Refinancings
- Reverse mortgages
- Home equity lines of credit
- Other first and additional lien loans that meet the qualifications listed in this definition

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Registration of MLOs



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Employee Registration

Each employee of a credit union who acts as a mortgage loan originator must:

- Register with the Registry
- Obtain a unique identifier
- Maintain this registration

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Credit Union Registration

A credit union that employs one or more individuals who act as an MLO must require each employee who is a mortgage loan originator to:

- Register with the Registry
- Maintain registration
- Obtain a unique identifier

A credit union is prohibited from allowing an employee who is subject to the registration requirements to act as a mortgage loan originator unless they are registered with the Registry.

Previous Registration

Employees previously registered or licensed through the registry may move their registration from one employer to another provide that:

- All employee information is updated on the registry
- New fingerprints of the employee are submitted to the Registry for a background check, unless the employee has fingerprints on file with the Registry that are less than 3 years old
- The registration is active as of the date that the employee is employed by the credit union

Registry Maintenance

- MLOs must renew their registration each year during the annual renewal period (unless initial registration was completed less than 6 months prior to the end of the annual renewal period)
- In addition, MLOs must update the registration within 30 days of any of the following events:
 - A change in the name of the registrant
 - The registrant ceases to be an employee of the credit union
 - MLO information on the registry becomes out of date

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Policies and Procedures

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Policies and Procedures

- A credit union that employs one or more mortgage loan originators must adopt and follow written policies and procedures designed to assure compliance with the SAFE Act.
- These policies and procedures must be appropriate to the nature, size, complexity, and scope of the mortgage lending activities of the credit union.

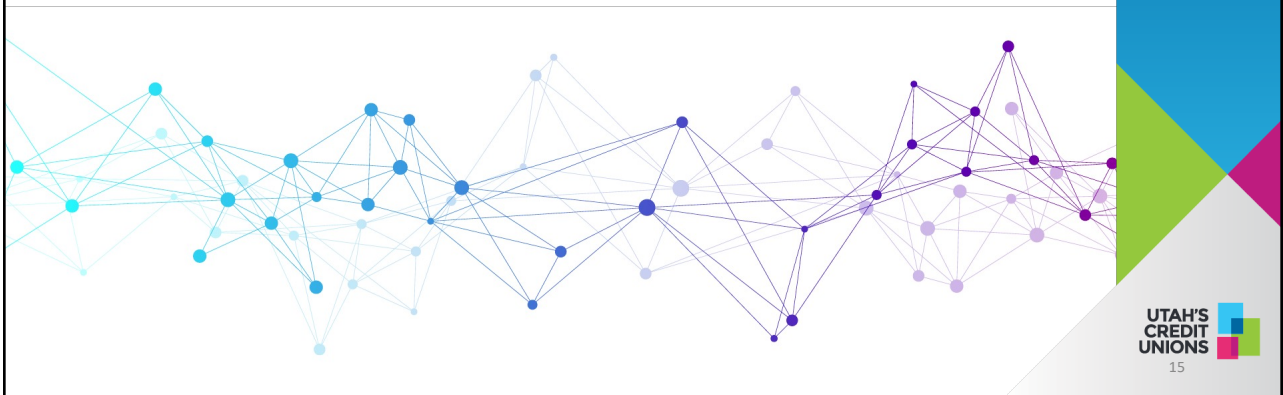
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Required Policy Content

- Establish a process for identifying which employees of the credit union are required to be registered mortgage loan originators
- Require that all employees of the credit union who are mortgage loan originators be informed of the registration requirements of the SAFE Act and this part and be instructed on how to comply with such requirements and procedures
- Establish procedures to comply with the unique identifier requirements
- Establish reasonable procedures for confirming the adequacy and accuracy of employee registrations, including updates and renewals, by comparisons with its own records
- Establish reasonable procedures and tracking systems for monitoring compliance with registration and renewal requirements and procedures
- Provide for independent testing for compliance with this part to be conducted at least annually by credit union personnel or by an outside party
- Provide for appropriate action in the case of any employee who fails to comply with the registration requirements of the SAFE Act, this part, or the credit union's related policies and procedures, including prohibiting such employees from acting as mortgage loan originators or other appropriate disciplinary actions
- Establish a process for reviewing employee criminal history background reports and maintaining records of these reports and actions taken with respect to applicable employees
- Establish procedures designed to ensure that any third party with which the credit union has arrangements related to mortgage loan origination has policies and procedures to comply with the SAFE Act

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Use of the Unique Identifier



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Use of the Unique Identifier

- The credit union is allowed to make the unique identifier(s) of its registered MLOs available to members in a manner and method practicable to the credit union.
- A registered mortgage loan originator shall provide his or her unique identifier to a member
 - Upon request
 - Before acting as a mortgage loan originator
 - Through the originator's initial written communication with a member, if any, whether on paper or electronic

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