



STATE OF ALABAMA STATE BANKING DEPARTMENT



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MEDIA RELEASE

Alabama Banking Department
401 Adams Avenue, Suite 680
Montgomery, AL 36104

Alabama Banking Department to Adopt New SAFE MLO Test

The Alabama Banking Department today announced that it will adopt the new SAFE MLO National Test Component with Uniform State Content on July 1, 2013. Alabama is one of 31 states that are early adopters of the test, though additional states are eventually expected to adopt the new SAFE MLO National Test Component with Uniform State Content.

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) requires mortgage loan originators (MLOs) to pass the SAFE MLO test before they can be licensed through the Nationwide Mortgage Licensing System and Registry (NMLS). The new National Test Component with Uniform State Content replaces two test components – the National and a State Component – which applicants had been required to pass. This new test will allow MLOs seeking a license with the Alabama Banking Department to take a single test component and satisfy the SAFE Act and Alabama testing requirements.

“The adoption of the new SAFE MLO test makes the license process more efficient for MLOs seeking a license in Alabama,” said Superintendent, John Harrison. In addition, MLOs seeking to hold licenses in multiple states will no longer be required to pass the state-specific component for each state in which they wish to do business. Under the new National Test Component with Uniform State Content, a license applicant who passes the test will not need to take any additional state-specific tests to seek a license with the 31 state agencies that have adopted the test.

“This is just one more way the Alabama Banking Department is seeking to streamline supervisory processes, while continuing to ensure the safety and soundness of entities operating within our state and protecting our citizens.”

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The Alabama Banking Department is the state agency that charters, regulates, and examines banks, and trust companies chartered by the State of Alabama. The Department also has regulatory and licensing authority over lenders, mortgage brokers, payday lenders, and pawnshops conducting business in Alabama.

The Nationwide Mortgage Licensing System and Registry (NMLS) is a web-based system that allows state-licensed non-depository companies, branches, and individuals in the mortgage, consumer lending, money services businesses, and debt collection industries to apply for, amend, update, or renew a license online for all participating state agencies using a single set of uniform applications. Mortgage loan originators employed by insured depository institutions are also registered through NMLS. NMLS brings greater uniformity and transparency to these non-depository financial services industries while maintaining and strengthening the ability of state regulators to monitor these industries and protect their citizens. NMLS began operation on January 2, 2008. All individual mortgage loan originators are represented in the system.