

Nebraska Legislative Updates

LB 124 was passed last session by the Nebraska Legislature, which made some significant changes to the Mortgage Bankers Registration and Licensing Act (“the Act”). Specifically, Sections 40 – 51 of LB 124 created a formal definition for “branch office,” changed the branch office registration requirements, formalized a change of control procedure, and provided the Department with specific authority to impose penalties on mortgage banker licensees who handle their own closings without a notary public present. **These changes become effective on September 1, 2007.**

Perhaps the most significant change in the Act is formal branch registration. Under current law, licensees are required to notify the Department within thirty (30) days after opening, closing, or relocating branches.

After September 1, 2007, if you open, close, or relocate a branch you still are required to notify the Department within thirty (30) days after the opening, closing, or relocation of the branch. The Department will require this notice be submitted to the Department on the Form MU3 which is available at the Department’s website. In addition, if you are opening a new branch that does business with Nebraska residents regardless of whether it is physically located in Nebraska, you must submit a \$75.00 fee to the Department for each branch you open. Beginning January 2, 2008, the Form MU3 and filing fee must be submitted to the Department through the NMLS.

You do not need to submit a Form MU3 for existing branch offices at this time. However, a Form MU3 and fee for each branch will need to be submitted to the Department as part of the 2008 Renewal Process.

The Department has developed a set of Frequently Asked Questions (“FAQs”) concerning the laws governing mortgage banking which are available at www.ndbf.org/mb/index.shtml. These FAQs are specifically designed to address the changes to the Act made by LB 124.

If you have questions regarding the NMLS or the changes in the Act, I would encourage you to first review the FAQs at www.ndbf.org/mb/index.shtml. If you still have questions after reviewing the FAQ’s, please feel free to contact the Department.

Sincerely,



Karen Reynolds
Review Examiner

Enclosure