

Mr. Mick Thompson  
Bank Commissioner  
Oklahoma State Banking Department  
2900 N. Lincoln Blvd.  
Oklahoma City, OK 73105

JAN 20 2010

**RE: The Secure and Fair Enforcement for Mortgage Licensing Act of 2008**

Dear Commissioner Thompson:

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) was enacted on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. The SAFE Act is designed to enhance consumer protection and reduce fraud by encouraging states and U.S. territories to establish minimum standards for the licensing and registration of certain mortgage loan originators and for the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish and maintain a nationwide mortgage licensing system and registry for the residential mortgage industry.

Pursuant to our responsibilities under the SAFE Act, the U.S. Department of Housing and Urban Development (HUD) has conducted a preliminary review of the licensing and registration legislation adopted by your jurisdiction. In order to assist your jurisdiction's efforts at compliance, enclosed for your review is our side-by-side comparison chart of provisions in your statute that appear to be inconsistent with, or at a minimum raise questions regarding compliance with, the SAFE Act. This chart is not a determination of your jurisdiction's compliance with the minimum requirements of the SAFE Act. Rather, HUD has provided this preliminary review as a tool to help identify specific areas of your statute that may require legislative or regulatory changes or clarification. In connection with this preliminary review, HUD also notes that your statute authorizes the implementation of SAFE Act requirements through regulatory or administrative means. Therefore, a determination of compliance with the minimum provisions of the SAFE Act will require HUD review of those regulations or administrative actions.

In addition, HUD's proposed SAFE regulations were published in the Federal Register on December 15, 2009, for a 60-day comment period, a link for which is provided here: <http://www.hud.gov/offices/hsg/ramh/safe/safeprule.pdf>. This proposed rule provides a detailed interpretation of the SAFE Act's minimum standards that jurisdictions would be required to meet when registering and licensing loan originators. The Department specifically requests your comments on the proposed rule in accordance with the instructions provided in the preamble. Until these rulemaking procedures are complete through HUD's issuance of a final rule, these regulations are subject to change

and are not provided as a direct measure of your jurisdiction's current efforts at compliance.

In order to facilitate a faster response to your questions and concerns, the Department has assigned a SAFE Act Specialist to act as the primary point of contact for your jurisdiction. The specialist assigned to work with your jurisdiction is:

Kevin Stevens  
Phone: (202) 402-4317  
Email: [Kevin.L.Stevens@hud.gov](mailto:Kevin.L.Stevens@hud.gov)

Please feel free to give Kevin a call if you have any questions or concerns. In addition, you can provide the specialist with any information that you believe would be important for HUD's consideration in assessing your state's compliance with the SAFE Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Matchneer III', with a stylized flourish at the end.

William W. Matchneer III  
Associate Deputy Assistant Secretary for  
Regulatory Affairs and Manufactured Housing

Enclosure

**OKLAHOMA SAFE ACT LEGISLATION**  
**January 20, 2010**

	Oklahoma SAFE Act Legislation Senate Bill 1062	Corresponding SAFE Act provisions, Proposed Regulations, and HUD Commentary, where applicable	HUD Comments
1.	<p><b>Section 8</b>  A. 1. An entity <u>or</u> individual, unless specifically exempted from the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act, as provided in Section 6 of this act shall not engage in the business of a mortgage broker or mortgage loan originator with respect to any dwelling located in this state without first obtaining and maintaining annually a license under this act. Each licensed mortgage broker <u>or</u> mortgage loan originator must register with and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry. (emphasis added)</p>	<p><b>Proposed Rule § 3400.103 Individuals required to be licensed by States.</b>  (a) Except as provided in paragraph (e) of this section, in order to operate a SAFE-compliant program, a State must prohibit an individual from engaging in the business of a loan originator with respect to any dwelling or residential real estate in the State, unless the individual first:  (1) Registers as a loan originator through and obtains a unique identifier from the NMLSR, and  (2) Obtains and maintains a valid loan originator license from the State.</p>	<p>Oklahoma's statute provides for the licensing of Mortgage Brokers (entities) and Mortgage Loan Originators (natural persons and sole proprietorships). Based on HUD's reading of Oklahoma's statute it is unclear whether an individual who engages in the business of a mortgage loan originator as an employee of a licensed mortgage broker must also be licensed as a mortgage loan originator.</p>