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GOVERNOR

STATE OF TENNESSEE  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
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**GREG GONZALES**  
COMMISSIONER

**To: All Mortgage Loan Originators Licensed in Tennessee**

**From: Mike Igney, Assistant Commissioner/Compliance Division**  
*M.I.*

**Date: October 27, 2014**

**Re: New Criminal Background Check Requirement**

Since the passage of Public Chapter 499 of the Tennessee Public Acts of 2009, each applicant for a license as a mortgage loan originator under the Tennessee Residential Lending, Brokerage and Servicing Act (the "TN Mortgage Act"), Tenn. Code Ann. §§ 45-13-101, *et seq.*, has been required to complete a fingerprint-based criminal background check through the Nationwide Mortgage Licensing System and Registry ("NMLS"). In addition, each individual who was registered or licensed as a mortgage loan originator under the TN Mortgage Act when Public Chapter 499 became effective was required to complete a fingerprint-based criminal background check through NMLS on or before December 31, 2009.

Tennessee has not required its licensed mortgage loan originators to complete criminal background checks each year as a condition of license renewal. Consequently, some originators have not had their criminal background information updated since 2009. The Commissioner has determined and is requiring that, in light of the continuing nature of the minimum standards for licensure as a mortgage loan originator contained in the TN Mortgage Act and in the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101, *et seq.* (the "SAFE Act"), each individual who holds a Tennessee mortgage loan originator license and who has not completed a criminal background check since January 1, 2012, with results reported to the Department, shall do so as a condition of renewing the license for calendar year 2015. The period for renewing existing licenses for calendar year 2015 will be from November 1 through December 31, 2014.

The TN Mortgage Act provides, in pertinent part, at Tenn. Code Ann. § 45-13-302(f), that the Commissioner shall have the authority to require a criminal history background check at any time as a condition of continued licensure of a mortgage loan originator. Upon request of the Commissioner, a mortgage loan originator shall furnish written consent to a criminal history record check and a set of the mortgage loan originator's fingerprints in a form acceptable to the Commissioner. Failure to provide the consent and fingerprints within thirty (30) days of the Commissioner's request constitutes grounds for the Commissioner to deny renewal of the license.

**PLEASE TAKE NOTICE** that, as a condition for renewing a Tennessee mortgage loan originator license for calendar year 2015, each mortgage loan originator who has not completed a criminal background check through NMLS since January 1, 2012, with results reported to the Department, must, in addition to the

other requirements for renewal of the license, complete a criminal background check through NMLS. Failure to do so will result in a recommendation to the Commissioner that the renewal be denied. The period for renewing existing licenses for calendar year 2015 will be from November 1 through December 31, 2014.

Any questions should be directed to the Department's Compliance Division by telephone, at (615) 253-6714, or by e-mail, at [askmortgage.licensing@tn.gov](mailto:askmortgage.licensing@tn.gov).