

THE COMPLIANCE CONNECTION

REGULATORY NEWS FOR VIRGINIA MORTGAGE COMPANIES
STATE CORPORATION COMMISSION - BUREAU OF FINANCIAL INSTITUTIONS

2020 VOLUME II



The Compliance Connection is part of the Bureau's efforts to improve communication with the companies we regulate. It is distributed to Virginia mortgage and industrial loan association licensees, and other interested parties. It is the licensee's responsibility to read this newsletter and to be familiar with the positions and interpretations stated herein.

Suggestions and comments concerning the newsletter or its contents should be addressed to the Bureau at P.O. Box 640, Richmond, VA 23218-0640 or via email at bfquestions@sc.virginia.gov.

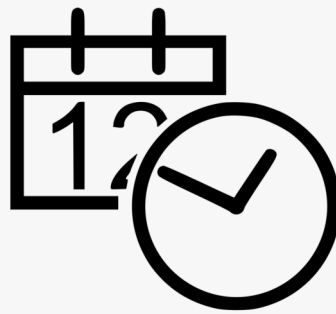
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License Renewal 2020

The annual NMLS Renewal Period began on Sunday, November 1, 2020. All Virginia mortgage lender, mortgage broker, approved office locations and mortgage loan originator licenses granted before November 1, 2020, will expire on December 31, 2020, if they are not renewed prior to the expiration date. All licensees are encouraged to submit their renewal requests through NMLS as soon as possible. The Bureau of Financial Institutions ("Bureau") cannot guarantee that renewal requests submitted after December 12, 2020, will be processed prior to the end of the year. The NMLS Resource Center includes license-specific renewal requirements and detailed filing instructions.

Please note that mortgage lender and broker licensees shall not engage in business in Virginia as a mortgage lender or broker after December 31, 2020, unless the required renewal is obtained. This prohibition also applies to approved office locations and MLOs that did not obtain renewal by the deadline. Conducting business in Virginia with an expired license is a violation and grounds for regulatory action pursuant to Chapters 16 & 17 of Title 6.2 of the Code of Virginia.



CFPB Releases FAQs on RESPA/Reg X

On October 7, 2020 the CFPB released a set of Frequently Asked Questions (FAQs) discussing topics under the Real Estate Settlement Procedures Act (RESPA) and Regulation X. The FAQs provide an overview of the provisions in RESPA Section 8 (and the respective section in Regulation X, and they address the application of these provisions to gifts and promotional activities and marketing services agreements (MSAs)).

Click here to read the full text of the FAQs: -- [Real Estate Settlement Procedures Act FAQs](#) .



Electronic Examinations

Due to the pandemic and the State Corporation Commission’s (“SCC”) Temporary Telework Policy, the Bureau continues to conduct all examinations of mortgage licensees electronically, through the use of Box. Box is a secure portal that allows licensees to provide requested information to Bureau staff. We ask all licensees to please ensure their NMLS Company Information (including the Primary Company Contact and Primary Consumer Complaint Contact) is up to date so we will be able to contact and send the information to the appropriate person about the examination. Once the examination is complete and reviewed by the Bureau, the Report of Examination is sent to the licensee from a new email address (VAMortgageExam@scv.virginia.gov) using encrypted email. Whomever is listed as the “primary company contact” in NMLS will receive the emails concerning the completed Report of Examination. Please ask your contact person to enter this new email address into their address list, so emails will go directly to the receiver’s inbox rather than a junk or spam email folder. Licensees will receive two emails – the first will announce that the Report of Examination will be sent within 72 hours, via encrypted email and the second will be the encrypted email that contains the Report of Examination. This email address may also be used by licensees to submit their written response to the Report of Examination to the Bureau.

Please be aware that § 6.2-1611 of the Code of Virginia requires that examinations of mortgage licensees be conducted at least once in each three-year period, or as often as deemed necessary. In order to ensure our compliance with this requirement, we schedule the examination early enough to ensure completion well before the required deadline. Failure to respond to the request to conduct an examination is a violation of the above referenced statute and Virginia Regulation 10 VAC 5-160-50 and can lead to regulatory action pursuant to §§ 6.2-1619 & 6.2-1624 of the Code of Virginia. Questions or concerns about this process? Contact us at the office at 804-371-9701.

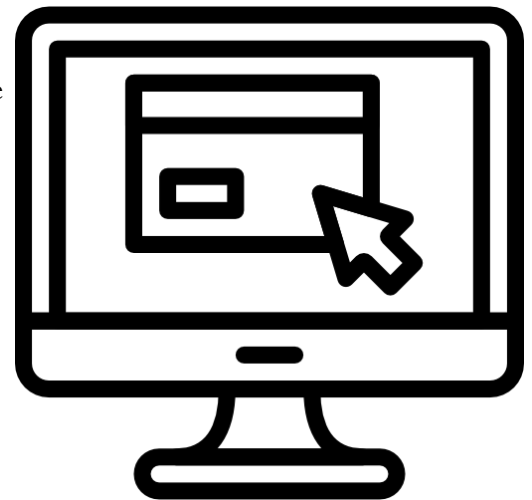


Redesigned SCC Website

This past spring, the SCC launched its new SCC website. Public input and industry best practices helped create a new site that is intuitive and skews toward minimalism. The website’s look and navigation prioritize the use experience with content organized according to the most common reasons that a consumer or a business might visit our site.

From the home page (scv.virginia.gov), users will find current and relevant content displayed on a carousel, with key constituent categories available in the top menu, such as “Consumers,” “Businesses,” and “Regulated Industries.” Submitting public comments is also prominently featured under “Cases” as well as the popular “Docket Search” function.

Users can expect an easy and intuitive experience especially on mobile devices like tables and smartphones. The site’s search function is now more robust and targeted, utilizing content tags for every document and page.



License Update

The following is a list of companies and individuals that have had an application denied, consented to the entry of a settlement order, or been the subject of regulatory action (e.g., been barred, had their license revoked, or paid a fine or civil penalty, etc.) since July 14, 2020. This list should be helpful to keep track of companies and individuals with which you do business. This list is accurate as of November 18, 2020. Call the Bureau if you have a question concerning a recent denial, settlement order or regulatory action taken by the Commission. To view specific Commission Orders, go to the following link: scc.virginia.gov/pages/Case-Information, and click on “Search for Case Information,” and enter the case number.

Case Number Action	License No. License Name	Date of Order	Reason
BFI-2020-00028 Revocation	MC-3367 SBBnet, Inc. d/b/a Loanbright	9/8/2020	Licensee failed to file the financial condition component of its mortgage call report as required by the NMLS, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers.
BFI-2020-00035 Cease and Desist	Unlicensed First Colonial Mortgage	10/16/2020	Order requiring First Colonial Mortgage to (1) cease and desist from engaging in business as a mortgage lender and broker without the required license, (2) cease and desist from using deception in connection with Virginia mortgage loan transactions, and (3) comply with Chapter 16 of Title 6.2 of the Code of Virginia.
BFI-2020-00029 Settlement	MC-2826 The Mortgage Gallery, Inc.	11/10/2020	Paid \$500 as part of The Mortgage Gallery, Inc’s settlement of the Bureau’s allegation that it failed to file the financial condition component of its mortgage call report as required by NMLS in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers.

IMPORTANT COMMISSION TELEPHONE NUMBERS



Licensing (applications, name changes, relocations)	(804) 371-9690
Non-Depository Supervision (mortgage examinations)	(804) 371-9701
Non-Depository Consumer Complaints	(804) 371-9701
Depository Supervision (banks/credit union exams)	(804) 371-9704
Corporate Information – Clerk’s Office	(804) 371-9733
FAX Number - Bureau of Financial Institutions	(804) 371-9416

