# NMLS Release 2014.3 – Release Notes

## Release Date: October 6, 2014

The purpose of these Release Notes is to provide a summary of system enhancements included in NMLS Release 2014.3.

Roadmap enhancements included in Release 2014.3 are as follows:

- **Data Download:** Data Download will be accessible via a Secure File Transfer Protocol (SFTP) and contact information will be stored in the base tables.
- **Invalidating Test Results:** A new interface will be created that will allow Support Users (SRR staff) to invalidate test results for individuals due to an administrative action or misconduct.
- **Renewals:** The Renewal functionality for 2014 will allow: regulators to terminate licenses in bulk if the state agency has no reinstatement period or has a shorter reinstatement period than NMLS; agencies to specify 2, 5, or 15 days for automatic renewal consideration; and Federal Registry renewals to transfer if an employee changes employers.
- **Test Enrollment Streamlining and Candidate Agreement:** The test enrollment workflow will be updated to allow for a more seamless process to open a test enrollment window and schedule a test appointment. As part of the updated workflow, individuals will be required to accept the Candidate Agreement prior to scheduling a test appointment. After a test appointment is scheduled, the date of the test appointment and the city and state of the testing center will display in NMLS.

# Data Download

**SUMMARY:** Data Download will be accessible via a Secure File Transfer Protocol (SFTP) and contact information will be stored in the base tables.

**Secure File Transfer Protocol (SFTP)**

NMLS will provide access to the Data download via a SFTP.

- SFTP user accounts must be explicitly requested if a regulator wishes to access their Downloads via SFTP.
- SFTP user accounts will be provided by FINRA through a regulator request to the Data Download support contact. These accounts are not managed within NMLS Admin functionality.
- One SFTP user account per regulator will be provided. FINRA will provide the user name and password when an account request is processed.
- Users will only have only have READ access and will not have the ability to upload files, delete files, or create directories.
- Users will only have access to their home directory containing their files. Directory navigation is not allowed or required.
- Only authorized IP addresses will be allowed to access the SFTP server. The IP addresses that will be used by the regulator must be supplied when requesting access.
- The SFTP server will be available during the same hours as NMLS.
- The files on the SFTP server will have the same file names as those available via web access.
- The files on the SFTP server have the same retention period (30 days) as the files available via web access.
- If a sync file is requested, it will be available through SFTP as well as NMLS.

**Contact Data Moved to Base Tables**

Company contact information in the Data Download will be stored in the base tables for all contact employees. The following information will be stored in the contact base table:

- Contact employee name
- Contact employee telephone number
- Contact employee email address
- Contact employee fax number
- Contact employee's states
- Contact employee's industries
- Contact employee's responsibilities
- If the contact employee is the primary complaint contact
- If the contact employee is the primary company contact

# Invalidating Test Results

**SUMMARY:** A new interface will be created that will allow Support Users (SRR staff) to invalidate test results for individuals due to an administrative action or misconduct.

SRR Support Users with the Manage Education Investigation role will have the ability to invalidate test results for individuals. Only official test results can be invalidated. When invalidating a test result, the reason (administrative action, misconduct, etc.) and an external note will be required and an internal note will be optional. The reason and external note will be visible to all users who can view the individual's test record and the internal note will be visible to regulators and Support Users with the View Investigation or Manage Investigation roles.

If the test result remains official, it will appear in the list of Official Test Results in Composite View and the Individual Snapshot. If the test result becomes Unofficial, it will appear on the page that contains Unofficial Results Replaced by the UST. An Invalid test result will be treated the same as a failed result in terms of calculating the wait period to re-take the test.

An invalid test result may result in an individual not meeting test compliance for a license application. If the individual holds a license in a pending or approved status, and a relevant test result is invalidated, a license item will be placed on the license. The license item will be cleared when the individual retakes the test or takes an equivalent test. The existence of such license item will make a license ineligible for auto-renewal.

**Data Download Impacts**

The new "Invalid" test result status will be included in the existing Test Results file provided in the Data Download. There will be three new fields introduced in the data download that will require schema changes to the Test Results file:

1. Invalid Result Reason (set drop-down values)
2. Invalid Result Internal Note (free-form text)
3. Invalid Result External Note (free-form text)

Additionally, expect to provide a new file for the Invalid Result Reason codes.

# Renewals

**SUMMARY:** The Renewal functionality for 2014 will allow:
- Regulators to terminate licenses in bulk if the state agency has no reinstatement period or has a shorter reinstatement period than NMLS
- Agencies to specify 2, 5, or 15 days for automatic renewal consideration
- Federal Registry renewals to transfer if an employee changes employers

**State Renewals:**

**Bulk License Termination if No Reinstatement**

State regulators in states that do not have a reinstatement period or have a reinstatement period that ends prior to the last day of February will be able to terminate licenses in a "Terminated – Failed to Renew" status using a either an interface within NMLS or a CSV upload file.

The user interface will allow regulators to choose all or some of the licenses in the applicable status and initiate the termination process. This process functions as the end of reinstatement and will set all selected licenses to a "Terminated – Expired" status.

NMLS will provide a CSV extract file for regulators of all licenses eligible for termination due to the end of a reinstatement period. Regulators can review this file, delete any rows for licenses that they do not wish to terminate, and then upload the CSV to NMLS. NMLS will process each row in the file as a termination due to the end of reinstatement and set the licenses to a "Terminated – Expired" status.

License terminations using this process cannot be reversed. If a license is terminated accidentally, a new license must be issued. The old license cannot be reactivated. NMLS will not issue refunds for any fees associated with re-issuing a license terminated using this process.

This functionality will not be available after reinstatement closes.

**Automatic Renewal Period to be Configurable**

State agencies that allow renewal requests to be automatically approved if the request meets the previously defined criteria can now select to have auto-renewals process after a 2, 5, or 15 day waiting period. No changes were made to the auto-renewal approval criteria from last year's renewal period.

**Add NMLS IDs to Regulator Manage Renewal Status Page**

The NMLS ID number for companies, branches, and individuals will be displayed on the Manage Renewal Status page for regulators. The NMLS ID displayed underneath the entity name will be a hyperlink to the company's or branch's composite information.

**Remove Automatic System Backdating When Removing Renewal Approval**

When a renewal request is rejected after January 1$^{st}$, the system will no longer backdate the license status date to January 1$^{st}$. The license status date will be the actual date that the renewal rejection occurred.

# Renewals

**Federal Renewals:**

**Employment Changes on a Renewed Registration**

NMLS will transfer a Federal Registry renewal if an MLO changes employment during the renewal period if the following conditions are met:

- All actions take place during the renewal period (Nov 1 to Dec 31).
- The renewal is fully paid and attested.
- The MLO's fully paid and attested employment/registration is terminated.
- A new employment/registration for that MLO is activated.
- The employment change does not cause a change in the federal regulator.

If these conditions are met, the renewal will transfer and the new employer or MLO will not be required to pay a second renewal fee after the change of employment.

# Test Enrollment Streamlining and Candidate Agreement

**SUMMARY:** The test enrollment workflow will be updated to allow for a more seamless process to open a test enrollment window and schedule a test appointment. As part of the updated workflow, individuals will be required to accept the Candidate Agreement prior to scheduling a test appointment. After a test appointment is scheduled, the date of the test appointment and the city and state of the testing center will display in NMLS.

The Candidate Agreement outlines the rights and responsibilities of test candidates throughout the testing process. All individuals will be required to accept the candidate agreement prior to scheduling a test appointment.

**Updates to the Company Workflow**

The company workflow to create a test enrollment window will remain the same, however the test enrollment window will not be opened (and ready for a test appointment to be scheduled) until the individual accepts the Candidate Agreement. After the company creates and pays for a test enrollment window, individuals will receive an email notification indicating that they must accept the Candidate Agreement. Individuals must log in to NMLS to accept the Candidate Agreement and then the company or individual will have the ability to schedule a test appointment.

**Updates to the Individual Workflow**

The individual workflow to create a test enrollment window will be modified to include the acceptance of the Candidate Agreement. When the individual completes the workflow and submits and pays for the test enrollment, the window will be opened and the individual can schedule a test.

**Scheduling, Rescheduling, and Canceling Test Appointments.**

Both companies and individuals will have the ability to schedule, reschedule, or cancel a test appointment through NMLS. In the past, there were multiple test providers; currently there is only one provider making it possible to link directly to the test provider's site. After a test appointment has been scheduled, NMLS will display the date of the test appointment and the location (city and state) of the testing center.

Company users will be able to view a list of all test enrollment windows, as well as see lists broken out by the following: windows that are ready to be scheduled, test appointments that can be rescheduled or cancelled, and windows awaiting acceptance of the Candidate Agreement. Company users will have the ability to export a list of all test enrollment windows or only those windows that display on the page based on filter criteria. The extract will include the following information:

- Individual ID
- Individual Last Name
- Individual First Name
- Individual Middle Name
- Individual Suffix
- Individual Email
- Individual Phone

# Test Enrollment Streamlining and Candidate Agreement

- Test Name
- Window Begin Date
- Window End Date
- Created By Entity ID
- Created By Entity Name
- Available Action (Ready to Schedule, Scheduled, Awaiting Candidate Agreement, Processing)
- Agreement Acceptance Date
- Appointment Date
- Appointment City
- Appointment State
- Last Updated User
- Last Updated Timestamp

The existing Test Enrollment role will allow companies to schedule, reschedule, and cancel test enrollments as well as export test enrollment information.

**Composite View**
The View Testing Information page in the Individual composite view will be updated to include the test enrollment window status and test appointment information (if applicable) in the Open Enrollment Windows section.

**Notifications**
*See the General Enhancements section for updates to notifications.*

# General Enhancements – Notifications and Reports

**NOTIFICATIONS – State Context**

**UAAR Address Exceptions**
- Support Users who upload the UAAR Address Exception file will receive an email when the file is successfully processed (with or without records that failed row level validations).
- If an exception address is later validated via the Address Validation Service (AVS), then Support Users with the Address Exception role will receive a system email informing them that exception addresses have been validated. The email will contain a list of addresses that have been validated.

**Invalidating Test Results**
There will be a new real-time system email to notify the relevant parties when a test result is invalidated. Emails will be sent to:
- The individual who took the test
- Companies with access rights
- Relevant regulators

**Test Enrollment Streamlining**
- A new notification will be sent to individuals after a test enrollment window has been created on their behalf. The notification will serve as a reminder to accept the Candidate Agreement. The notification will trigger at the following intervals until the individual accepts the Candidate Agreement or the test enrollment has closed.
  - Window Creation date (next day in this case since it is a nightly notification)
  - 170 days before the window end date
  - 150 days before the window end date
  - 120 days before the window end date
  - 90 days before the window end date
  - 60 days before the window end date
  - 30 days before the window end date
  - 10 days before the window end date
- The triggers for the existing New Enrollment Window notification will be updated. This notification will not be sent until the test enrollment window is open (meaning that the enrollment window has been paid for and the candidate agreement has been accepted). Note that currently, the receipt of this email was the indication that a test appointment could be scheduled with the test provider. Users will no longer need to wait for this notification to schedule a test appointment. As soon as the test enrollment window has been processed by NMLS and Proctor, the company or individual will be able to schedule a test appointment.
- The triggers for the current Enrollment Window Expires in 30 Days will be updated so that the email notification is sent 60, 30, and 15 days prior to a test enrollment window closing.

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# General Enhancements – Notifications and Reports

- There will be minor text updates to the Enrollment Window Closed or Expired (No Test Results) notification.

## NOTIFICATIONS – State Context (cont'd)

**Invoices**
- The schedule for unpaid/failed payment invoice notifications will change to include more frequent notifications. The new notifications will include admonishments that failure to pay the invoice by the due date will result in the account being restricted until such time as the applicable invoices are paid. (See General Enhancement 16905 for details on restricting account access.)
  - Invoice created notification sent overnight on the day the invoice is created
  - Invoice outstanding sent every 15 days up to the due date
  - Invoice outstanding sent the day prior to the due date
  - Invoice overdue sent every 30 days up to 120 days past due
  - Invoice canceled sent immediately upon cancellation of the invoice

## REPORTS – State Context

**Reports with Individual Licensees**
When the licensed entity is an individual, this report will now display the individual's account email address in addition to the individual's filing email address for the following reports:
- Credit Report Summary (Regulator)
- Criminal Background Check (CHRI) Results (Regulator)
- Criminal Background Check Compliance Report (Regulator)
- Individual Active License Items (Regulator)
- Individual Roster (Regulator)
- PE and Testing Compliance (Regulator)
- PE and Testing Non Compliance (Regulator)
- Sponsored Individual Roster (Regulator)

The individual's account email address replaces the individual filing email address in the Transition Requests – Duration (Regulator) Report.

**Uniform Authorized Agent Reporting (UAAR)**
The Authorized Agent Relationship Roster Report (Regulator) will be updated to include a Yes/No indicator that the address is an Exception Address.

# General Enhancements (cont'd)

| SCR Number | Title | Description | Context |
|---|---|---|---|
| **18800** | ACN: Effective Date Changes on Pending ACNs will not Change Regulator Status | Updating only the effective date (no changes to the content of the ACN field) of an ACN to a later date on a Company or Branch Filing WILL NOT trigger an update to the Regulator Status of the ACN Event. | State |
| **16883** | Authorized Agents: Invalid Address Exception Handling | Support Users with the appropriate role will have the ability to update UAAR Exception Address into NMLS. UAAR Exception addresses are those that the regulator has deemed valid, but that the Address Validation Service (AVS) cannot validate. Support Users will have an interface that will allow them to upload a CSV file with the exception addresses. They will also have a real-time extract that will allow them to view exception addresses, any authorized agents with that address, and if the address has been validated with the AVS after it was initially submitted.<br><br>A process will be run on a monthly basis that will run exception addresses against the AVS. If there are any exception addresses that are not validated with the AVS, a notification will be generated to support users with the Upload UAAR Address Exceptions role. The real-time extract will also be updated to include the AVS standardized address.<br><br>The changes to the company workflow will be transparent to users. Agents uploaded via the UAAR process will be validated against the AVS and addresses not validated by the AVS will be checked against the Address Exceptions.<br><br>Composite view will be updated to include an indicator that the address is an exception. | State |
| **19969** | Authorized Agents: Zip Code Validation Rules | The Uniform Authorized Agent Reporting (UAAR) Upload was updated to allow for a 3-digit zip code. When the Address Validation Service (AVS) validates the zip code, it will assume that this is a zip code with two leading zeros and automatically add the zeros. | State |

# General Enhancements (cont'd)

| SCR Number | Title | Description | Context |
|---|---|---|---|
| **18701** | Document Uploads: New Document Types | The documents listed below will be added to the document upload drop-down selections for the noted form. | State |

| New Document Name | General or State-Specific | Form |
|---|---|---|
| AML/BSA Policy | General | Company (MU1) |
| Company Staffing and Internal Policies | General | Company (MU1) |
| Flow of Funds Structure | General | Company (MU1) |
| Mortgage Servicing Agreement | General | Company (MU1) |
| Permissible Investments | General | Company (MU1) |
| Trade Name/Assumed Name Registration Certificate | State-Specific | Company (MU1) |
| Warehouse Line of Credit Documentation | General | Company (MU1) |
| Designation of Qualified Employee | State-Specific | Branch (MU3) |

The new document types will be sorted alphabetically with the existing document types.

# General Enhancements (cont'd)

| SCR Number | Title | Description | Context |
|---|---|---|---|
| **18594** | License Approval and Renewal: Individual without Passed Test Result | With the introduction of the Invalidating Test Results functionality, the rules around individual license approval will be updated. Settings will also be added to govern rules around renewal submission and renewal approval.<br><br>If the Individual License Setting for Education and Testing Compliance at Application is set to Required Enforced or Required Not Enforced and the individual has not met testing compliance, the license status cannot be updated to an approved-equivalent status. This rule applies for status updates via License Status Management or Bulk License Status update.<br><br>There will be two new renewal settings for each individual license: Testing Compliance for Renewal Submission and Testing Compliance for Renewal Approval.<br>*The Testing Compliance for Renewal Submission setting will have the following options and behavior:*<br>• **Enforce** – Users must have a passing result for the National and State testing requirements for a license to be eligible for renewal. If testing compliance has not been met, the license will appear in the list of licenses not eligible for renewal.<br>• **Warn** – Users do not need a passing result for the National and State testing requirements in order to submit a renewal request, upon submission of the renewal they will receive a warning that they have not met testing requirements and the regulator may not approve the renewal request.<br>• **Not Required** – The system will not look for testing compliance for renewal submission.<br>*The Testing Compliance for Renewal Approval setting will have the following options and behavior:*<br>• **Enforce** – Users must have a passing result for the National and State testing requirements before the regulator can approve the renewal request.<br>• **Warn** – Users do not need a passing result for the National and State testing requirements before the regulator can approve the renewal request, but will receive a warning message prior to approving.<br>• **Not Required** – The system will not look for testing compliance for renewal approval.<br><br>The two new renewal settings cannot be set to Not Required unless the Individual License Setting for Education and Testing Compliance at Application is set to Not Required. | State |

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# General Enhancements (cont'd)

| SCR Number | Title | Description | Context |
|---|---|---|---|
| 18820 | Regulator Work List: Sponsorship Review Item Enhancements | A Sponsorship Removal work item will be added to a state regulator's work list whenever a sponsorship is removed instead of only when the last active sponsorship associated to the license is removed.<br><br>In addition, Sponsorship Request and Sponsorship Removal work items will be updated to:<br>• Provide details regarding the sponsorship being requested/removed<br>• List other sponsorships for the license that are in an active status: Requested, Deficient, or Accepted<br>• Re-label the Active Licenses section to Relevant License | State |
| 16905 | Payments: Restricting NMLS Access for Unpaid/Failed Payment  Invoices | This enhancement automates the current manual process of restricting access to NMLS accounts for unpaid and failed payment invoices.<br>• An NMLS user whose access has been restricted will be able to log into NMLS to pay outstanding invoices and update account profile information.<br>• Access restriction will be applied to the invoice creator and not the charge subject.<br>• NMLS will restrict access for all users associated with an NMLS entity when a failed payment made by that entity is not repaid within 30 days.<br>• Access will not be restricted for Agency Fee Invoices and invoices without a specific due date.<br>• Full access will be restored when all invoices sufficiently overdue to restrict access are paid. | State and Federal |
| 18693 | Payments: SRR Invoicing | SRR will be generating invoices for ad hoc reports and other NMLS processing fees from within NMLS. Industry will be able to pay these invoices in NMLS from the existing invoice payment screen. SRR-generated invoices will be included in the unpaid invoices count on Individual and Company Dashboards. | State and Federal |
| 18760 19523 19667 | Payments: Update Button Order | The navigation buttons on all payment workflow screens will be reordered so that the most common action button is located on the left. | State and Federal |
| 7852 | Federal: Bulk Employment Termination for an Institution | Institutions will be able to upload a CSV file of terminated employees to process the employment termination in NMLS. Processing of a termination file will result in the same outcome as processing individual terminations. If an individual is accidentally terminated using this process, the termination cannot be reversed. A new employment will have to be created and all applicable fees will assess. | Federal |

# General Enhancements (cont'd)

| SCR Number | Title | Description | Context |
|---|---|---|---|
| **17854** | Federal: Navigation Guidance from User Profile for Individual User | When an individual user leaves the Update User Profile page by clicking **Save Changes** or **No Changes**, the user will be taken to the renewal/reactivation attestation page if a renewal/reactivation attestation is required. Otherwise, the individual user will be taken to the home page. A pop-up window will be presented to affected users notifying them that they are being redirected. | Federal |
| **18816** | Consumer Access B2B: License Status History in B2B Extract | The Consumer Access B2B Extract will be updated to include the License Status History for a licensee since it first became Authorized to Conduct Business. Using the license history, the system will derive the start and end date for each time period the license went from/to an Authorized to Conduct business status.<br><br>Three new files will be added to the B2B data set to represent the aggregate license history:<br>• CompanyLicenseHistory<br>• BranchLicenseHistory<br>• IndividualLicenseHistory | N/A |

# System Maintenance Updates

| SCR Number | Category | Description | Context |
|---|---|---|---|
| **19518** | Composite: Authorized Agents | The display of the inactive authorized agent location relationship status will be updated from 'InActive' (capital A) to 'Inactive' (lower case A) on the Authorized Agent Relationship Location and Authorized Agent Relationship Location History screens.) | State |
| **19886** | License Items | The Expired Test Result license item logic will be updated to place an Expired Test Result license item if the Requires Education setting for the license is *Enforced* **OR** *Required Not Enforced*, not just when the setting is *Enforced*. | |

## System Maintenance Updates

| 16938 | Notifications | The greater than sign (>) will be removed from the end of the Window Begin Date in the Enrollment window closed notification has a greater than sign (>) after the date. | State |
|-------|---------------|------|-------|
| 17774 | Reporting | The Invoice IDs for federal registration records being re-activated will be initialized properly so the payments will appear on the Federal MLO Renewal Fee Report. | Federal |
| 19160 | Reporting | The Accounting Reports functionality will be updated to allow regulators to generate and view the reports with IE browser versions lower than 9.0. | State |