



**State of North Carolina**  
OFFICE OF THE COMMISSIONER OF BANKS

BEVERLY E. PERDUE  
GOVERNOR

September 2, 2010

JOSEPH A. SMITH, JR.  
COMMISSIONER OF BANKS

**To: All Licensed Mortgage Lenders and Brokers**

**From: Charlie Fields, Jr., Director, Non-Depository Entities Division**

**Re: Rule NCAC Rule 04 NCAC 03M .0401 Requirements**

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As a follow-up to information contained in the NCCOB Non-Depository Newsletter dated July 30, 2010, we are providing you with additional information regarding the collection and submission of loan level data on a quarterly basis to the NCCOB starting January 1, 2011. The NC Rules Review Commission approved NC Administrative Code Rule 04 NCAC 03M .0401(c) which requires mortgage lenders and mortgage brokers to provide information on the characteristics of loan originations in an electronic format, on a quarterly basis, within 45 days after the close of the calendar quarter.

Understanding this process may involve some system and process changes, NCCOB has established a gradual phase-in for all licensees to be fully capable of complying with the requirements of this Rule. This phase-in timeline is detailed below. Please refer to your 2009 Annual Report Questionnaire, specifically, the total origination dollar volume from questions 1, 2, 3, 4, and 5, to determine which timeline applies to your company.

**Timeline**

- Phase I - Lenders that reported 2009 Annual Report loan origination volume over \$50 million would be required to comply with .0401(c) requirements starting **01/01/11**.
- Phase II - Lenders that reported 2009 Annual Report loan origination volume over \$10 million but less than \$50 million would be required to comply with .0401(c) requirements starting **01/01/12**.
- Phase III - All brokers and those lenders that reported 2009 Annual Report loan origination volume less than \$10 million would be required to comply with .0401(c) requirements starting **01/01/13**.

The NCCOB will require licensees to start capturing electronic loan level data as of January 1, 2011 and be prepared to submit such data through [RegulatorConnect.org](http://RegulatorConnect.org) on a quarterly basis within 45 days after the close of the calendar quarter, by May 15, 2011 for those companies in Phase I.

In order to make this possible, a vendor-specific website called [www.RegulatorConnect.org](http://www.RegulatorConnect.org) has been developed. The website facilitates origination and documentation system integration as well as third party compliance system integration. Once registered, your company can review detailed submission instructions and obtain free access to the Licensee Examination Format (LEF) necessary for data uploads for the NCCOB to review. It is our understanding that loan origination system (LOS) vendors, comprising as much as two-thirds of the industry, have reported that integration with the required file format will be achieved by late 2010 or early 2011. We encourage you to contact your LOS vendor to inquire about this issue to ensure your company's data submissions are correct and timely.

The NCCOB is planning a webinar in October 2010, for those licensees in Phase I to address any questions or issues you may have. Our office will contact the Qualifying Individual and Licensing Contact for your company with details regarding the upcoming webinar in the near future. Please complete a survey about the types of mortgage automation software used by your company. This information will assist us with preparing the webinar. The survey is located at <https://www.surveymonkey.com/s/TRYMZZT>

The NCCOB looks forward to working with you on this matter in the coming months. Please feel free to contact me at [cfields@nccob.gov](mailto:cfields@nccob.gov) if you have any questions.