



## DISCIPLINARY ACTION REFERENCE GUIDE

Federally registered mortgage loan originators are required to use NMLS in order to provide information regarding Disciplinary Actions covered by the MU4R's Disclosure Questions.

NOTE: Any explanation of a Disciplinary Action and related material can be amended or replaced, but the original submission will always remain part of the individual's historical record in NMLS. It cannot be completely removed from NMLS by the MLO or their employing Institution. **Please carefully review any explanation prior to attestation and submission.**

Each Disciplinary Action explanation is comprised of the following information:

**Brief Description of Disciplinary Action** – Required; a brief statement describing what event the Action relates to (e.g. “Felony”, “Cease and Desist Order”).

**Action Type** – Required; choose from drop-down menu.

**Action Type Description** – Only required if “Other (Regulatory)” or “Order (Regulatory)” is selected for Action Type. A description cannot be entered for other Action Types.

**Authority Type** – Required; choose from drop-down menu.

**Name of Authority** – Only required if “Other Federal Regulator”, “State Regulator”, “Foreign Financial Regulator”; “Criminal Court” or “Civil Court” is selected for Authority Type. A Name of Authority cannot be entered for other Authority Types.

**Date of Final Action** – Required; must be entered in a MM/DD/YYYY format

**Disciplinary Action Detail** (4,000 character limit) – Optional. If the MLO chooses to, he or she may provide a detailed description of the Disciplinary Action being disclosed.

(See corresponding graphics on following page)

| Disciplinary Action Detail  |                      |
|---|----------------------|
| Brief Description of Disciplinary Action (required):  | <input type="text"/> |
| Action Type:  | <input type="text"/> |
| Authority Type:   | <input type="text"/> |
| Date of Action:<br>(MM/DD/YYYY)   | <input type="text"/> |
| Action Type Description (if required):  | <input type="text"/> |
| Name of Authority (if required):  | <input type="text"/> |
| <b>Disciplinary Action Detail (optional):</b><br>You may optionally provide a brief summary or explanation of this Disciplinary Action in the box below (4000 character max.). If provided, it will be made publicly viewable when you are actively registered. |                      |
| <input type="text"/>  |                      |

**Applicable Questions** – Required. Select the checkbox next to the disclosure question(s) with “Yes” responses related to the explanation you have provided. A single explanation can be associated to one or more questions and multiple explanations can be associated to a single question.

| Applicable Questions   |   |
|--|---|
| Check the box(es) next to the appropriate disclosure question(s) below that apply to the Disciplinary Action information you are providing (required). |   |
| Disciplinary Action Provided For   | Current Response: Question(s)   |
|  | Regulatory Action   |
| <input type="checkbox"/>   | Yes (D) Has any State or federal regulatory agency or foreign financial regulatory authority ever: (4) entered an order against you in connection with a financial services-related activity? |

**Supporting File** – You are required to upload any applicable supporting documentation by browsing for the document on your computer. Only a single PDF file (not exceeding 8 MB) can be uploaded for an event. However, multiple documents can be combined into a single file. Examples of documents may include: Criminal or Civil Court Documents, Administrative Orders, and other public documents issued by the Authority taking the specific Disciplinary Action.

| Supporting File  |
|--|
| You must include a supporting PDF file (not exceeding 8 MB) by clicking <b>Browse</b> , selecting the file, and clicking <b>Save</b> . Only one file is allowed. If you have multiple documents they must be combined in a single file. Only documents related to the event described above should be included in the file.  |
| Please be aware that this Supporting File will be <a href="#">publicly available in NMLS Consumer Access</a> . Additionally, though a Supporting File can be replaced, any Supporting Files included in a submitted MU4R will be retained and available in Historical Filings. Make sure that any Supporting File you intend to upload here is appropriate <u>prior</u> to submission. |
| File: <input type="text"/> <input type="button" value="Browse..."/>  |

A separate explanation should be provided for each event resulting in a 'Yes' response to a disclosure question. If providing multiple Disciplinary Action explanations, submit supporting documentation separately with each explanation. Do not merge documentation for separate Disciplinary Actions into one file. In addition, a single explanation can be associated to one or more disclosure questions. See the following Examples below regarding how explanations can be entered in NMLS:

[Example One – One 'Yes' Response, One Event](#)

[Example Two – One 'Yes' Response, Two Events](#)

[Example Three – Two 'Yes' Responses, One Event](#)

[Example Four – Associating State Regulatory Action \(SRA\) to a Disciplinary Action](#)

*Please contact your employer with any questions regarding interpretation of disclosure questions or the content of explanations. Contact the NMLS Call Center at 1-855-NMLS-123 (1-855-665-7123) for assistance with any technical issues related to disclosure explanations that may be preventing the submission of your filing.*

## EXAMPLE ONE – One ‘Yes’ Response, One Event

An MLO has been named in financial services-related consumer-initiated civil litigation (Event). The lawsuit was settled for some amount. In NMLS, the MLO would need to answer Question (F)(2), related to certain civil litigation, ‘Yes’. The MLO would complete the required Disciplinary Action explanation for the event as follows:

Disciplinary Actions

Total Charges: \$0.00

Click **Add** to provide information for one or more disclosure questions that have a “Yes” response. You should provide a separate explanation for each event. Information for “No” responses cannot be provided through NMLS.

Disciplinary action information previously provided is listed below. Click to edit or delete existing information.

Disciplinary Action information must be provided for each disclosure question with a “Yes” response. Click **Add** to provide information.

Step 1

Add

**Step 1** – Click Add on Disciplinary Actions page

**Step 2** – Provide Brief Description of Disciplinary Action. [See screen shot on next page]

**Step 3** – Provide Action Type.

**Step 4** – Provide Authority Type.

**Step 5** – Provide Date of Action.

**Step 6** – Provide Disciplinary Action Detail, if the MLO chooses to do so.

**Step 7** – Associate Applicable Question.

**Step 8** – Click Browse Button and select supporting file from your computer for the Event.

**Step 9** – Click Save.

# EXAMPLE ONE – One ‘Yes’ Response, One Event (continued)

You are currently: Federal

- Identifying Information
- Other Names
- Current Residence
- Employment Records
- Disclosure Questions
- Disciplinary Actions**
- Criminal Background Check
- Attest and Submit

## Disciplinary Action

Total Charges: \$0.00

**Additional Disciplinary Action information is required to be completed in NMLS by federal registrants who have responded “Yes” to any Disclosure Question.** Provide the requested information regarding the event resulting in a “Yes” response to one or more disclosure questions below. You have the option to provide an explanation of this Disciplinary Action through the “Disciplinary Action Detail”, but an explanation is not required.

Information for a single event can be associated to more than one disclosure question, if applicable. Do not provide disciplinary action information for more than one event in the Disciplinary Action Event Detail field or Supporting File.

View the [Disciplinary Action Reference Guide](#) for more information about entering disciplinary action information.

Note: In accordance with federal regulations, the most recent version of the information provided below will be available in NMLS Consumer Access once the filing is submitted. You may wish to consult with your institution prior to submitting a filing with Disciplinary Action information. View [Federal Registry Information Viewable in NMLS Consumer Access](#) to learn more about information made publicly available.

### Disciplinary Action Detail

Brief Description of Disciplinary Action (required):  ← **Step 2**

Action Type:  ← **Step 3**

Authority Type:  ← **Step 4**

Date of Action:  (MM/DD/YYYY) ← **Step 5**

Action Type Description (if required):

Name of Authority (if required):

Disciplinary Action Detail (optional): ← **Step 6**  
You may optionally provide a brief summary or explanation of this Disciplinary Action in the box below (4000 character max.). If provided, it will be made publicly viewable when you are actively registered.

### Applicable Questions

Check the box(es) next to the appropriate disclosure question(s) below that apply to the Disciplinary Action information you are providing (required).

| Disciplinary Action Provided For         | Current Response: | Question(s)  |
|--|-------------------|--|
| <input type="checkbox"/> ← <b>Step 7</b> | Yes               | <b>Criminal Disclosure</b><br>(A) Have you ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any criminal offense involving dishonesty, breach of trust, or money laundering or agreed to enter into a pretrial diversion or similar program in connection with the prosecution of such offense(s)? |

### Supporting File

You must include a supporting PDF file (not exceeding 8 MB) by clicking **Browse**, selecting the file, and clicking **Save**. Only one file is allowed. If you have multiple documents they must be combined in a single file. Only documents related to the event described above should be included in the file.

Please be aware that this Supporting File will be [publicly available in NMLS Consumer Access](#). Additionally, though a Supporting File can be replaced, any Supporting Files included in a submitted MU4R will be retained and available in Historical Filings. Make sure that any Supporting File you intend to upload here is appropriate prior to submission.


File:   ← **Step 8**

**Step 9**

## EXAMPLE ONE – One ‘Yes’ Response, One Event (continued)


**Final Result:** The explanation is listed on the Disciplinary Actions page for the event.



### Disciplinary Actions


 HELP

**Total Charges: \$0.00**

Click **Add** to provide information for one or more disclosure questions that have a “Yes” response. You should provide a separate explanation for each event. Information for “No” responses cannot be provided through NMLS.

Disciplinary action information previously provided is listed below. Click  to edit or delete existing information.

| Description   | Applicable Question(s) | Date Updated         | Supporting File   | Date Uploaded        | Action ID |
|---|------------------------|----------------------|---|----------------------|-----------|
|  Event 1 | <a href="#">F(2)</a>   | 10/5/2012 3:57:51 PM |  | 10/5/2012 3:26:03 PM |           |

**To Update or Delete an Action:** An explanation may be updated or deleted by clicking  next to the Description. However, previously submitted versions of the Action will be viewable in Historical Filings even after the Action is updated or deleted.


## EXAMPLE TWO – One ‘Yes’ Response, Two Events

An MLO has twice previously been named in financial services-related consumer-initiated civil litigation (Event 1 and Event 2). Both lawsuits were settled for some amount. In NMLS, the MLO would need to answer Question (F)(2), related to certain civil litigation, ‘Yes’. The MLO would complete a separate Disciplinary Action Explanation for each event as follows:

Follow [Steps 1-9](#) for Event 1 and Event 2. The supporting documentation for each explanation must be specific to that explanation. In this example, the MLO would not be allowed to merge documentation related to both lawsuits into a single Supporting File.


**Final Result:** A separate Action is listed on the Disciplinary Actions page for Events 1 and 2.





### Disciplinary Actions


 **HELP**

**Total Charges:\$0.00**

Click **Add** to provide information for one or more disclosure questions that have a “Yes” response. You should provide a separate explanation for each event. Information for “No” responses cannot be provided through NMLS.

Disciplinary action information previously provided is listed below. Click  to edit or delete existing information.

| Description   | Applicable Question(s) | Date Updated         | Supporting File   | Date Uploaded        | Action ID |
|---|------------------------|----------------------|---|----------------------|-----------|
|  Event 1 | <a href="#">F(2)</a>   | 10/5/2012 3:26:03 PM |  | 10/5/2012 3:26:03 PM |           |
|  Event 2 | <a href="#">F(2)</a>   | 10/5/2012 3:26:28 PM |  | 10/5/2012 3:26:28 PM |           |

**To Update or Delete an Action:** An explanation may be updated or deleted by clicking  next to the Description. However, previously submitted versions of the explanation will be viewable in Historical Filings even after the explanation is updated or deleted.

### EXAMPLE THREE – Two ‘Yes’ Responses, One Event

An MLO was found by a State regulator to have been dishonest, unfair or unethical (Regulatory Finding). In NMLS, he or she may need to answer questions (D)(1) and (D)(7), both related to dishonest or deceptive conduct, ‘Yes’. The MLO would complete the required Disciplinary Action explanation for the event as follows:

Follow [Steps 1-9](#). When completing Step 7 select the two Applicable Questions as seen below.

| Applicable Questions   |  |
|--|--|
| Check the box(es) next to the appropriate disclosure question(s) below that apply to the Disciplinary Action information you are providing (required). |  |
| Disciplinary Action Provided For   | Current Response: Question(s)  |
|  | <b>Regulatory Action</b>   |
| <input checked="" type="checkbox"/>  | Yes (D) Has any State or federal regulatory agency or foreign financial regulatory authority ever:<br>(1) found you to have made a false statement or omission or been dishonest, unfair or unethical? |
| <input checked="" type="checkbox"/>  | Yes (7) issued a final order against you based on violations of any law or regulations that prohibit fraudulent, manipulative, or deceptive conduct?   |

**Final Result:** The explanation is listed on the Disciplinary Action page for two Applicable Questions.

#### Disciplinary Actions

HELP

Total Charges: \$0.00

Click **Add** to provide information for one or more disclosure questions that have a “Yes” response. You should provide a separate explanation for each event. Information for “No” responses cannot be provided through NMLS.

Disciplinary action information previously provided is listed below. Click to edit or delete existing information.

| Description | Applicable Question(s)     | Date Updated          | Supporting File | Date Uploaded         | Action ID |
|-------------|----------------------------|-----------------------|-----------------|-----------------------|-----------|
| Event 1     | <a href="#">D(1), D(7)</a> | 10/11/2012 2:47:10 PM |                 | 10/11/2012 2:47:10 PM |           |

**To Update or Delete an Explanation:** An Explanation may be updated or deleted by clicking next to the Explanation. However, previously submitted versions of the Explanation will be viewable in Historical Filings even after the Explanation is updated or deleted.



## EXAMPLE FOUR – Associating a State Regulatory Action (SRA) to a Disciplinary Action

MLOs that need to disclose a Disciplinary Action that has already been tied to their NMLS record by a State Regulator will be able to reference that existing Action. This process is an exception and does not apply to the majority of federally registered MLOs.

**Step 1** – Click Add on Disciplinary Actions page.


**Step 2** – Select applicable SRA.

**Step 3** – Select Associate SRA.

Disciplinary Actions

Total Charges: \$0.00

Click **Add** to provide information for one or more disclosure questions that have a "Yes" response. You should provide a separate explanation for each event. Information for "No" responses cannot be provided through NMLS.

Disciplinary action information previously provided is listed below. Click  to edit or delete existing information.

**Disciplinary Action information must be provided for each disclosure question with a "Yes" response. Click **Add** to provide information.**

**Step 1**

**Add**


Disciplinary Actions - Associate State Regulatory Actions

Total Charges: \$0.00

The following state regulatory action (SRA) is associated to your record. Details regarding the SRA can be viewed by clicking the link in the Action ID column. Select the action and click **Associate SRA** to link this action to a disclosure question with a "Yes" response. If you are providing disciplinary action information related to an event that does not pertain to a state regulatory action, click **Add Disciplinary Action** below.

**Regulatory Actions**

**Step 2**

| Action ID  | Docket Number | Posted By | Action Type      | Description of Action | Date of Action |
|--|---------------|-----------|------------------|-----------------------|----------------|
|  <a href="#">100236</a> | None          | PA        | Cease and Desist |                       | 9/1/2012       |

**Step 3**

**Associate SRA** **Add Disciplinary Action**

## EXAMPLE FOUR – Associating a State Regulatory Action (SRA) to a Disciplinary Action (continued)

**Step 4** – Provide Brief Description of Disciplinary Action.

**Step 5** – Provide Disciplinary Action Detail, if the MLO chooses to do so.

**Step 6** – Associate Applicable Question.

**Step 7** – Click Save.

### Linked Disciplinary Action

Total Charges: \$0.00

Additional Disciplinary Action information is required to be completed in NMLS by federal registrants who have responded “Yes” to any Disclosure Question. Provide the requested information regarding the event resulting in a “Yes” response to one or more disclosure questions below. You have the option to provide an explanation of this Disciplinary Action through the “Disciplinary Action Detail”, but an explanation is not required. Information for a single event can be associated to more than one disclosure question, if applicable. Do not provide disciplinary action information for more than one event in the Disciplinary Action Event Detail field or Supporting File. View the [Disciplinary Action Reference Guide](#) for more information about entering disciplinary action information.

Brief Description of Disciplinary Action (required):  ← **Step 4**

**Associated Regulatory Action**  
Action ID: [100236](#)

**Disciplinary Action Detail**  
Disciplinary Action Detail (optional): ← **Step 5**  
Optional Disciplinary Action Detail

**Applicable Questions**  
Check the box(es) next to the appropriate disclosure question(s) below that apply to the Disciplinary Action information you are providing (required).

| Disciplinary Action Provided For      | Current Response: | Question(s)  | Regulatory Action |
|---------------------------------------|-------------------|--|-------------------|
| → <input checked="" type="checkbox"/> | Yes               | (D) Has any State or federal regulatory agency or foreign financial regulatory authority ever (4) entered an order against you in connection with a financial services-related activity? |                   |

↓ **Step 7**

## EXAMPLE FOUR – Associating a State Regulatory Action (SRA) to a Disciplinary Action (continued)


**Final Result:** The explanation is listed on the Disciplinary Action with associated SRA.


### Disciplinary Actions

 [HELP](#)

**Total Charges: \$0.00**

Click **Add** to provide information for one or more disclosure questions that have a "Yes" response. You should provide a separate explanation for each event. Information for "No" responses cannot be provided through NMLS.

Disciplinary action information previously provided is listed below. Click  to edit or delete existing information.

| Description   | Applicable Question(s) | Date Updated         | Supporting File | Date Uploaded | Action ID              |
|---|------------------------|----------------------|-----------------|---------------|------------------------|
|  Event 1 | <a href="#">D(4)</a>   | 10/9/2012 2:48:38 PM |                 |               | <a href="#">100236</a> |