

# **NCUA LETTER TO CREDIT UNIONS**

**NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314**

**DATE:** August 2010 **LETTER NO.:** 10-CU-13  
**TO:** All Credit Unions  
**SUBJ:** Compliance Deadline for SAFE Act  
**ENCL:** (1) NCUA Regulation - Part 761 with Appendix A  
(2) SAFE Act Frequently Asked Questions (FAQs)

Dear Board of Directors:

By October 1, 2010, credit unions are required to establish written policies providing a basic framework for compliance with the SAFE Act. To help you comply, this letter provides background, regulatory language, and answers to frequently asked questions.

## **Background**

Enacted as part of the Housing and Economic Recovery Act of 2008, the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) mandates a nationwide licensing and registration system for mortgage loan originators: the Nationwide Mortgage Licensing System and Registry. The primary goals of the SAFE Act are to:

- Provide more effective regulatory oversight over the mortgage loan industry;
- Enhance consumer protection and accessibility to information;
- Reduce mortgage loan fraud; and
- Provide uniform license application and reporting requirements.

The SAFE Act specifically prohibits an individual who is employed by a depository institution from engaging in residential mortgage loan origination without first registering as a mortgage loan originator (MLO) and obtaining a unique identifier. This registration must remain current as long as the MLO is performing loan origination duties.

Consistent with the SAFE Act, the NCUA Board recently promulgated Part 761 of NCUA's Rules and Regulations containing the SAFE Act's requirements for credit unions and their employees. A copy of the regulation and its appendix can

be accessed at <http://www.ncua.gov/Resources/SAFEAct.aspx>. We have also included a list of frequently asked questions (FAQs) which can be found utilizing the same link.

Please note that the federal Registry is in development and not currently accessible. We expect the Registry to become operational in early 2011 and will provide public notice when it is available.

Credit unions should further refine their policies once more definitive details regarding the registration process are available.

If you have any questions related to the SAFE Act, you should contact your NCUA regional office or state supervisory authority.

Sincerely,

/s/

Debbie Matz  
Chairman