



Functional Specifications for All NMLS Approved Courses

This document is effective January 1, 2024. All courses submitted for approval on or after January 1, 2024 must be in compliance with these requirements unless other dates are specified.

Version 15.0

**Nationwide Multi-Licensing System & Registry (NMLS)
Conference of State Bank Supervisors
Washington, D.C. 20036-3403**

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About this Document:

NMLS welcome constructive comments, questions, and recommendations regarding the requirements associated with delivering education. While NMLS has established specific criteria for course approval, it is also our intent to afford course providers the creative opportunity to develop and offer courses that are engaging and appealing to adult learners which takes into account their various styles of learning.

Comments or recommendations should be sent directly to Rich Madison, Sr. Director, Mortgage Education at rmadison@csbs.org.

Executive Overview

This document outlines specific design and technical requirements associated with having a course approved by NMLS. This document includes the requirements for all four course formats which may be employed to deliver NMLS approved education: classroom, classroom equivalent (webinar), online instructor-led (PE), and online self-study (CE). In accordance with Standards of Conduct for Course Providers (SOC), course providers are required to design and deliver courses in accordance with the specifications detailed in this document.

This document is organized into five sections:

Section 1: Requirements for All Course Types - Details specific requirements for all course formats, to include providing information on SAFE Act requirements, the course approval process, course naming convention, time requirements, instructor requirements, interaction, need for end-of course certificates, and end-of-course exams.

Section 2: Requirements for Classroom Courses - Lists specific requirements associated with delivering traditional classroom courses.

Section 3: Requirements for Classroom Equivalent Courses - Details requirements for classroom equivalent (webinar) courses to include providing information pertaining to course delivery requirements, need for student authentication, and details on other technical requirements.

Section 4: Requirements for Online Instructor-Led Courses - Provides information on course interactivity requirements, course design and LMS requirements, and outlines the process for getting these types of courses approved (including how to complete the time survey).

Section 5: Requirements for Online Self-Study Courses - Provides specific details about how online self-study courses need to be configured to meet interactivity and time requirements.

No changes to Version 15.0.

Section 1: General Requirements for All Course Formats

The following section is applicable to **ALL** course formats, [classroom](#), [classroom equivalent](#) (webinar), [online instructor-led](#) (OIL), and [online self-study](#) (OSS).

Be sure to review requirements for specific course formats AFTER ensuring that a course meets the general requirements listed below.

1.1 SAFE Act Education Requirements

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) requires that state-licensed mortgage loan originators (MLOs) complete pre-licensure and annual continuing education.

In order to meet pre-licensure continuing education requirements, state-licensed MLOs must complete 20 hours of NMLS-approved education that includes the following topics:

- 3 hours of federal law and regulations;
- 3 hours of ethics, this shall include instruction on fraud, consumer protection, and fair lending issues;
- 2 hours of training related to lending standards for the nontraditional mortgage product marketplace; and
- 12 hours of undefined instruction on mortgage origination.

For annual continuing education, the SAFE Act requires state-licensed MLOs to complete 8 hours of NMLS-approved education that includes the following topics:

- 3 hours of federal law and regulations;
- 2 hours of ethics that shall include instruction on fraud, consumer protection, and fair lending issues;
- 2 hours of training related to lending standards for the nontraditional mortgage product market; and
- 1 hour of undefined instruction on mortgage origination.

It should be noted that the SAFE Act's requirement for state-licensed MLOs to complete 20 hours of pre-licensure education and 8 hours of annual continuing education is a minimum standard and that individual States, through the passage of their own SAFE legislation, may require MLOs to complete a greater number of hours of education as a condition to be licensed in that state. Additionally, for the 12 hours of undefined instruction (commonly referred to as "electives"), a state may also require that a certain number of those hours be state-required instruction. The same requirement may also apply for the 1 hour of undefined instruction required for annual continuing education.

The following scenarios are examples for how pre-licensure education could potentially be configured:

Scenario 1: State A

State A may require the minimum SAFE Act requirements of 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage lending and 12 hours of electives for a total of 20 hours.

Scenario 2: State B

State B may require the minimum SAFE Act requirements of 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage lending, 4 hours of state-specific mortgage law (taken from the 12 hours of undefined electives), and 8 hours of electives for a total of 20 hours.

Scenario 3: State C

State C may require the minimum SAFE Act requirements of 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage lending and 12 hours of undefined electives, plus an additional four hours of state-specific mortgage lending law for a total of 24 hours.

Scenario 4: State D

State D may require the minimum SAFE Act requirements of 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage lending, and 3 hours of state-specific mortgage industry regulation (taken from the 12 hours of undefined electives), 9 hours of electives, plus an additional four hours of state-specific mortgage lending law for a total of 24 hours of education.

1.2 NMLS Course Approval

In situations where States, through the passage of their own SAFE Act legislation, have mandated that state-licensed MLOs complete additional hours of pre-licensure and/or continuing education that exceed the federal requirement; or in situations where states have mandated that a certain number of the 12 hours of electives associated with meeting the pre-licensure requirement or the 1 hour of elective associated with fulfilling the annual continuing education requirement, NMLS will, if the state so desires, approve these courses in cooperation with the respective state agency. For example:

Example 1: State B

State B requires the minimum SAFE Act requirements of 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage lending, 4 hours of state-specific mortgage law (taken from the 12 hours of undefined electives), and 8 hours of electives for a total of 20 hours. NMLS will approve the course.

Example 2: State C

State C requires the minimum SAFE Act requirements of 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage lending, and 12 hours of undefined electives plus an additional four hours of state-specific mortgage lending law for a total of 24 hours. NMLS will approve the required 20 hours associated with meeting the federal SAFE Act requirements, AND, if the state so desires, NMLS will coordinate with the appropriate state agency for the approval of the additional hours of state-specific content.

1.2.1 Education Notices: NMLS posts Education Notices to inform course providers of state agency's requirements for topics and time. In order for a course that is intended to meet an agency's state-specific education requirements to be approved, the course must meet all course and time requirements as detailed in the Education Notice Education Notices can be found [Course Provider](#) section of the NMLS Resource Center. A list of agencies with a state-specific education requirement is available in the State-Specific Education Charts.

1.2.2 Course Peer Reviews with State Agencies: Peer review process by which NMLS invites state regulators to peer review course content and evaluations. The objectives of the peer review process are to provide an opportunity for state regulators to validate that the courses that are being approved to meet their agency's education requirements satisfy the intent of their laws or regulations. NMLS intends for at least 10% of all courses it approves on an annual basis to be made available for peer review.

1.3 Course Categories and Delivery Formats

When submitting a course for NMLS approval, course providers are required to identify which course category of the SAFE Act requirement the course is intended to satisfy, and the format in which the course will be delivered. A course is approved under one course category and for one delivery format. The course category is an important decision as the information will carry over

to the MLO's Course Completion Record and will determine whether or not the MLO has met licensure requirements. As such, and to provide course providers with as much flexibility as possible to construct courses to suit individual business models while at the same time attempting to work within specific technical parameters associated with the management of the NMLS, the following course categories and associated course hours are as follows:

1.3.1 Pre-Licensure Education

(a) PE Individual Core Courses:

1. PE Federal Law and Regulations: Course must be a minimum of 3 hours;
2. PE Ethics: Course must be a minimum of 3 hours; and
3. PE Nontraditional: Course on Lending Standards for the Nontraditional Mortgage-Product Marketplace must be a minimum 2 hours.

(b) **PE Core Course:** Intended to fulfill the three core requirements. The course must contain 3 hours of federal law, 3 hours of ethics and 2 hours of nontraditional mortgage for a minimum total of 8 hours.

(c) **PE Elective:** Course designed to fulfill any number of hours of the 12 hours of undefined instruction. The course must be a minimum 1 hour. Includes course intending to satisfy only a state agency specific education requirement.

(d) **PE Comprehensive:** Course intended to fulfill all of the pre-licensure requirements of the SAFE Act and does not contain any State-specific content. The course must contain 3 hours of federal law, 3 hours of ethics, 2 hours of nontraditional mortgage and 12 hours of elective content for a total of 20 or more hours. Includes course intended to fulfill all of the pre-licensure requirements of the SAFE Act as well as meet the state agency requirement for a specific number of hours.

1.3.2 Continuing Education

(a) CE Individual Core Courses:

1. CE Federal Law and Regulations: Course must be a minimum 3 hours;
2. CE Ethics: Course must be a minimum of 2 hours; and
3. CE Nontraditional: Course on Lending Standards for the Nontraditional Mortgage Product Marketplace; must be a minimum 1 hour.

(b) **CE Core Course:** Intended to fulfill the three core requirements. The course must contain 3 hours of federal law, 2 hours of ethics and 2 hours of nontraditional mortgage for a minimum total of 7 hours.

(c) **CE Elective:** Course designed to fulfill the 1 hour of undefined education. The course must be a minimum 1 hour. Includes course intending to satisfy only a state agency specific education requirement.

(d) **CE Comprehensive:** Course intended to fulfill all of the continuing education requirements of the SAFE Act and does not contain any State-specific content. The course must contain 3 hours of federal law, 2 hours of ethics, 2 hours of nontraditional mortgage and 1 hour of elective content for a total of 8 or more hours. Includes course intended to fulfill all of the continuing education requirements of the SAFE Act as well as meet state agency requirements for a specific number of hours.

1.3.3 Delivery Formats

(a) All PE and CE course categories can be delivered in the classroom or classroom equivalent (webinar) format.

(b) Online instructor led format is reserved for the following course categories:

- PE Federal Law
- PE Ethics
- PE Nontraditional
- PE Core
- PE Comprehensive
- PE Elective (not-state-specific) *

(c) Online self-study format is reserved for the following course categories:

- CE Federal Law
- CE Ethics
- CE Nontraditional
- CE Core
- CE Comprehensive
- CE Elective
- PE Elective (state-specific) *

*Regarding online delivery - PE courses that are state specific, ten hours or less, and that are to be delivered online must be delivered in the online self-study format. All other PE courses to be delivered online must be delivered in the online instructor led format.

1.4 Course Naming

To ensure course names properly reflect the intended need to meet SAFE Act education requirements and to ensure MLOs are properly informed, the following course naming convention has been developed. As a rule, each course name begins with the number of hours, the word *SAFE*, state and/or state agency abbreviation (if applicable), followed by the course category, and then the course title. The naming convention is as follows:

1.4.1 Pre-Licensure Courses

- (a) **Individual Core Course Federal Law:** Courses intending to satisfy the federal law portion of the SAFE Act requirements. The course title must begin with the number of hours (3 Hour), the word *SAFE*, and must contain the words *Federal* and *Law*. Example: 3 Hour SAFE: Federal Mortgage Law.
- (b) **Individual Core Course Ethics:** Courses intending to satisfy the ethics portion of the SAFE Act requirements. The course title must begin with the number of hours (3 Hour), the word *SAFE*, and must contain the word *Ethics* as well as *Fraud*, or *Consumer Protection*, or *Fair Lending*. Example: 3 Hour SAFE: What the Loan Originator Needs to Know About Ethics and Consumer Protection.
- (c) **Individual Core Course Nontraditional Mortgage:** Courses intending to satisfy the nontraditional mortgage portion of the SAFE Act requirements. The course title must begin with the number of hours (2 Hour), the word *SAFE*, and must contain the words *Nontraditional* and *Mortgage*. Example: 2 Hour SAFE: Emergent Standards for Nontraditional Mortgages.

(d) **Individual Elective Course:** Course intending to satisfy all or a portion of the elective portion of the SAFE Act requirements. The course title must begin with the number of hours (can be no less than 1 Hour), the word *SAFE*. Example: 1 Hour SAFE: Understanding TRID

1. **Individual Elective Course (State Agency Specific):** Course intending to satisfy only a state agency specific education requirement. These courses need to cover the required topics as mandated by the state agency and/or domain topics for the state test outline and must include citations and references to state laws as well as state agency specific case studies. The number of hours can exceed but is never less than the number of hours required by the state agency. The course title must begin with the number of hours, the State's two letter abbreviation (and the state agency abbreviation if applicable), and the word *SAFE*. The following states have two licensing agencies or laws and require the state agency code in the course title: CA-BRE, CA-DBO, IN-DFI, IN-SOS, OH-OMLA, OH-OMBA, SC-BFI, SC-DCA, TX-OCCE, TX-SML, UT-DFI, UT-DRE.

Example: 4 Hour NC SAFE: North Carolina Laws

Example: 4 Hour OH-OMBA SAFE: State Law Review

Example: 2 Hour IN-SOS SAFE: Understanding State Law

(e) **Core Course:** Courses intending to satisfy each of the three SAFE Act course requirements (federal law, ethics, and nontraditional mortgage). The course title must begin with the number of hours (8 Hour) and the words *SAFE Core*. Example: 8 Hour SAFE Core: Loan Originators Basics.

(f) **Comprehensive Course:** Courses intending to satisfy all of the pre-licensure requirements of the SAFE Act. The course title must begin with the number of hours (20 Hour), and the words *SAFE Comprehensive*. Example: 20 Hour SAFE Comprehensive: Mortgage Loan Originator.

1. **Comprehensive Course with State Agency Specific Content:** Courses intending to satisfy all of the pre-licensure requirements of the SAFE Act and containing state agency specific content. The course title must begin with the number of hours, the State's two letter abbreviation (and the state agency code if applicable), and the words *SAFE Comprehensive*. The following states have two licensing agencies or laws and require the state agency abbreviation in the course title: CA-BRE, CA-DBO, IN-DFI, IN-SOS, OH-OMLA, OH-OMBA, SC-BFI, SC-DCA, TX-OCCE, TX-SML, UT-DFI, UT-DRE.

Example: 24 Hour NC SAFE Comprehensive: Becoming an MLO in North Carolina

Example: 24 Hour OH-OMBA SAFE Comprehensive: Mortgage Loan Origination Basics

Example: 20 Hour IN-SOS SAFE Comprehensive: Preparing for the Industry

1.4.2 Continuing Education Courses:

(a) **Individual Core Course Federal Law:** Courses intending to satisfy the federal law portion of the SAFE Act requirements. The course title must begin with the number of hours (3 Hour), the word *SAFE*, and must contain the words *Federal* and *Law*. Example: 3 Hour SAFE: Federal Mortgage Law.

(b) **Individual Core Course Ethics:** Courses intending to satisfy the ethics portion of the SAFE Act requirements. The course title must begin with the number of hours (2 Hour), the word *SAFE*, and must contain the word *Ethics*, as well as *Fraud*, or *Consumer Protection*, or *Fair Lending*. Example: 2 Hour SAFE: What the Loan Originator Needs to Know About Ethics and Consumer Protection.

- (c) **Individual Core Course Nontraditional Mortgage:** Courses intending to satisfy the nontraditional mortgage portion of the SAFE Act requirements. The course title must begin with the number of hours (2 Hour), the word *SAFE*, and must contain the words *Nontraditional* and *Mortgage*. Example: 2 Hour SAFE: Emerging Trends for Nontraditional Mortgages.
- (d) **Individual Elective Course:** Course intending to satisfy the elective portion of the SAFE Act requirements. The course title must begin with the number of hours (1 Hour), and the word *SAFE*. Example: 1 Hour SAFE: Understanding TRID
- (e) **Individual Elective Course (State Agency Specific):** Course intending to satisfy only a state agency specific education requirement. These courses need to cover the required topics as mandated by the state agency and/or solely focus on state specific laws and regulations and must include citations and references to state laws as well as state agency specific case studies. The number of hours can exceed but is never less than the number of hours required by the state agency. The course title must begin with the number of hours, the State's two letter abbreviation (and the state agency abbreviation if applicable), and the word *SAFE*. The following states have two licensing agencies and require the state agency code in the course title: CA-DRE, CA-DBO, IN-DFI, IN-SOS, OH-OMLA, OH-OMBA, SC-BFI, SC-DCA, TX-OCCE, TX-SML, UT-DFI, UT-DRE.

Example: 1 Hour NC SAFE: North Carolina Law Update

Example: 4 Hour KY SAFE: State Law Review

Example: 1 Hour CA-DBO SAFE: Understanding State Law

- (f) **Core Course:** Courses intending to satisfy each of the three SAFE Act course requirements (federal law, ethics, and nontraditional mortgage). The course title must begin with the number of hours (7 Hour) and the words *SAFE Core*. Example: 7 Hour SAFE Core: Loan Originators Basics.
- (g) **Comprehensive Course:** Courses intending to satisfy all of the continuing education requirements of the SAFE Act. The course title must begin with the number of hours (8 Hour), and the words *SAFE Comprehensive*. Example: 8 Hour SAFE Comprehensive: Mortgage Loan Originator Course.

1. **Comprehensive Course with State Agency Specific Content:** Courses intending to satisfy all of the continuing education requirements of the SAFE Act and containing state agency specific content. The course title must begin with the number of hours, the State's two letter abbreviation (and the state agency code if applicable), and the words *SAFE Comprehensive*. The following states have two licensing agencies and require the state agency code in the course title: CA-BRE, CA-DBO, IN-DFI, IN-SOS, OH-OMLA, OH-OMBA, SC-BFI, SC-DCA, TX-OCCE, TX-SML, UT-DFI, UT-DRE.

Example: 8 Hour NC SAFE Comprehensive: Compliance in NC

Example: 12 Hour KY SAFE Comprehensive: Annual Course

Example: 8 Hour TX-SML SAFE Comprehensive: Annual MLO Fundamentals

1.5 Time Requirements

Every course is to be designed appropriately for adult learners such that it contains sufficient content and/or activities to meet the minimum time requirement of 50 seat minutes for each clock hour the course is approved. Course design must ensure that the minimum time required by the SAFE Act is received for the specific course topics.

1.5.1 Specified Start and End Time: Classroom, classroom equivalent, and online instructor-led courses must have a specified start and end date and time. Example: course begins at 9AM ET and ends at 12PM ET.

1.5.2 Course Scheduling: Course end dates must be scheduled such that a student will complete the course in a reasonable amount of time.

1.5.2.1 Course providers cannot schedule courses with a start and end date that extends beyond December 31st. This is to ensure the student completes the course within the required calendar year as required by the SAFE Act.

1.5.2.2 Course providers must ensure that the appropriate administrative time is scheduled to process course completions and upload the information (credit bank) into NMLS within the specified seven (7) days after the course end date.

1.5.2.3 Online Instructor-led (OIL): Online instructor-led courses are required to be designed and delivered such that the instructor leads the course with all students through instructor-to-student/student-to-student interaction. This interactivity is required to be continual and obvious throughout the entire course. **The delivery of an OIL course in a self-study format is prohibited.** **Note:** The availability of Online Instructor-Led courses is intended to ensure an option exist for individuals where attending a classroom course may be problematic due to geography or lack of availability of a local course provider. *The scheduling of these courses is not intended to be a “convenience” option whereby a student can causally work at their own pace or when their schedule allows. Students taking these courses are required to allocate persona/professional time and put forth the same level of effort as would be required to complete a classroom or classroom equivalent course. During the time period in which the course is being offered, instructors are required to hold students accountable for attendance and work and must be responsive to student’s assignments and questions just as they would be in a physical classroom.*

Course completion times must adhere to the following requirements:

- **An online instructor-led course that is five (5) or fewer hours may not extend longer than 12 hours from the course start time.** For example, a 3 hour PE course that begins at 9am ET must be completed by 9pm ET the same day. All course completion requirements, reading, assignment, and student/instructor interaction is to be completed within this 12-hour period.
- **An online instructor-led course that is between six (6) to twelve (12) hours may not be scheduled to extend longer than 24 hours after the start time.** For example, an 8 hour PE course that begins at 9am ET must be completed by 9am ET the next day. All course completion requirements, reading, assignment, and student/instructor interaction is to be completed within this 24-hour period.
- **An online instructor-led course that is thirteen (13) or more hours may not be scheduled to extend longer than 14 calendar days after the start time.**
- **No PE course may be scheduled to extend for a period longer than those listed above without prior approval from NMLS.**

Time Zone Consideration: NMLS understands that some course providers may offer courses to students who are participating from multiple time zones. Course providers need to give consideration to this fact, schedule start time accordingly, and set student and instructor expectations such that all assignment and student-to-student and instructor-to-student interaction can be completed with the required time period.

- 1.5.3 Meeting Minimum Course Hour Requirements:** Courses will only be approved if the course meets the minimum number of hours associated with the SAFE Act requirement and contains enough content to support that number of hours. Accordingly, a course may only be registered under one category. For example, there cannot be a 2-hour individual core federal law course since the minimum number of hours required to satisfy the SAFE Act requirement for federal law for both pre-licensure and continuing education is 3 hours.
- 1.5.4 Mandatory Breaks:** Course start and end time must take into consideration time for breaks. Breaks do not count as part of the time required for instruction. No instruction is to extend for longer than four hours without a break.
- 1.5.5 Maximum Course Session:** No course session is to extend for longer than 12 hours within a single day (24-hour period).
- 1.5.6 Responsibility to Ensure Seat Time:** [Seat time](#) is defined as the time that a student is in the course and engaged with the instructor, other students, course content, and activities. One hour is defined as 50 clock minutes. **Course providers are responsible for designing and delivering instruction that ensures the student meets the time requirements for which the course is approved.**

Providers delivering instruction are to have in place and enforce policies that prohibit students from engaging in outside activities while they are completing the course.

Providers are to design and deliver courses that require the student to be continuously engaged with sufficient content and activities to meet the approved number of hours.

NOTE: Online self-study (OSS) courses are to be configured such that they prevent seat time from accruing due to inactivity, and/or by “challenging” or “gaming” any aspect of the course. This includes but is not limited to rapid button clicking, space bar holding, or any other means that will create a period of time-accruing inactivity which allows the student to spend less than the required seat time for which the course was approved.

NOTE: Online instructor-led (OIL) courses are required to be designed and delivered such that the instructor leads the course with all students through instructor-to-student/student-to-student interaction. This interactivity is required to be continual and obvious throughout the entire course.

1.6 Course Materials

- 1.6.1 Course Material Delivery:** Course materials, including but not limited to the course syllabus, are required to be delivered to a student as part of the course. The materials are to be distributed to the student either in person or made available by downloading either at the start of the course or as the course is progressing.

If there is an additional requirement not included as part of the course content (e.g. a textbook), the requirement must be identified in the course description such that the student is made aware of the requirement (and any associated costs) early enough to acquire the content prior to the course start date.

Unless course materials are shipped prior to the start of the course, students need to be instructed how to access course materials. Accordingly, students need to be made aware of the following:

- Location for where to access materials;

- List of required materials so the student can verify they have them all;
- If necessary, technical or software requirements necessary to view the materials (i.e. Adobe Acrobat, MS Word, PowerPoint, etc.); and
- If necessary, password or any other authentication required to access the materials.

1.6.2 Requirement for Course Cover Page: Every course is required to have a cover page that must include the following information:

- Name and address of the course provider that is approved to offer the course
- NMLS approved course provider number
- Title of the course as approved by NMLS
- NMLS approved course number
- Date of the course content
- Date of the course approval
- ROC

1.6.3 Requirement for Course Syllabus: Every course is required to have a course syllabus that is easily accessible and available to every student. While it is beyond the scope of this document to provide instruction on how to write a course syllabus, some general information and guidelines are provided below. (*Guidance on creating a syllabus is available in the [Example Course Syllabus](#)*)

Course syllabi, at a minimum, must include the following information:

- Instructor contact information, if applicable;
- Course description;
- Course date;
- Requirement for text or other course materials;
- Course completion requirements;
- Policies regarding attendance and behavior;
- Topical outline
- Learning objectives; and
- Any technology requirements, including need for software, camera, continuous interaction, internet access, etc.

1.6.4 Requirement to Cite References: All sources and references are required to be cited. Information pertaining to laws should be summarized with key points presented in bullet format or as distinct points with references made to the specific law or regulation. Additionally, all references to federal and/or state laws are to be cited. Other sources used in the course must be properly cited to ensure copyright and intellectual properties are preserved. (*Examples on how to cite sources and references is available in the [NMLS Reference Guide](#)*)

1.6.5 Instructor Contact Information: If applicable, students are to be provided with instructor contact information.

1.6.6 Identify Specific Technology Requirements: If there is a unique technology or software requirement necessary to complete the course, these are to be identified.

1.6.7 Technical Support: If applicable, identify what technical support is available and how a student can access it. Course providers should also note the hours when technical support is available keeping in mind that some students may participate in the course during the evening hours or on the weekend.

1.7 Instructor Skills and Qualifications

Course providers are to ensure and be prepared to provide evidence that instructors are qualified and meet legal requirements to instruct NMLS approved courses. Instructors must be knowledgeable in the course subject matter as a result of either relevant academic and/or professional experience.

1.7.1 Instructor Skills: Instructors are to possess the following skills and qualifications:

- (a) **Interpersonal Skills:** Instructors are to possess excellent interpersonal skills that foster relationship and team building. Instructors need to be able to work appropriately with diverse groups of people. Instructors are required to be respectful of and refrain from making comments that may reveal political, cultural, or gender bias.
- (b) **Communication Skills:** Instructors are required to use language, including industry terminology, confidently and appropriately.
- (c) **Teaching Skills:** Instructors are to possess the ability to share information one-to-one or one-to-many. Additionally, the instructor must be able to demonstrate mastery of the course material, plan lessons and lead students through the course topics, and collect and use information from a diverse set of resources. Instructors are required to distill complex information and/or concepts in such a manner that students can learn the information.
Note: Simply reading from the text, materials, or state/federal statutes with little or no interaction and/or synthesis of the material does not meet the definition of teaching. The employment of “canned” responses in online instructor-led course is also not defined as teaching.
- (d) **Organizational Skills:** Instructors need to be able to set goals (generally in the form of learning objectives), plan activities, establish priorities, and manage time.

1.7.2 Instructor Qualifications: Instructors must demonstrate through recent and verifiable experience, credentials and/or other means that s/he is a subject matter expert in one or more areas of mortgage loan origination laws and practices including, but not limited to:

- Federal law and regulations;
- State laws and regulations (for one or more state and/or agencies); and
- General mortgage origination knowledge and practices.

Detailed requirements for instructors from various segments of the mortgage industry are as follows:

- (a) **Industry Professional:** It is expected that instructors will have a least five (5) years of professional experience in the industry in a position (or positions) that bears directly on mortgage loan origination practices including but not limited to origination, underwriting, secondary marketing, operations compliance, quality control, and/or other comparable positions.
- (b) **Federal/State Regulator:** It is expected that regulatory instructors (state or federal) must have at least three (3) years of responsible experience in a regulatory position (or positions) including the conduct or supervision of mortgage company examinations (brokers and/or lenders), consumer complaint investigation and resolution, or mortgage legal affairs.
- (c) **Associated Mortgage GSE Professional:** It is expected that instructors formerly or currently associated with Mortgage GSE's have a minimum of three (3) years of responsible experience in a position that is comparable to either the industry professional or regulator position described above.

- (d) **Experience as an Instructor:** It is expected that those who are teaching courses will have had experience teaching adult learners and will be in possession of the skills as listed above.

It is preferred but not required that the instructor have a BA/BS degree from a regionally accredited institution and/or equivalent experience and credentials.

Instructors must also meet the minimum requirements for a criminal background check that are included in the SAFE Act (See Section 1505(b)(1-3)).

- 1.7.3 Instructor Eligibility:** Per the [NMLS Instructor Eligibility Policy](#), the individual teaching an NMLS-approved course is required to be an independent contractor or an employee of the organization NMLS has approved to be a course provider. A course provider may not hire or contract with in any manner - regardless of whether there is compensation or not - an individual who is an employee or contractor of a client company or an affiliate company.

1.8 Course Facilitators

Providers delivering a course to a large audience are required to employ facilitators to assist with student checking in, attendance verification, and to handle other administrative activities. Facilitators may also be employed to assist with answering of questions, passing information, and/or performing other duties that will ensure optimal course delivery and instructor-to-student interaction.

1.9 Course Content Organization

Course content is to be organized and delivered in a linear fashion to present information in a logical and engaging manner. The course subject is required to be divided into specific and clearly organized [modules](#) which are broken down into specific [units of instruction](#). Each unit of instruction must be delivered in a manner that supports the learning objectives of the module and of the course. Units of instruction may vary in size or time as necessary to achieve the overall learning objective of the course. A unit of instruction does not have a specific time requirement, but it must be delivered in a manner that will reasonably ensure the student will grasp the most salient points and can demonstrate minimum proficiency on the topic. **NOTE: All courses must be organized into multiple modules and those modules must be organized into multiple units of instruction.**

1.10 Interaction

Course are to be designed and delivered to ensure that activities facilitate as much interaction as possible and that this interaction is appropriate for the course format and adult learners. Activities are to be appropriate for the instructional format and are to be incorporated at multiple points throughout the course to provide the student with varying levels of engagement. ***As stated in Section 1.5.5, periods of course inactivity is not to count towards [seat time](#).***

- 1.10.1 Instructor-to-Student Interaction:** Interaction within the learning environment is required to ensure students are engaged in the course. **Passive, one-way communication in which an instructor only reads and/or gives a lecture while a student mutely attends the course does not meet the definition of interaction and is not considered by NMLS to be an acceptable means of course delivery.** As a condition for classroom, classroom equivalent (webinar), and online instructor-led course approval, the course must include defined activities that facilitate interaction between the instructor and student; ***such activities must be continual and obvious throughout the entire course.***

1.10.2 Student-to-Content Interaction: Courses must be designed and delivered in a manner that requires the students to interact with course content. A course that is constructed in such a way that the student is required to only passively read or listen for a significant amount of time does not meet the definition of interaction. Content must be supplemented with thoughtful case studies, quizzes, learning activities, and an end-of-course assessment, all of which are to be designed to support the learning objectives of the course.

1.10.3 Quizzes and Exams: Quizzes and Exams must include the following:

- (a) Inform the student how much time they have.
- (b) Inform the student of the score required to pass.
- (c) Allow a reasonable number of retake opportunities if the minimum passing score is not reached.
- (d) Quizzes and exams may be employed as part of the course instruction to reinforce learning objectives. Providers are required to design quizzes and exams such that the student cannot accrue time or game the exam /quiz by rapidly completing the quiz /exam with incorrect answers, retrieve the correct answers, and then subsequently pass the quiz/ exam using the answers provided.
- (e) Quiz passing scores must be high enough as to give the quiz legitimacy.
- (f) Minimum passing score for a final exam is 70% (providers may set the passing score higher).
- (g) Online courses are to employ a process by which questions are randomly sequenced each time a quiz or exam is administered. Randomly sequencing the questions forces the student to read each question and minimizes the potential of a student attempting to pass the quiz or exam based upon knowing the sequence of correct answers. For example, a quiz with ten questions may be presented with questions one through ten in the following order: 1, 3, 8, 5, 9, 2, 7, 4, 10, and 6. The next student (or the same student taking the quiz a subsequent time) might see the questions presented in a different order such as: 7, 4, 8, 9, 2, 5, 1, 6, 10, and 3.

1.10.4 Requirement for Inclusion of Case Studies: All courses are required to include case studies that reinforce learning objectives and provide context for how federal and/or state law(s) apply in real-world situations (these can be actual cases (i.e. example of mortgage fraud or other regulatory actions or made-up scenarios). Case studies are to align with the learning objective(s) of the module or unit of instruction and are required to be of sufficient detail and/or complexity to ensure the student will grasp the importance and applicability of the issue being discussed. Case studies are also to be contextual to the course topic (not generic). For state-specific courses, case studies are to be relevant to the specific state law(s), regulation(s), statute(s), and/or rule(s) in which the course is being approved. Additional guidance on case studies is included as Appendix B.

1.10.5 Course Rigor: Courses are to be designed such that they promote learning and understanding of the topic by adult learners. Rigor is defined as a degree of difficulty that necessitates the need for the learner to listen and/or read and engage with the course content/instruction to complete the course requirements.

1.11 Measuring Student Satisfaction

Course providers must have a means by which to measure student satisfaction. Course providers need to be prepared to demonstrate that end-of-course evaluations/surveys are being completed and that substantive feedback is being incorporated in the course material.

1.12 Evidence of Course Completion

In accordance with Criteria 4 of the *Policy on Criteria for Granting Approval to Become an NMLS Approved Course Provider*, the provider must have a means to measure/verify that a student has attended the course, along with a means to measure that a student has completed the course prior to issuing a course completion certificate. End of course assessment, attendance logs, and course time trackers, sign in sheets, etc., may be used as verification towards documenting that a student attended and completed an entire course. After verification of course completion, all course providers, regardless of course format, must present to the student a course completion certificate (see Section 1.14).

1.13 Requirement for End-of-Course Assessment

All courses require an end of course learning assessment. The end of course assessment is only to be made available after all other course completion requirements have been met.

1.13.1 All PE courses and online self-study courses are required to have an end-of-course exam. Final exam requirements are as follows:

- (a) The final exam may not be less than 15 questions for a course that is two (2) or fewer hours, and no less than 25 questions for a course that is three (3) or more hours.
 - i. PE courses in the online self-study format that are state specific and ten (10) hours or less: The final exam may not be less than 25 questions for a course that is two (2) or fewer hours, and no less than 35 questions for a course that is three (3) or more hours.
- (b) Final exam questions must be pulled from a question bank with a 2:1 ratio.
- (c) Final exam questions must be related to the subject and content of the course and may not contain true/false questions.
- (d) Final exam questions must be of sufficient rigor that they support the course's learning objectives, test the student's knowledge, and ensure the student's comprehension and retention of the material.
- (e) For a course two (2) or fewer hours, the final exam may not count for any more than 10 minutes towards the overall time of the course. For a course that is three (3) or more hours, the final exam is not to count for more than 20 minutes of overall course time.
- (f) Students who are required to retake the final exam are to be presented with a high percentage of different questions in randomized order.
- (g) Minimum passing score for a final exam is 70% (providers may set the passing score higher). The objective is to set the passing scores high enough as to give the exam legitimacy.
- (h) The course provider is to ensure mechanisms are in place to prevent the student from gaming or challenging the final exam by taking and failing the exam as a means to learn questions and/or answers.

- (i) With NMLS approval, a provider may offer another type of end-of-course assessment provided the assessment is of sufficient length and rigor to satisfy the requirement that the student will demonstrate course proficiency.

1.13.2 For CE courses delivered in a classroom and classroom equivalent format, while an end-of-course exam is the preferred and easiest means to assess learning, the following are also acceptable with NMLS approval:

- (a) Thorough review of a complex case study in which violations of federal and/or state laws are examined and discussed. Case studies must require students to apply the learning.
- (b) An exercise or activity that requires the student to apply the learning to complete a real world, residential mortgage lending task(s), e.g. taking a loan application, identifying red flags, preparing and presenting a Loan Estimate, etc.
- (c) With NMLS approval, a provider may offer another type of end-of-course assessment provided the assessment is of sufficient length and rigor to satisfy the requirement that the student will demonstrate course proficiency.

1.14 Requirement for Issuance of Course Completion Certificate

Every student, at the end of every course, is required to be issued a course completion certificate. At a minimum, the course completion certificate must include:

- (a) the name of course provider
- (b) the course number
- (c) the course title
- (d) the course completion date
- (e) the MLO's name
- (f) MLO's NMLS ID number
- (g) Attestation statement placed at the end of the course completion certificate:

By accepting this certificate, I hereby acknowledge receipt of my course completion and authorize the education provider to report my education hours to NMLS. I am the named person on this certificate and have completed this course. I further attest I completed the course in accordance with the Rules of Conduct.

NOTE: *Must use a minimum of 10-12pt font for the attestation statement on certificates.*

NOTE: The failure of student to complete an end-of-course survey is not be used as justification to not issue the course completion certificate and/or credit bank the student's hours.

NOTE: Providers are not to have a student fill in the information on their own course completion certificate.

1.15 Requirement for Issuance and Retention of Rules of Conduct for Students

Course providers are required to display and have students agree to the [NMLS Rules of Conduct for Students \(ROCS\) V4](#). The ROCS, which will be made available to course providers by NMLS, are required to be displayed and agreed to by students under the following conditions:

- 1.15.1** At the start of every classroom and classroom equivalent (webinar) course, the instructor or the course facilitator is required to explain the Rules of Conduct. The student is required to sign the ROCS at the start of the course or as part of the course registration process. The course provider is required to retain a signed copy of the ROCS for five (5) years.

1.15.2 The ROCS is also to be included as part of the cover page or a stand-alone second page on all course materials.

1.15.3 At the start of every online course (online instructor-led or online self-study), the student is required to read and acknowledge the ROCS as part of a click-through agreement that is to be incorporated into the LMS. The course provider is required to maintain a log of the student agreeing to the ROCS for a period of five (5) years.

1.16 Statement Regarding Approval of Courses for Use on Hand-Held Electronic Devices

NMLS approves online courses for consumption on desktop and laptop computers. NMLS has not established technical requirements for and has not approved courses for use on small hand-held electronic devices such as the iPad, iPhone, tablets, phablets, smart phones, etc. Courses are not to be marketed that they are approved for taking on such devices other than a desktop or laptop computer.

1.17 NMLS Approved Course Data and Document Retention Policy

Per Section 3(F) of the Standards of Conduct for Approved Course Providers, as a condition for achieving and maintaining NMLS approval status, Course Provider must have in place processes for the retention of data and documents associated with the delivery of f NMLS approved courses for a period of five years. Further, the organization must agree that NMLS retains the ability to audit Course Data, as needed, to ensure Course Provider is properly administering courses and tracking student participation. Accordingly, Course Provider must make Course Data available to SRR within 14 calendar days of a written request from SRR. The full version of the policy can be found here: [NMLS Approved Course Data and Document Retention Policy](#)

1.18 NMLS Approved Topics List

The purpose of [NMLS Policy on Approved and Not Approved Topic List for Pre-Licensure and Continuing Education Intended to Satisfy SAFE Act Education Requirements](#) is to identify the pre-licensure (PE) and continuing education (CE) topics NMLS has determined will satisfy the education requirements of the SAFE Act. This document also identifies specific topics that are required to be covered as part of annual CE.

Section 2: Specific Requirements for Classroom Courses

Prior to reviewing the requirements for the specific course format, please ensure that all requirements are met as listed in [Section 1: Requirements for all Course Types](#).

2.1 Class Size and Physical Environment

There is no fixed floor or ceiling limit on the number of students that a course provider using the classroom format can teach. However, course providers need to take into consideration the following:

- 2.1.1 Course Environment:** The course must be delivered in a space that is conducive to instruction. Areas of consideration for a reasonable course environment include but are not limited to, location size, accessibility, climate control, and teaching tools.
- 2.1.2 Student Space:** The course location must reasonably accommodate the number of students registered. Each student must have a designated area which provides the opportunity to focus on the course material delivered.

2.2 Course Delivery Personnel

Because of the potential high number of students taking this course format, and the venue in which the course format is typically offered, classroom courses typically require the support of a greater number of people. In most situations the following roles and responsibilities apply:

- 2.2.1 Instructor:** Defined as the individual teaching/instructing the course. Generally, a course has one principle instructor assigned to it. This individual is the subject matter expert and is responsible for leading the course and bears the burden of responsibility of ensuring the course is delivered properly. For additional information regarding the instructor, please see the [Instructor Skills and Qualifications](#) section as listed in the Requirements for all Course Types.
- 2.2.2 Facilitator/Instructor Aid:** The facilitator/instructor aid is responsible for ensuring students are properly registered and checked into the course; ensuring the students return from breaks; and that the student attends the entire course. Facilitators/instructor aids can also be employed to assist in taking student questions and relaying the information to the instructor. They are also able to perform other administrative functions in support of the course delivery.
 - (a) Facilitator as Course Provider Agent:** Since the course provider is ultimately responsible for ensuring students have completed the course, facilitators should be an employee or agent of the course provider. As a general rule, and to remove the potential for any conflict of interest, employees of a company who are also students in the course should not function as a facilitator. Exceptions can be made in situations where a trade association is sponsoring instruction and trade association employees may be asked to serve as proctors.

Note that a mortgage loan originator who is receiving credit hours cannot be a facilitator.

2.3 Requirement for Issuance and Retention of Rules of Conduct for Students

Prior to the start of every NMLS approved course offering, every student must agree to the *NMLS Rules of Conduct for Students (ROCS)*. The Rules of Conduct, which are made available to course providers by NMLS, are required to be displayed and agreed to by students under the following conditions:

- 2.3.1** Prior to the start of the course the instructor or the course facilitator is required to explain the Rules of Conduct. The student is required to sign the ROCS at the start of the course or as part of the course registration process. The course provider is required to retain a signed copy of the ROCS for five (5) years.
- 2.3.2** The ROCS is also to be included as part of the cover page or a stand-alone second page of all course materials.

2.4 Requirement for Student Authentication and Attendance

Course providers are required to employ a means to verify that a student is in attendance which must include, but is not limited to, the following:

- 2.4.1 Checking Government Issued ID and Collect Signature:** Course providers are required to ensure each student provides their signature prior to the start of the course. Course providers are required to check a current government-issued ID prior to the start of the course to verify that the student is who they say they are and are not representing somebody else.
- 2.4.2 Employment of Facilitators:** If the course is being delivered to a group located in a conference room, facilitators may be used to check students into the course and verify identity. Once students have entered the course venue, facilitators assume responsibility for validating that students have returned from breaks.
- 2.4.3 Verify Full Attendance:** The course provider is required to have a means to verify that the student has attended the entire course (was present at the start of the course, returned from breaks, and has attended the entire course offering).
- 2.4.4 Tardiness:** The course provider is to have a process in place for how to deal with tardiness. The SAFE Act requires students to complete a specific number of hours of instruction on various topics and NMLS expect course providers to meet the minimum number of hours that a course is approved for. Since it is nearly impossible to identify every scenario, and since NMLS does not want to send the message that any level of tardiness is acceptable, the term “tardiness” is left undefined. NMLS is not supportive of the following practices:
- Allowing student(s) to start a course or to return from breaks or meals late.
 - Allowing a student to begin and/or to return to a course after he/she has missed a percentage of the course.
 - Allowing a student who may have missed a percentage of the course to make-it-up later.

Section 3: Specific Requirements for Classroom Equivalent (Webinar) Courses

Prior to reviewing the requirements for the specific course format, please ensure that all requirements are met as listed in [Section 1: Requirements for all Course Types](#).

3.1 Course Requirements

Classroom equivalent courses are generally intended to be delivered to meet the following two scenarios:

- 3.1.1 Instructor to Group:** A number of students grouped together in multiple locations (i.e. hotel conference room or at a training center) and the students and the instructor are in different physical locations. This format is also sometimes referred to as a live video cast.
- 3.1.2 Instructor to Individual:** An individual instructor teaching a number of individual students who are all geographically dispersed, and the student may be participating in the course from their home or work office. This format is also sometimes referred to as a webinar.

3.2 Course Delivery Personnel: Roles and Responsibilities

Because of the potential high number of students taking this course format, and the venue in which the course format is typically offered, classroom equivalent courses typically require the support of a greater number of people. In most situations, the following roles and responsibilities apply:

- 3.2.1 Instructor:** Defined as the individual teaching/instructing the course. Generally, a course has one principal instructor assigned to it. This individual is the subject matter expert and is responsible for leading the course and bears the burden of responsibility of ensuring the course is delivered properly. For additional information regarding the instructor, please see the [Instructor Skills and Qualifications](#) section as listed in the Requirements for all Course Types.
- 3.2.2 Facilitator:** Sometimes also referred to as a proctor, the facilitator (or group of facilitators) is responsible for ensuring students are properly registered and checked into the course. Additionally, the facilitator is responsible for making sure students return from break-out sessions or meal breaks, and that the student attends the entire course. Facilitators can also be employed to assist in taking student questions and passing them to the course instructor, and may perform other administrative functions in support of the course delivery.
 - (a) Facilitator as Course Provider Agent:** Since the course provider is ultimately responsible for ensuring students have completed the course, facilitators should be an employee or agent of the course provider. As a rule, and to remove the potential for any conflict of interest, employees of a company who are also students in the course should not be functioning as a facilitator. Exceptions can be made in situations where a trade association is sponsoring instruction and trade association employees may be asked to serve as proctors.
 - (b) Facilitator-to-Student Ratio:** In determining facilitator-to-student ratio, a provider needs to take into consideration the venue and the number of students expected to participate in the course. The larger the venue (i.e. a grand ball room where there are several doors) and the higher the number of students a situation will be created in which the ratio of facilitator-to-student needs to be higher. While a small venue and small cohort of students will create an environment where fewer facilitators can provide greater support. As a rule of thumb, providers should strive to keep the facilitator-to-student ratio at no greater than 1:50.

- (c) **Facilitator as Support Agent:** Facilitators can also assist the course instructor by providing feedback to the instructor regarding the course audience's mood by viewing the questions/comments submitted by online participants. The facilitator can also monitor questions being submitted via the webinar. Using this type of information and by observing course participants, the facilitator can provide the instructor with cues about the speed of the course and the need to address any issues.

NOTE: A mortgage loan originator who is receiving credit hours cannot be a facilitator.

3.2.3 Instructor and Facilitator's Role section

3.2.3.1 Verifying Seat Time: Instructor or Facilitator are required to track the attendance of each student either through all the following:

- Time tracker within the webinar platform
- Use of cameras
- Random check-ins (launch of quiz/poll)

3.2.3.2 Measurement of seat time: Course providers are responsible for overseeing students' engagement and verifying the student is always present:

- Measurement of seat time is required to be confirmed through visual observation of the student throughout the duration of the course.
- If an instructor is unable to verify the attendance of a student, efforts should be made to contact the student by an instructor or facilitator. If contact cannot be made, the course provider is required to take appropriate actions leading up to removing the student from the course if and requiring the student to start over from the beginning in another class.

3.2.3.2 Engagement:

- Interactive teaching is the key to success. Instructors must employ many different teaching techniques and strategies to ensure student engagement throughout the course.
- Instruction should focus on utilizing, auditory, and kinesthetic learners' modalities. Class activities must be in favor of getting students involved and engaged with the lessons or materials and are required to employ activities throughout the course such as:
 - Q&A sessions via audio and typed chat
 - Utilizing LMS systems with case study assignments
 - Discussions on canned video items
 - Breakout groups for fast group assignments

NOTE: One-way communication or individual learning is not an acceptable practice.

3.2.3.3 Roll Call: Roll call may not be feasible in large groups to complete verbally; but can be done through visual observation and use of cameras to measure seat time, via a polls, quizzes, and chat functions within the webinar platform.

3.3 Class Size and Physical Environment

There is no fixed floor or ceiling limit on the number of students that a course provider using the classroom equivalent format can teach. However, course providers need to take into consideration the following:

- 3.3.1 Employment of Facilitators:** The greater the number of students, the greater the number of facilitators the course will require.
- 3.3.2 Student Space:** If seated in a conference room, students need to be provided with sufficient space for writing and use of course materials as well as adequate personal space to be comfortable and productive.
- 3.3.3 Set-up:** So that all students can see and hear the instructor, attention needs to be paid to staging, camera position, and amplification. An elevated stage, proper lighting, and good sound amplification for larger groups are critical. If conducting a webinar, a speakerphone should be placed near the instructor so students can hear what the instructor is saying.
- 3.3.4 Instructor Connection to Students:** The instructor must be able to connect and project to all parts of the room. Instructors need to be aware of the environment in which the course is going to be given and adjust accordingly.
- 3.3.5 Personal Appearance and Professional Environment:** If a student is taking the course from a home office and using a web cam, the student should attend the course properly attired. Additionally, the space in which the student is taking the course should be free of clutter and distraction. Students should be made aware prior to the course start time that the instructor and potentially other students may be able to see them via the use of a web cam and to plan accordingly.

3.4 Requirement for Student Authentication

Course providers are required to employ a means to verify that a student is in attendance by one of the following means:

- 3.4.1 Sign-In Process:** Course providers are required to employ a means to verify student identity by one of the following means:

3.4.1.1 Verification of Government Issued ID: Driver's License, Passport, or equivalent.

Verification of this information is required to be executed in a way to ensure privacy of the student's information.

3.4.1.2 Employment of Facilitators: If the course is being delivered to a group located in a conference room, facilitators may be employed to check students into the course and to verify identity. Once students have entered the course venue, facilitators assume responsibility for validating those students have returned from breaks.

3.4.1.3 Knowledge-Based Authentication: Have a means to validate the student's identity by employing a form of knowledge-based identification (e.g., matching student responses to questions to information acquired through course registration or an existing database).

- If students are direct employees of the hiring organization, the use of the following would be acceptable:
 - Use of information via employment application for verification purposes
 - Verification of Government Issued I.D. at time of employment prior to the start of a course

NOTE: All time spent to complete housekeeping, administrative and orientation tasks is not to be included in the hour(s) of instruction in which the course is approved for.

3.4.2 Issuing Course Credit: Course provider is responsible for ensuring all completion requirements are met before issuing course credit, including:

- Course provider must ensure student is in the course for its entirety to credit bank hours.
- Attendance records must be kept by the course provider.

3.5 Validation of Attendance

The course provider is required to verify that the student has attended the entire course offering to receive course credit. If the course provider cannot verify full attendance, the student must re-take the entire course.

The course provider must be able to do all of the following:

3.5.1 Verify Full Attendance: The course provider is required to verify that the student was present at the start of the course, returned from breaks, and was not tardy.

The course provider can use one of the following means to verify full attendance:

- Use of cameras
- Quizzes to monitor engagement
- Polls to monitor engagement
- Instructor engagement

3.5.2 Confirm Presence of Student: The course provider is required to routinely poll or ask every student to respond to questions to confirm their presence throughout the entire course.

3.5.3 Roll Call Requirements: The course provider is required to complete roll call to verify student attendance by using the following:

- Checking camera
- Using an engagement feature such as Polls, Quizzes, or
- Reactions/icons in the webinar platform.

3.5.4 Monitoring Attendance: Each student is required to be on camera which allows staff to verify attendance throughout the course. The course provider must monitor attendance during:

- Start of course
- Return from breaks
- Return from lunch

3.5.5 Process to Remove a Student for Lack of Presence: The course provider is required to have a process to deny or remove a student from a course who is unable to respond to questions in a timely manner (for more than 10 minutes).

- Less than 10 minutes it is the discretion of the provider to remove the students, if deemed necessary.

3.5.6 Addressing Tardiness: The course provider is to have a process for how to deal with tardiness. The SAFE Act requires students to complete a specific number of hours of instruction on various topics and NMLS expects course providers to meet the minimum number of hours that a course is approved for. Since it is nearly impossible to identify every scenario, and since NMLS does not want to send the message that any level of tardiness is acceptable, the term “tardiness” is left undefined. Generally, NMLS is not supportive of the following practices:

- Allowing student(s) to chronically start a course or to return from breaks or meals late.

- Allowing a student to begin and/or to return after he/she has missed a percentage of a course.
- Allowing a student who may have missed a percentage of the course to make-up just the missed portion later.

3.6 Interaction Requirements

To ensure course interaction, **at least two** of the following activities must be incorporated throughout the course:

- 3.6.1 Quizzes:** A quiz of not less than five questions is required at the end of every module. The quiz questions are to be contextual to the unit of instruction just delivered and may not contain True/False questions.
- 3.6.2 Requirement to Participate in Polls:** During the delivery of a unit of instruction, at least two polling questions are to be incorporated into the lesson. The polling questions may be True/False or multiple choice. Students are required to participate in the polls. If a student does not respond to a poll, then the instructor/moderator is to engage the student.
- 3.6.3 Requirement for Instructor to Facilitate Dialogue and Ask Questions:** Instructors are required to engage students by asking the students questions specific to the unit of instruction and learning objectives. The question may be verbal in which the response is delivered via a polling mechanism (e.g. text reply), or the questions may be sent and replied using the text messaging capabilities of the course delivery system.

3.7 Technical Requirements

3.7.1 Webinar Platforms

The technology platform employed to deliver classroom equivalent instruction must be able to support the following capabilities:

- Synchronous communication between the students and the instructor and/or facilitator.
- Ability to provide polls or surveys and display results from students in near-real time.
- Ability to properly display any visual resources.
- Ability to take acceptable attendance.
- Ability to create time log reports to track student time in session.
- Be accessible and supported by devices being used by students to access the course.

- 3.7.2 Video Feed for Webcam:** Whether the classroom equivalent format is being used to instruct a group or an individual, the course provider must make use of a video feed (web cam) to broadcast the course (enable student to view the instructor and course materials).

3.7.2.1 Instructor:

- Instructor must have an acceptable high-speed internet connection and be on camera for the duration of instruction.
- It is recommended instructor has a mi/fi (hotspot) or the equivalent available for back up in case of possible outages.
- Provider must have a backup plan in place if instructor experiences prolonged outages or connection issues.

3.7.2.2 Student:

- Students must have an acceptable internet connection and be visible on camera from at least the shoulders up for the duration of the course instruction.
- If a student is unable to comply with these requirements, they must be removed from the class.

- If connection issues occur, student is expected to proactively communicate issues to the instructor or facilitator immediately. An effort should be made to reconnect the student.
- If a student is unable to regain connection for a prolonged period, they must be removed from the class and be rescheduled to another class.

3.7.3 Student Devices: Devices used by students need to have capability of accessing all features of the platform used by the course provider and allow the student to fully engage with the instructor and class.

Acceptable devices include:

- Desktop computers
- Laptops
- Tablets – must have all the same compatibilities as a desktop and/or laptop (camera, keyboard, etc.)

NOTE: Cell phones are not an acceptable device.

3.7.4 Special Technical Considerations: Course providers must be sensitive to the following when delivering instruction using the classroom equivalent (webinar) format:

3.7.4.1 Student's Internet Connection: In order to effectively view video online or from a remote connection, both the instructor and the student are required to have a high-speed (broadband) Internet connection or video broadcast capability. Course providers should survey or inform the student prior to the start of the course to ensure they meet this requirement.

3.7.4.2 PC and Mac Compliant Software: The course provider needs to ensure that the technology employed is both PC and Mac compliant. For example, if the technology is Mac compliant only, then the student needs to be made aware of this prior to enrolling in the course.

3.7.4.3 Browser Considerations: The course provider needs to ensure that the technology works on all common browsers to include Internet Explorer, Mozilla Firefox and/or Safari. Should the required technology not work with a particular browser or if the browser requires a plug-in or other configuration (i.e. disabling pop-up blockers), then the student must be made aware of the requirement PRIOR to the start of the course.

3.8 Requirement for Issuance and Enforcement of Rules of Conduct for Students

At the start of every NMLS approved course offering, every student must agree to the *NMLS Rules of Conduct for Students (ROCS)*. The Rules of Conduct, which are made available to course providers by NMLS, are required to be displayed and agreed to by students under the following conditions:

3.8.1 At the start of every webinar course, the instructor or the course facilitator is required to explain the Rules of Conduct. The student is required to sign the ROCS at the start of the course or as part of the course registration process.

3.8.2 The course provider is required to retain a signed copy of the ROCS for five (5) years. The ROCS copies are required to be emailed, signed, and collected or completed and stored electronically:

- Required to be completed at time of registration.
- Reviewed by the instructor at the start of the course to outline details of the ROC, seat requirements, and course completion expectations.
- Attestation may be completed at start of the course if not done prior at registration.

- 3.8.3 The ROCS is also to be included as part of the cover page or a stand-alone second page of all course materials.

Section 4: Specific Requirements for Online Instructor-Led (OIL) Courses

The online instructor led format is reserved for prelicensure education with the exception of prelicensure state-specific courses that are ten (10) hours or less which must be offered in the online self-study (OSS) format.

Prior to reviewing the requirements for the specific course format, please ensure that all requirements are met as listed in [Section 1: Requirements for all Course Types](#).

4.1 General Course Set-up

Any course delivered in an online format is required to use a Learning Management System (LMS). The LMS must ensure that the students are presented information in an organized and effective matter. All courses submitted for approval in this format must employ an LMS that meets the following requirements:

- (a) The ability to allow students and instructors to log in to the system with a user ID and a password.
- (b) The ability to implement personal identification requirement
- (c) The capability to administer a test/quiz in multiple formats, e.g. true/false, multiple choice, and/or fill-in-the-blank.
- (d) Enables the instructor or course administrator to track a student's time engaged with the course materials, units of instruction and assignments/activities to ensure the student's time in the course and/or time on each topical area meets or exceeds the requirements of the SAFE Act and/or State law.
- (e) Deliver content in an organized manner.
- (f) Provide a report of student progress and activity completions.
- (g) Provide students with a visual indicator as to their progress through the course.
- (h) Allow the student to stop, log-out, and then log back in to resume the course where they left off ("bookmarking").
- (i) Module locking to prevent the rapid progression through the course.
- (j) Allow the student to access completed modules in order to review the content for a reasonable period of time as determined by the provider.
- (k) Allow students the ability to retake quizzes and final exams for a reasonable number of times as determined by the course provider.
- (l) Support delivery of different content formats e.g. text, PowerPoint, and streaming video and/or audio.
- (m) Provides the capability to facilitate threaded text conversations between the instructor and students in the course.
- (n) Provides the capability for the instructor and student to synchronously converse back and forth.
- (o) The LMS should be able to be accessed using common Web browsers like Internet Explorer, Firefox, and Safari.
- (p) Provide access to course material via the Internet 24 hours a day/7 days a week.

4.2 Course Scheduling

Online Instructor-led (online PE): Online instructor-led (online PE) courses are required to be designed and delivered such that the instructor leads the course with all students through instructor-to-student/student-to-student interaction. This interactivity is required to be continual and obvious throughout the entire course. **The delivery of an online PE course other than a state-specific PE course that is ten (10) hours or less in a self-study format is prohibited.**

Note: The availability of Online Instructor-Led courses is intended to ensure an option exist for individuals where attending a classroom course may be problematic due to geography or lack of availability of a local course provider. *The scheduling of these courses is not intended to be a “convenience” option whereby a student can casually work at their own pace or when their schedule allows. Students taking these courses are required to allocate personal/professional time and put forth the same level of effort as would be required to complete a classroom or classroom equivalent course. During the time period in which the course is being offered, instructors are required to hold students accountable for attendance and work, and must be responsive to student’s assignments and questions just as they would be in a physical classroom.*

Course completion times must adhere to the following requirements:

- (a) **An online instructor-led course that is five (5) or fewer hours may not extend longer than 12 hours from the course start time.** For example, a 3 hour PE course that begins at 9am ET must be completed by 9pm ET the same day. All course completion requirements, reading, assignment, and student/instructor interaction is to be completed within this 12-hour period.
- (b) **An online instructor-led course that is between six (6) to twelve (12) hours may not be scheduled to extend longer than 24 hours after the start time.** For example, an 8 hour PE course that begins at 9am ET must be completed by 9am ET the next day. All course completion requirements, reading, assignment, and student/instructor interaction is to be completed within this 24-hour period.
- (c) **An online instructor-led course that is thirteen (13) or more hours may not be scheduled to extend longer than 14 calendar days after the start time.**
- (d) **No PE course may be scheduled to extend for a period longer than those listed above without prior approval from NMLS.**

Time Zone Consideration: NMLS understands that some course providers may offer courses to students who are participating from multiple time zones. Course providers need to consider this fact, schedule start time accordingly, and set student and instructor expectations such that all assignment and student-to-student and instructor-to-student interaction can be completed within the required time.

4.3 Course Design

4.3.1 Modules: Every course (regardless of the number of hours) is to be designed with specific topics of learning broken down into logical content modules. For example, a 20 hour online-instructor-led course is to be broken down into modules (module topics are for illustration purposes only) (*note: this is an example only, no time is implied*):

- Module 1: Overview of Mortgage Lending
- Module 2: Mortgage Lending Process
- Module 3: Federal Lending Laws
- Module 4: Types of Mortgages
- etc.

Note: even a 1 hour course is to be broken down into multiple modules with logical units of instruction. No single module courses will be approved.

4.3.2 Units of Instruction: Modules are then broken down into specific units of instruction. Units of instruction are specific lessons or chunks of content that contribute to a greater understanding of the module. Modules will exist in a course regardless if the course is 1 hour or 20+ hours. For example (*note: this is an example only, no time is implied*):

Module 1: Overview of Mortgage Lending

Units of Instruction:

History of Mortgage Lending
Primary Mortgage Market
Secondary Mortgage Market
Government Sponsored Enterprises
Financial Crisis and the Current Status of Mortgage Industry etc.

- 4.3.3 “Chunk” Information:** Units of instruction that are text heavy and require excessive scrolling are extremely difficult to read and can overwhelm a student. Instead of presenting text-heavy pages, content should be segmented into “chunks” of information that are easier to read and contribute to greater learning (Clark & Mayer, 2008). Content should be presented in chunks that are linked together either through a navigation paradigm like a content outline whereby each segment of information is accessed by clicking on a topic link or through a “continue” button found at the end of the segment. Chunking also applies to audio-video presentations. For example, an audio-video presentation discussing RESPA should be streamed for no more than 5 minutes and then stopped. The 5-minute audio-video segment should then be followed by an activity; for example, a poll, quiz or survey that the student is required to take before advancing to the next segment of the presentation.
- 4.3.4 Text:** Text information contained within a module needs to be broken down or “chunked” to avoid presenting such a large amount of material that it is difficult to read or comprehend. Information pertaining to laws should be summarized with key points presented as distinct points with references made to the specific law or regulation. All references must be cited.
- 4.3.5 Video:** Just like text information, video used in a module must also be “chunked.” Individual video segments are not to be more than 5 minutes in length (multiple videos may be used in a course, however, to work with the time-out requirements, no video segment may be longer than five minutes). Video should be supported by text calls-out or reinforce important points. All references are to be cited.
- 4.3.6 Audio:** Audio files may also be employed in modules. Just like video, audio files are not to be more than 5 minutes in length. Where appropriate, audio files are to synch with any graphical (PowerPoint) presentation; care is to be taken to ensure that if the student replays the audio file that it remains synched with the presentation. Audio must be supported by the display of text to ensure the student is made aware of key points. References must be cited with the text.
- 4.3.7 Employment of Quizzes:** It is strongly recommended that providers make use of quizzes as a means to ensure students are grasping the material. Quizzes provide a means by which students can measure their own understanding of key concepts. If employed, quizzes should be of sufficient rigor to ensure that the student has achieved a minimum level of proficiency and does not establish a false sense of accomplishment. See Section 1.10.3.
- 4.3.8 Requirement for End-of-Course Exam:** This course format requires an end-of-course exam in accordance with Section 1.13 above in General Requirements section.
- 4.3.9 Requirement for Timing:** This course type must meet the same time requirements as classroom or classroom-equivalent (webinar) courses. For online instructor-led courses, time is determined based on the amount of time it takes several representative students to complete the course. To measure and determine time, the course provider is required to record and document the amount of time it takes a sampling of the intended audience to complete the course. *To ensure the requisite amount of time is being spent in the course, the time determination will be the fastest 10% of the sampling. In a student sampling of 10 students, 5 complete the course in 18 hours, 3 complete the course in 20 hours, and 2 complete the course*

in 17 hours, there is only 17 hours of course content. The course is short 3 hours and additional content and/or activities will be required for approval of a 20-hour course.

Ten students are required for the course sampling. Recognizing that it may be difficult for a course provider to recruit the requisite number of students to validate the time requirement, a provider is to submit the course for approval. After the content and initial technical evaluation has been completed and major deficiencies have been addressed, the course will be granted a 30-day conditional approval to allow for the completion and validation of the time survey. During the 30-day conditional approval period, the course provider may not offer the course for credit to more than 10 students. The course may not continue to be offered if it fails to meet the time requirements.

Course providers will be required to submit time logs for all students who completed the course at the time of annual course renewal and/or upon request.

4.4 Interaction

For an online instructor-led course to achieve and maintain NMLS approval, the course must be designed such that instructor-to-student interaction and student-to-student interaction is continual and obvious throughout the entire course. The intent of the online instructor-led format is for an instructor to lead and maintain a dialogue with students through the entire course such that the instructor is facilitating substantive discussions, asking and responding to questions, and providing in-depth and knowledgeable feedback to posting and/or other assignment/activities.

Suggestion: One way to meet the instructor-to-student interaction requirement and provide a positive experience for students is to have instructor-graded assignments. Students value constructive feedback and providing such feedback supports the requirement for instructor-to-student interaction since it is traceable and measurable.

4.4.1 Mandatory Internal Dialog: All instructor-to-student interaction is required to occur within the LMS or on a blog where it can be observed by NMLS. The employment of external email, “office hours” or other means of instructor-to-student interaction does is not considered persistent instruction and interaction between the student and instructor and therefore will not be considered for course approval.

4.4.2 Synchronous Activity Times: If there is a requirement for students to be logged into the LMS at a specific time for a live chat discussion or other synchronous activities, then these times need to be noted in the syllabus as well as be posted on the welcome page of the LMS. When scheduling synchronous activities, instructors need to be sensitive to time zones and be aware that some students may be participating in the course from multiple geographic regions. Accordingly, instructors should be careful to avoid scheduling an activity that will begin at 8am EST that would require a student in California to participate in the activity at 5am PST.

4.4.3 Locking of Modules and Facilitating Student Course Progression: The LMS is to be configured so that a student cannot “blow through” the course. Modules are to be locked such that a student cannot advance to the next module without completing all assignments/requirements of the previous module. Since these are instructor-led courses which require instructor-to-student/student-to-student interaction, students are to progress through the course in a linear fashion as outlined in the course syllabus and are required to complete the course no earlier than the course offering date.

4.5 Technical Evaluation Required for Final Course Approval

In order to have a course approved in the online instructor led format, the course provider must demonstrate to NMLS that the course contains all the required features and that the instruction will be carried out in accordance with the functional specifications.

NMLS may also require that the online course go through a technical evaluation during a live offering to receive final course approval. During the technical evaluation, course evaluators will review the course to ensure it is being delivered in accordance with this function specification document. The course evaluator(s) will also review the course to ensure instruction is being delivered in accordance with the course syllabus and will verify that the LMS is configured correctly. Evaluators will also verify instructor-to-student and student-to-student interaction is occurring, and that the course has sufficient rigor.

The technical evaluation will occur only after the course has received conditional approval. The technical evaluation will be performed at the same time the course is undergoing the time study verification as described in Section 4.2.8 above. To facilitate a comprehensive view of the course, the course provider is required to provide NMLS with both a student and an instructor (or administrative) login for the course. The student login is to enable the course evaluator(s) to view the course from the student's perspective and to verify that an instructor is leading it, and activities are occurring in accordance with the course syllabus. The instructor login will enable the evaluator to login into the course to verify information/activities have occurred (and at what level) without having to wait for modules to unlock.

4.6 Special Technical Considerations

Course providers must to be sensitive to the following when delivering instruction:

4.6.1 PC and Mac Compliant Software: The course provider needs to ensure that whatever technology is being employed are both PC and Mac compliant. For example, if the technology is Mac compliant only, then the student needs to be made aware of this prior to enrolling in the course.

4.6.2 Browser Considerations: The course provider needs to ensure that the technology works on all common browsers to include Internet Explorer, Mozilla Firefox and/or Safari. Should the required technology not work with a browser or if the browser requires a plug-in or other configuration (i.e. disabling pop-up blockers), then the student must be made aware of the requirement PRIOR to the start of the course.

4.7 Requirement for Issuance and Retention of Rules of Conduct for Students

At the start of every NMLS approved online instructor-led course offering, every student must agree to the *NMLS Rules of Conduct for Students (ROCS)*. The Rules of Conduct, which are made available to course providers by NMLS, are required to be displayed and agreed to by students under the following conditions:

4.7.1 At the start of every online course (OIL or OSS), the student is required to read and acknowledge the ROCS as part of a click-through agreement that is to be incorporated into the LMS. The course provider is required to maintain a log of the student agreeing to the ROCS for a period of five (5) years.

4.7.2 The ROCS are also to be included as part of the cover page or a stand-alone second page of all course materials.

Section 5: Specific Requirements for Online Self-Study (OSS) Courses

The online self-study format is reserved for CE courses and PE state-specific courses that are ten (10) hours or less in length.

Prior to reviewing the requirements for the specific course format, please ensure that all requirements are met as listed in [Section 1: Requirements for all Course Types](#).

5.1 General Course Set-up

Any course delivered in an online format is required to use a Learning Management System (LMS). The LMS must ensure that the students are presented information in an organized and effective matter. Appendix A has a list of the technical tools within the standard LMS. For course approval, all courses submitted for approval in this format must have an LMS with the following requirements:

- (a) The ability to allow students and instructors to log in to the system with a user ID and a password.
- (b) The ability to implement personal identification requirement
- (c) The capability to administer a test/quiz in multiple formats, e.g. true/false, multiple choice, and/or fill-in-the-blank.
- (d) Enables the course administrator to track a student's time engaged with the course materials, units of instruction and assignments/activities to ensure the student's time in the course and/or time on each subject such meets or exceeds the required time in course as required by the SAFE Act and/or State law.
- (e) Deliver content in an organized manner.
- (f) Provide a report of student progress and course completions.
- (g) Provide students with a visual indicator as to their progress through the course.
- (h) Allow the student to stop, log-out, and then log back in to resume the course where they left off ("bookmarking").
- (i) Stop the progression of course time while the student is not interactive with the course material. Students cannot accumulate time for simply being in the course nor should a student accumulate time while not engaged in some form of interaction unless specifically allowed under Section 5.2.7.
- (j) Allow the student to access completed modules to review the content for a reasonable period of time as determined by the provider.
- (k) Allow students the ability to retake quizzes and final exams for a reasonable number of times as determined by the course provider.
- (l) Support delivery of different content formats e.g. text, PowerPoint, and streaming video and/or audio.
- (m) The LMS should be able to be accessed using common Web browsers like Internet Explorer, Firefox, and Safari.
- (n) Provide access to course material via the Internet 24 hours a day/7 days a week.

5.2 Course Design

5.2.1 [Modules](#): Every course, regardless of the number of hours, is to be designed with specific topics of learning broken down into logical content modules. For example, an 8-hour self-paced course is required to be broken down into the following modules (**note: topics are for illustrative purposes only and do not imply any sense of time**):

- Module 1: Updated Federal Lending Laws
- Module 2: Contemplated Changes to the GFE
- Module 3: FHA Update
- Module 4: Trends in Mortgage Fraud

etc.

Note: even a 1 hour course is to be broken down into logical units of instruction. No single module courses will be approved.

- 5.2.2 Units of Instruction:** Modules are then broken down into specific units of instruction. Units of instruction are specific lessons or chunks of content that contribute to a greater understanding of the module. For example, (**note: topics are for illustrative purposes only and do not imply any sense of time**):

Module 1: Update to Federal Lending Laws

Units of Instruction:

Loan Officer Compensation
Understanding YSP
Key Reminders Concerning RESPA

- 5.2.3 “Chunk” Information:** Pages that are text heavy and require excessive scrolling are extremely difficult to read and can overwhelm a student. Instead of presenting text-heavy pages, content needs to be segmented into “chunks” of information that are easier to read and contribute to greater learning (Clark & Mayer, 2008). Content needs to be presented in chunks that are linked together either through a navigation paradigm similar to a content outline whereby each segment of information is accessed by clicking on a topic link or through a “continue” button found at the end of the segment. Chunking also applies to audio-video presentations. For example, an audio-video presentation discussing RESPA should be streamed for 5 minutes and then stopped. The 5-minute audio-video segment should then be followed by an activity; for example, a poll, quiz or survey that the student is required to take before advancing to the next segment of the presentation.
- 5.2.4 Text:** Text information contained within a module needs to be broken down or “chunked” to avoid presenting such a large amount of material that it is difficult to read or comprehend. Information pertaining to laws should be summarized with key points presented in bullet format or as distinct points with references made to the specific law or regulation. All references must be cited.
- 5.2.5 Video:** Video used in a module must also be “chunked.” Individual video segments are not to be more than 5 minutes in length (multiple videos may be used in a course, however, to work with the time-out requirements, no video segment may be longer than five minutes). Video should be supported by text calls-out or reinforce important points. All references are to be cited.
- 5.2.6 Audio:** Audio files may also be employed in modules. Just like video, audio files are not to be more than 5 minutes in length. Where appropriate, audio files are to synch with any graphical (PowerPoint) presentation; care is to be taken to ensure that if the student replays the audio file that it remains synched with the presentation. Audio must be supported by the display of text to ensure the student is made aware of key points. References must be cited with the text.
- 5.2.7 Approved Untimed Activities:** Certain untimed activities may be utilized in modules. A maximum of two untimed activities may be included for each hour of approved credit, with a maximum of five minutes per activity counting towards the amount of credit granted. Examples include but are not limited to on-line field trips, case studies, and learning games. Providers must include methods to ensure the rigor of the activity and student comprehension through quizzes or other appropriate methods of assessing understanding.

5.2.8 Requirement for Quizzes: Each module must include a quiz specific to the stated learning objectives. The quizzes are to be of sufficient rigor to ensure that the student has achieved a minimum level of proficiency. Also, see Section 1.10.3 above in General Requirements section.

5.2.8.1 Quizzes are to be no less than three (3) questions for a module that is 10 or fewer minutes in length, and between five (5) and ten (10) question for a module that is greater than 10 minutes. Questions are not to contain True/False questions.

5.2.8.2 Quiz question bank must contain a 2:1 ratio of questions.

5.2.8.3 Students are required to pass the quiz before being allowed to advance to the next module. Course providers are to determine a reasonable passing score based on the number of questions in the quiz. Students who are required to retake the quiz are to be presented with a high percentage of different questions in a randomized order.

5.2.8.4 Students are to be informed if they select a wrong answer. Quizzes are to be constructed such that the student cannot blow through the quiz only to retrieve the correct answers so that they can quickly pass it again on a subsequent attempt.

5.2.9 Requirement for End-of-Course Exam: This course format requires an end-of-course exam in accordance with Section 1.13 above in General Requirements section. Note that the final exam for PE state specific courses ten (10) hours or less require a higher number of questions.

5.3 Time Requirements

Every course is to be designed such that it contains enough content and/or activities to meet the minimum time requirement of 50 seat minutes for each clock hour the course is approved. To ensure instruction meets the time requirements associated with the SAFE Act, the following is required:

5.3.1 Mandatory Log-out for Inactivity: A course must log students completely out of the course after six (6) minutes of inactivity. The timer must be a background function that is set to time out at six (6) minutes when the student is not actively engaged in the course. Active engagement is defined as progressing through the course by reading text, watching streaming content (note that steaming content is not to extend for longer than five (5) minutes), and completing activities. **The course is to be configured such that the student is not presented with a time-out warning.** If the student is logged out for lack of interactivity, the student is to be returned to the start of the **unit of instruction** where the inactivity was detected. No time is to be awarded for any time that accrued in the unit of instruction prior to the course logout.

5.3.2 Prevention of “Blow-through:” The course provider is responsible for designing and delivering the course in such a way that the student is prevented from “blowing through” or being able to “game” the course or any of its components by any means that will thwart the regulatory intention of pre-licensing education or continuing education.

5.3.3 Locking of Course Modules: To further prevent a student from “blowing through” the course, the LMS is to be configured such that course modules are “locked.” This means the student is required to advance through the course in a linear fashion, starting with the first module, and cannot advance to any subsequent module until the previous module (and all associated activities) has been completed.

5.3.4 Minimum Course Time: A course must meet the topical time requirements as specified in the SAFE Act. In order to ensure that the minimum time is met for all units of instruction, any information presented to the student, either via text, video, or audio, is to be of sufficient length

to ensure it meets time requirements. The minimum time of each unit of instruction must, when combined with other units of instruction, meet the minimum time for which the course has been approved.

The timer must be utilized to ensure that the student does not blow-through course material and spend dead time at the end of a module or the course. The timer is to ensure that the student is engaged in the course material at all times. **The timer is not to be set so that audio and/or slides used in the course are read/delivered at an exceptionally slow pace; such course delivery demonstrates a lack of content and creates an unfriendly user experience for the student.**

As part of the approval process, NMLS will employ various measures in an attempt to ensure there is enough content and activities to support the number of hours approval is being sought.

- 5.3.5 Course Scheduling:** Unlike other NMLS approved course format, online-self-paced courses do not have a fixed start date or end date. Course providers must pay close attention to their course completion reports since beginning in 2010 many mortgage loan originators must complete continuing education by the last day of the calendar year. Accordingly, a CE course should not extend beyond December 31 of any year or the student will be unable to complete the course within the required calendar year as required by state law. Course providers should also take into consideration the administrative time required to perform credit banking. All course providers are required to report course completions to NMLS within seven (7) calendar days of the course completion date.

5.4 Special Technical Considerations

Course providers must to be sensitive to the following when delivering instruction:

- 5.4.1 PC and Mac Compliant Software:** The course provider needs to ensure that whatever technology is being employed are both PC and Mac compliant. For example, if the technology is Mac compliant only, then the student needs to be made aware of this prior to enrolling in the course.
- 5.4.2 Browser Considerations:** The course provider needs to ensure that the technology works on all common browsers to include Internet Explorer, Mozilla Firefox and/or Safari. Should the required technology not work with a browser or if the browser requires a plug-in or other configuration (i.e. disabling pop-up blockers), then the student must be made aware of the requirement PRIOR to the start of the course.

5.5 Requirement for Issuance and Retention of Rules of Conduct for Students

At the start of every NMLS approved course offering, every student must agree to the *NMLS Rules of Conduct for Students (ROCS)*. The Rules of Conduct, which are made available to course providers by NMLS, are required to be displayed and agreed to by students under the following conditions:

- 5.5.1** At the start of every online course (OIL or OSS), the student is required to read and acknowledge the ROCS as part of a click-through agreement that is to be incorporated into the LMS. The course provider is required to maintain a log of the student agreeing to the ROCS for a period of five (5) years.
- 5.5.2** The ROCS are also to be included as part of the cover page or a stand-alone second page of all course materials.

5.6 Requirement for Identity Authentication

Effective August 21, 2017, every online self-study (OSS) course must have BioSig-ID authentication

integrated as a condition for NMLS approval. Please contact NMLS at nmls.ed1@csbs.org for the BSI Interface Specifications.

GLOSSARY

Approved Course Provider: NMLS defines a course provider as an organization which has applied and has subsequently been approved by NMLS to deliver courses which are intended to satisfy the requirements of the SAFE Act. An approved course provider offers and delivers approved courses, is responsible for the instruction of the course, charges and collects fees, issues refunds, issues a course completion certificate, and performs credit banking. Additionally, approved course providers have processes in place to ensure the instructors it employs possess sufficient knowledge of the mortgage industry, have the requisite skills to teach adult learners, and meet the minimum requirements for an MLO background check as described in the SAFE Act.

Blow Through: The opportunity provided to students to bypass or circumvent the necessary information without engaging in any form of interaction with the course content, students or instructor.

Classroom Course: A course that is delivered in a face to face format. The student and instructor will occupy the same location. This course format can be used to provide both pre-licensure and continuing education.

Classroom Equivalent Course (webinar): A course that is delivered through a live feed of an instructor presenting course material. A classroom equivalent course is not a pre-recorded lesson provided to students. This course format can be used to provide both pre-licensure and continuing education.

Course Interaction: Is defined as those activities required to be performed by a student as a means to demonstrate they are learning the course material. Interaction may occur between student and instructor; student and student; or student and content. Successful courses will typically have been designed with multiple activities to encourage interaction.

Instructor: An instructor is the individual teaching/instructing the course. Generally, a course has one principle instructor assigned to it. This individual is the subject matter expert and is responsible for leading the course and bears the burden of responsibility of ensuring the course is delivered properly.

Facilitator (proctor): is responsible for ensuring students are properly registered and checked into the course. Additionally, the facilitator is responsible for making sure students return from break-out sessions or meal breaks, and that the student attends the entire course. Facilitators can also be employed to assist in taking student questions and passing them to the course instructor, and may perform other administrative functions in support of the course delivery.

Online Instructor-led Course (OIL): An online instructor-led course is one that is led by an instructor utilizing a Learning Management System (LMS) as a virtual classroom. Just like in a traditional classroom setting, the instructor is responsible for leading and teaching the course. This course format may only be used to provide prelicensure education with the exception of prelicensure state-specific courses that are ten (10) hours or less which must be offered in the online self-study (OSS) format.

Online Self-Study Course (OSS): An online self-study course is a highly interactive course that makes use of a Learning Management System (LMS) to deliver course content. This course format may only be used to provide continuing education and state specific prelicensure education courses that are ten (10) hours or less.

Module: Defined single topic to learning within the content of a larger course subject.

Module Locking: A mechanism which ensures that course information is completed in consecutive or linear order. The objective of module locking is to prevent the student from skipping around the course material.

Syllabus: An outline of specific course objectives that provides information to the student prior to the start of the course. Information encompassed may include but is not limited to instructor contact information, course requirements, learning objectives, technical requirements, and texts.

Learning Management System: A Learning Management System (LMS) (also referred to as a Course Management System (CMS)) is an online learning environment where students participate in their courses, interact with their instructors, and collaborate with their classmates. It is analogous to a virtual campus (Shelton & Saltsman, 2005).

Seat Time: Seat time is defined as the time in which a student is engaged through the various modules of a course which will result in the total course time.

Unit of Instruction: A unit of instruction is defined as a smaller topic of instruction, which, when combined with other units of instruction, support the learning objectives of a larger course module.

Appendix A: List of Online Learning Activities for PE Courses

The following is a fairly comprehensive list of online learning activities that course providers may want to consider as part of building interactivity and instructor facilitation into their online courses. The activities described were taken from a text written by Curtis J. Bonk and Ke Zhang titled *Empowering Online Learning: 100+ Activities for Reading, Reflecting, Displaying, & Doing (2008)* and are used with permission from the authors.

Activities Relevant to the Acquisition of Knowledge: Emphasis on Words and Text		
Activity	Description	Skills and Objectives
Online Scavenger Hunt	Activity designed to help student become familiar with course content and to foster discovery learning by exploring the vast amount of Web resources available on a topic. In a scavenger hunt, individuals or groups of students might be asked to find a set of items in a list or accomplish a set of tasks.	Includes exploratory learning, concept review, search skills, and reflection on what is found and what is learned. It can also be an early course activity to determine if learners have the proper passwords and access to necessary technology tools and resources.
Web Tours	Given that Web resources can overwhelm students, some instructors decide to start a session with a Web tour of the course agenda, course modules, and task options. Other instructors might take students on a Web tour of online resources that might prove valuable in completing the course. Web tours are common in corporate training when using synchronous conferencing tools, though they can find use in nearly any online educational setting.	Includes basic or factual knowledge, exploration skills, search strategies, self-directed learning, reflection on new knowledge, and inquiry learning. A key goal is of this activity is exposure to learning resources that be used later in the course.
WebQuest	In a WebQuest, online resources are arranged for learners to explore and review and then debate ideas, events, and concepts. In effect, the instructor finds a set of materials and provides access to them online in a set of activities. The steps are laid out for the students; the ways in which they can be assessed are posted.	Includes basic or factual knowledge, exploration skills, search strategies, reflection on new knowledge, inquiry learning, and problem solving.
Guided Readings	Content explorations are guided when students read from a selection of articles prescreened by the instructor. Prescreened or pre-assigned readings might be employed when the students need more guidance because of their maturity level, content familiarity, or experience with e-learning. A set of questions or issues might be embedded or posted in the LMS to guide their reading.	Includes basic content information, awareness and comprehension of key concepts and principles, reflection on concepts learned, and time to discuss and debate issues.
Discovery Readings	Similar in concept to Guided Readings, Discovery Readings are more open-ended where students select articles based on their own course-related interests. In such a situation, a student might be assigned online reading materials or be asked to find articles that relate to the activities of a particular week or module.	Includes online searching and browsing skills, article and information filtering, and selection of relevant and personally meaningful materials. Such an activity equips students with twenty-first century skills related to information search and critical analysis, while simultaneously empowering them with self-directed learning activities. The goal here is motivating and retaining students through choice, goals and personal relevance.
Question and Answer Sessions with Instructor	For effective online learning, students should be able to discuss course concerns, issues, and questions with the	Includes feedback, sense of instructor social presence and instructional immediacy, interactivity,

	instructor using e-mail, text chat, and online discussion forums. Such questions and responses can later be posted within the LMS for future reference.	and prompt feedback. A primary objective is to focus student work and answer pressing questions.
Online Expert Chats	Students will most likely enjoy online chats with experts, especially when audio is enabled. Expert chats are highly effective and engaging across learning settings.	Includes course interactivity, feedback, and sense of instructor presence or instructional immediacy. This activity forces students to interpret ideas of an expert and ferret out themes or issues in them. Among the key goals is to connect course materials to real-world activities.
Online Synchronous Testing	Chat tools can be used for online quizzing of select student to test their understanding of the course content. Some instructors use dynamic assessment, in which each additional testing item is based on previous testing results. In effect, such tests are not related to typical online quizzed that might be stored in a course LMS, but, instead, they require instructor's real-time interaction with students and grading of synchronous interactions and postings. In effect, the instructor posts questions, problems, or issues in a synchronous chat for students to answer, react to, and solve. While these types of activities are in line with social constructivist viewpoints, related to teaching and learning, such real-time testing and grading is dynamic, complex, highly flexible, open-ended or semi-structured, and intellectually demanding.	Includes comprehension, quick decision making, dynamic feedback, and application of terms and concepts.
Synchronous or virtual Classroom Instructor Presentations	Live or synchronous online instruction has been successfully used in corporate training for a number of years. Key advantages of synchronous instruction include having social interaction and support from peers as well as the instructor; interactive learning with polls, chats, and surveys; and the ability to archive the session when finished for those who have missed it.	Includes a sense of instructor social presence and instructional immediacy, feedback, interactivity, and focus on critical content. Also helps form a course community.
Expert Lectures and Commentary	This activity is a spoken expert commentary or narration layered over online resources such as PowerPoint slides, Web site tours, or other visual representations. Such lectures and commentaries are different from synchronous chat sessions, since they are not question-and-answer sessions. In effect, expert lectures might be synchronous or real-time presentations for a class or repurposed content used asynchronously.	Includes reflection, analysis, appreciation of multiple perspectives, and learning content with different delivery mechanisms. Skills fostered include reflection, analysis, and synthesis.
Posting Webliographies or Web Resources	This activity requires students to post or exchange important Web resources or Webliographies that they have found. A Webliography is a compendium or list of Web links which allow the user to access information in an expedient fashion. Students should not only be assigned to create a Webliography but also be asked to respond to those that their peers have built. In addition, one might have students evaluate their resources on some scale or continuum, thereby adding an evaluative component to this highly generative activity.	Includes online exploration, self-directed learning, decision making, and digital literacy skills in browsing, filtering, and compiling information. Another focus or goal is to share and reflect on information.

Activities Relevant to Reflecting on Content: Emphasis on Problem Clarification and Knowledge Construction

Activity	Description	Skills and Objectives
Reuse Chat Transcripts	This activity involves the reuse and repurposing of synchronous chat transcripts. The chat transcript might be used for students to reflect on the differences in perspectives from two or more experts, the themes appearing within various chat sessions, or the content that was covered during units or weeks after a particular chat session. It might also be used to reflect on how student views changed after chatting with or speaking to one or more experts.	Includes synthesis skills, feedback, sense of social presence and instructional immediacy, comparison and contrast, appreciation of multiple perspectives, and analysis, evaluation, and other critical thinking skills.
Workplace or Job Reflections	Ask the student to reflect on their current job or workplace situation and to post their thoughts online. Additionally, the instructor can ask the student to conduct personal reflections on how they are applying key course content in their workplace. Ask student to read each other's posts and ask them to summarize their reflections and compare them to the posts of their peers, highlighting the commonalities and differences in their observations.	Includes critical analysis skills, reflective writing and connecting content knowledge from books and lectures to real-world experiences.
Self-Check Quizzes and Exams	Students like to determine whether they know the content well enough to pass required examinations or course requirements as well as identify areas where they have deficiencies or misconceptions. This is especially true for modules and courses with extensive factual content. In effect, students want to know if they know something. An instructor might develop a set of quiz or test questions for students each week. Students can self-test or self-determine whether they are grasping the concepts or not.	Includes key course concepts and facts, feedback, self-directed learning, self-monitoring, and reflection.
Online Discussion Forums and Group Discussions	Online discussion forums are now highly familiar events in higher education. Online discussion forums can be pre-designed by the instructor, be student generated, or entail some combination of instructor and student design. Instructors can make salient certain key concepts or concerns for students to focus on in the content or topic.	Includes student reflection and expansion on course concepts and ideas, exploration of topics or ideas of personal interests, critical analysis, interaction, and synthesis. Another key goal is comparison to the interpretations or perspectives of other in the learning experience.
Personal Blogs	Students can be asked to create and maintain blogs or online diaries of their learning during a course. Instructors might ask students to post personal reflections on one or more of their routine readings. They can also post Web links, personal profiles, and pictures to their blogs. Each student in the course could be assigned a critical friend or Web buddy who provides feedback on those reflections.	Includes concept analysis, interpretation and integration skills, reflection skills, summary writing, writing as thinking, motivation and engagement, self-directed learning, and personal exploration on items or areas of interest.
Collaborative or Team Blogs	Blogs might also involve collaboration or virtual teaming. Students can be assigned partners to jointly summarize their progress on a project, joint reading assignment selections, and other experiences in their team blogs. The blog becomes a place for other teams to offer comments as well as for the instructor to provide feedback.	Includes concept analysis, interpretation, and integration skills, reflection skills, and personal exploration o items or areas of interest.

<p>Synchronous and Asynchronous Discussion Combinations</p>	<p>One of the most interesting and engaging online instructional activities involves combining synchronous and asynchronous activities related to the work of one or more experts. Student will often strongly disagree with a viewpoint of an expert after reading one or more of their publications or interviews. However, when offering an opportunity to meet them personally in a synchronous chat or online videoconference, these same students will often find themselves agreeing with all or most of the views of the individual. In effect, they find that one article or publication does not represent all the ideas of an individual and that interests, findings, and perspectives of experts change over time.</p>	<p>This task entails a heavy dosage of perspective taking while offering the potential for cognitive dissonance and debate. It also fosters critical analysis, reflection, communication, insight, student interaction, and comparison and contrast.</p>
<p>Online Cases, Situations, and Vignettes</p>	<p>Posting of online case studies or situations to the LMS can foster student analysis and evaluations skills. Online cases have wide applicability and acceptability, especially with adult learners who have the experience base to relate to them and perhaps provide personal stories or situations that extend beyond them.</p>	<p>Includes critical thinking and analysis, inferencing skills, comparison and contrast, evaluation, and internalization of concepts and principles. A key goal is to understand how and where course principles can be applied.</p>
<p>Small Group Exam Question Challenges</p>	<p>Allowing students to design exam questions is one way to motivate them to study the material. In addition, such an activity is a prime example of a learner-centered approach that empowers students to control some aspect of the course activities or content while working collaboratively and discussing key concepts and principles within the content. When successfully implemented, such an approach builds ownership and pride for learning. And the work generated during one unit or course experience could be used in later iterations of the course. In effect, the course builds with student-generated content.</p>	<p>Includes collaboration, feedback, interaction, critical analysis, insight, concept review and attainment, and critical analysis and reflection.</p>

<p>Activities Relevant to Visual Learning: Emphasis on Display of Information</p>		
<p>Activity</p>	<p>Description</p>	<p>Skills and Objectives</p>
<p>Anchored Instruction with Online Video</p>	<p>In anchored instruction, there typically is a short “anchoring” event in the form of a video that instructors and students watch and then can later revisit and reevaluate. The intent is to create a problem-solving contents or environment using short video snippets. Such anchoring situations spur student interest in the topic being taught while allowing them to better define problems and more flexibly use their knowledge. Increasing, there are online tools and services for fining video-related content, such as Google videos, Google Images, YouTube, TeacherTube, MSNBC Video are a few.</p>	<p>Includes reflection, critical analysis and evaluation, observational skills, and grasping the application of concepts, rules, and procedures in action.</p>

<p>Concept Mapping Key Information</p>	<p>Student might be required to create concept maps or visual representations of key information or knowledge gained from the course. To guide their effort, they might use a tool like Inspiration, MindMapper, Visual Understanding Environment (VEU), FreeMind or Cmap. As part of this activity, student place key information or macro-propositions near the top of their maps and micro-propositions or secondary information below them. Linkages between terms as well as descriptions of such linkages are essential for understanding what the student has internalized. In addition, depicting casual relationships is crucial in certain disciplines or topics.</p>	<p>Includes knowledge integrations and synthesis, concept review, visualization of learning, reflection, critical analysis skills, insight, and logical thinking,</p>
<p>Video streamed Lectures and Presentations</p>	<p>Learning is enhanced when the students can see their instructor's facial expressions and nonverbal cues during the delivery of course content. For this reason, asking your media department or instructional support personnel to video stream your presentation or lectures would be advantageous. This may involve lecturing in a designated room or equipping a computer with a Webcam and appropriate software such as Camtasia or Captivate to record and produce streamed videos. When done, instructors might assign students to watch these videos streamed lectures and summarize what they have learned.</p>	<p>Includes grasping visual cues, course content and declarative knowledge, and appreciation of instructor or expert viewpoints.</p>
<p>Video streamed Conferences and Events</p>	<p>As conferences, seminars, and institutes are increasingly streaming session presentations and activities, instructors might use such content in their courses to apprentice students into a field of study. Professional conferences in business, education, law, or most any field provide opportunities for students to reflect on the content they are learning and how others are currently using such knowledge, or perhaps how they might someday employ it as a practitioner in the field. Assignments might be structured around either archived conferences or live ones or both.</p>	<p>Includes grasping visual cues, course content, and declarative knowledge, and appreciation of expert viewpoints. Another key goal is extending student content learning beyond the course instructor or text.</p>
<p>Video Modeling and Professional Development</p>	<p>Professional schools and corporate training organizations are increasingly employing online videos to demonstrate how skills are used in the real world or on the job. The Department of Psychiatry at Trinity College in Dublin, Ireland, for instance, has a virtual interview project through which students have opportunities to conduct interviews with virtual patients. When using these resources, the student decided what questions to ask and can then watch student responses to them. Such practice activities provide confidence for students and are a safe harbor for practicing newly acquired skills before interacting with individuals in real-life situations.</p>	<p>Includes comparison and contrast, observational skills, enhanced reflection, inference, and evaluation. A key goal is to witness concepts in action and begin to internalize them.</p>

Activities Relevant to Hands-on Learning: Emphasis on Doing

Activity	Description	Skills and Objectives
Video Scenario Learning	Scenario learning typically transports learners to a specific place and time. The scenario activity provides a series of challenges for learners to address in which they must make choices and decisions. Scenario activities can be brief or long and might entail many practice exercises.	Includes concept recognition and application, visual discrimination skills, inferencing, perceptual cues, coaching, feedback, and evaluation.
Online Review and Practice Exercises	A common activity for testing recently learned knowledge and information is the review or practice exercise. Such online tests can entail much more than simple multiple choice, true-false, or matching questions. Indeed, there may be a scenario or vignette that a student must watch and then respond to. Or perhaps a concept is displayed visually and the student must then make a series of decisions. In some cases, a situation is presented, with a set of questions or activities following it to determine whether the student understand the concept.	Includes trying out concepts, gaining skills in practice, reviewing concepts, and principles learned, reflection on knowledge acquired, knowledge recognition and application, and skills internalization.
Real-Time Case Studies	In real-time cases, students address real-world problems and issues as they occur. To facilitate this process, in agreement with company officials, a student is planted in a company or government setting and writes up the case situation. Correspondence with the class or institution happens in a variety of formats, including synchronous chats, blogs, asynchronous discussion, videoconferencing, Webcams, and so on.	Includes application of knowledge and skills in real-world context, flexible application of knowledge, appreciation of multiple perspectives, problem-based learning, and critical thinking.
Course Resource Wiki Site	Wiki tools allow members of a community to record events, activities, news, and other information. In an online class, a wiki can serve similar purposes. In a course wiki site, an instructor might post key course advice and assignment reminder information or provide feedback on student projects in individual student wiki pages, and student might add to such notes and reminders.	Includes collaboration, interactivity, student participatory learning, problem- and project-based learning, and assignment feedback.
Online Glossary and Resource Links Project	Some courses include options through which students create extensive yet practical final projects that benefit both current students as well as those taking the course later. An online glossary is one such project. Here, a student or a group of students designs an interactive online glossary that summarizes key concepts and ideas for the course. Web links might be generated that connect terms and definitions to articles.	Includes concept review and extension, application of concepts, concept discrimination, insight, exploration, and evaluation.

Appendix B: Case Studies Guidance

The Requirement

Functional Specification for All NMLS Approved Courses – “1.10.4 Inclusion of Case Studies: All courses are required to include case studies that reinforce learning objectives and provide context for how federal and/or state law(s) apply in real world situations (these can be actual cases (i.e. example of mortgage fraud or other regulatory actions or made-up scenarios). Case studies are to align with the learning objective(s) of the module or unit of instruction and are required to be of sufficient detail and/or complexity to ensure the student grasps the importance and applicability of the issue being discussed. Case studies are also to be contextual to the course topic (not generic). In the case of state-specific courses, case studies must be relevant to the specific state law(s), regulation(s), statute(s), and/or rule(s) in which the course is intending to cover.”

Definition of Acceptable Case Studies

Case studies are to reinforce learning objectives and provide context on how federal and or state laws/regs/statutes apply in real world situations. The case study needs to be of sufficient detail and complexity to challenge an adult learner and test his or her understanding of the laws/regs/statutes being taught and their applicability in real world settings. The best way to achieve the detail and complexity required to meet the case study requirement is to use real enforcement actions or develop fictitious events based upon real enforcement actions. The case study then needs to be used as a teaching tool to foster critical thinking and discussion from the student. The case study requirement cannot be met when the case study is not used to teach.