

Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: June 2, 2014

SUBJECT: Fiscal Impact Statement – “NMLS Conformity Act of 2014”

REFERENCE: Bill 20-802, as Introduced

Conclusion

Funds are sufficient in the proposed FY 2014 supplemental budget and the proposed FY 2015 through FY 2018 budget and financial plan to implement the bill.

Background

The bill makes the statutory changes necessary for the Department of Insurance, Securities, and Banking (DISB) to expand its use of the Nationwide Mortgage Licensing System and Registry (NMLS).¹ NMLS, the standardized nationwide system of records for the licensing and registration of non-depository financial service providers, was expanded in 2012 to include non-mortgage financial services industries,² allowing for more integrated supervision by state regulators. This bill updates District laws to conform with national models, allowing DISB to expand its use of NMLS to these expanded areas of coverage.

Financial Plan Impact

Funds are sufficient in the proposed FY 2014 supplemental budget and the proposed FY 2015 through FY 2018 budget and financial plan to implement the bill.

¹ NMLS became operational in January 2008 to meet the requirements of the federal “Secure and Fair Enforcement for Mortgage Licensing Act of 2008” (the “SAFE Act”) (12 U.S.C. §§ 5101-5116 (2012)).

² It was expanded to all non-depository financial service providers, including money transmitters, money lenders, sales finance companies, debt management companies, check cashers, and non-bank automated teller machine operators.

The Honorable Phil Mendelson

FIS: "NMLS Conformity Act of 2014," Bill 20-802, as Introduced.

Currently, approximately 3,000 licensees use the NMLS system through DISB. The expansion of NMLS use will add approximately 400 more non-mortgage financial services licensees into the system. As these licensees currently register by mail, using NMLS will improve speed and efficiency for DISB's licensing department. However, DISB staffing levels will remain at current levels, so any potential cost savings from this bill are expected to be minimal.