



Bureau of
Financial
Institutions



July 1, 2026

The Honorable R. Creigh Deeds, Chair
Senate Committee on Commerce and Labor

The Honorable Jeion A. Ward, Chair
House Committee on Labor and Commerce

As required by Title 6.2, Chapter 17, Section 6.2-1720 D of the Code of Virginia, the Bureau of Financial Institutions of the State Corporation Commission respectfully submits the attached report on the operations of the State Regulatory Registry LLC and the Nationwide Multistate Licensing System.

Sincerely,

Dustin Physioc
Commissioner of Financial Institutions

cc: Members, Senate Commerce and Labor Committee
Members, House Labor and Commerce Committee

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BUREAU OF FINANCIAL INSTITUTIONS

Report on the 2025 Operations of the State Regulatory Registry LLC and the Nationwide Multistate Licensing System and Registry



Commonwealth of Virginia

BUREAU OF FINANCIAL INSTITUTIONS

Report on the 2025 Operations of the State Regulatory Registry LLC and Nationwide Multistate Licensing System and Registry

As required by Title 6.2, Chapter 17, Section 6.2-1720 D of the Code of Virginia, the Bureau of Financial Institutions of the State Corporation Commission respectfully submits the attached report on the operations of the State Regulatory Registry LLC and the Nationwide Mortgage Licensing System.

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Executive Summary

This Report was prepared pursuant to Title 6.2, Chapter 17, § 6.2-1720 D of the Code of Virginia (“Code”), which directs the State Corporation Commission (“Commission”) to:

1. Annually review the proposed budget, fees, and audited financial statements of the Registry;^[1]
2. Annually, to the extent practicable, report to the House Committee on Labor and Commerce and the Senate Committee on Commerce and Labor on the operations of the Registry, including compliance with its established protocols for securing and safeguarding personal information in the Registry;
3. To the extent practicable, prepare, publicly announce, and publish a report, by no later than July 1 of each year, that summarizes statistical test results and demographic information to be prepared by the Registry or its test administrator; and
4. Report violations of this chapter, any enforcement actions thereunder, and other relevant information to the Registry on a regular basis.

On behalf of the Commission, its Bureau of Financial Institutions (“Bureau”) is pleased to submit this report on the 2025 operations of the State Regulatory Registry LLC (“SRR”) and the Nationwide Multistate Licensing System and Registry (“NMLS”).

SRR was formed in 2006 and is a non-profit corporation based in Washington, D.C. It is wholly owned by the Conference of State Bank Supervisors (“CSBS”), a national organization which advances the quality and effectiveness of regulation and supervision of state banking and financial services. SRR is directed by an eight-member board of managers consisting of state regulators. SRR owns and operates NMLS on behalf of state financial services regulatory agencies and carries out mortgage loan originator (“MLO”) testing and education requirements under Title V of the *Housing and Economic Recovery Act of 2008* – specifically, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“SAFE Act”).

NMLS was initiated by state mortgage regulators in 2008 in response to the increased volume and variety of residential MLOs. NMLS is the system of record for non-depository financial services licensing or registration, including the licensure of mortgage companies, in participating state agencies, the District of Columbia, and the U.S. territories of Puerto Rico, Virgin Islands, and Guam.

¹ Code § 6.2-1700 defines “Nationwide Multistate Licensing System and Registry” or “Registry” as “a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of mortgage loan originators.”

Through NMLS, SRR supports the strategic goals of the CSBS members, assisting state agencies in consumer protection and supervision of non-depository financial service industries by providing technological resources and information on a nationwide basis.

State regulators are the primary licensing authority for non-depository financial services companies. Non-depository financial services companies include, but are not limited to, mortgage providers, money services businesses and consumer finance companies. State licensing of MLOs is maintained through NMLS as is the registration of MLOs employed by state or federal depository institutions. In 2025:

- the Bureau received 5,850 MLO applications (compared with 5,063 in 2024); and
- the Bureau's Commissioner of Financial Institutions approved 5,286 MLO licenses (compared with 4,463 in 2024).

SRR has established protocols for securing and safeguarding personal information and conducts cybersecurity risk audits annually. SRR did not experience any material issues related to NMLS security and privacy of information in 2025.

Introduction and Background

Introduction

In accordance with § 6.2-1720 D of the Code, the Bureau offers the following Report of its review of SRR and NMLS for 2025.

Background

NMLS is a web-based application which enables mortgage lenders, mortgage brokers, MLOs, and other various non-depository entities, including, but not limited to, money service businesses (money transmitters and money order sellers) and qualified education loan servicers, to apply for, amend, update, and renew state licenses online with participating state regulatory agencies, and it allows federally regulated depository institutions and subsidiaries to manage their registered MLOs through one system. NMLS also offers consumers an online public access/inquiry resource via NMLS Consumer Access, which discloses financial industry licensing information and regulatory enforcement history.

The combination of the state licenses managed in NMLS and in the NMLS Federal Registry (“Federal Registry”) makes the system a complete repository of companies, both depository and non-depository, and individuals authorized to originate residential mortgages in the United States.

The most common transactions performed through NMLS are testing for new license applications and the processing of license amendments and license renewals. An amendment occurs each time a licensee or registrant’s record is updated, whereas renewals are submitted annually. NMLS also serves as the vehicle for scheduling education, administering the National Test, and maintaining all state licensed MLO test and course completion records.

NMLS launched with seven states on January 2, 2008, and the Bureau began utilizing NMLS on August 3, 2009. The SAFE Act requires all MLOs to be either federally registered, or state licensed through NMLS. As of December 31, 2025, Virginia had 20,898 MLO licensees in the approved status and 3,313 MLO licensees in the approved-inactive status through NMLS, as well as 180 mortgage lender licensees, 713 mortgage broker licensees, 364 with dual authority as a mortgage lender and broker, and 2,792 branch licenses.

The NMLS program includes an extensive set of support services that enable state regulators, state licensees, federal registrants, and federal agencies to use the system, benefit from ongoing training, and more. The NMLS program also includes the NMLS Annual Conference and Training, which drew more than 850 industry and state regulator attendees in 2025.

NMLS Activity in 2025

As of December 31, 2025, all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands used NMLS to license mortgage companies, branches, and MLOs. In 2025, Virginia used NMLS to manage licensing for: MLOs, mortgage lenders, mortgage brokers, money transmitters, money order sellers, and qualified education loan servicers.

The CSBS and SRR are working to modernize the NMLS. NMLS modernization is a multi-year, multi-phase effort to enhance NMLS and deliver an improved user experience for state regulators and industry professionals. Phase 1 of the NMLS modernization enhancements was deployed in 2024 and Phase 2 was completed in 2025. Phase 2 included an improved licensing process with streamlined workflows for MLOs (the largest NMLS user type). A new and improved NMLS Resource Center was also deployed in 2025.

Education and Testing

The SAFE Act established many educational and testing requirements to ensure that all state licensed MLOs demonstrate a basic level of industry and regulatory knowledge. MLOs must complete a minimum of 20 hours of pre-licensure education and eight hours of annual continuing education. They must also pass a licensing test. NMLS must approve all courses that state licensed MLOs must take to satisfy pre-licensure education and continuing education requirements. In addition, under the SAFE Act, NMLS must develop and administer a qualified written test that all state licensed MLOs must take and pass with a minimum passing score of 75. SRR regularly monitors the performance of the National Test.

The number of first-time tests taken in 2025 increased by 4.6% and overall tests increased by 8.21% (relatively the same as the increase from 2023 to 2024). Test pass rates decreased slightly in 2025. The chart on the next page provides National Test with Uniform State Content pass rate data from January 1, 2025, through December 31, 2025. The Bureau has no demographic information relating to the National Test results.

National Test with Uniform State Content Pass Rates by Attempt

January 1, 2025, through December 31, 2025

	Tests Taken	Tests Passed	Pass Rate (%)
First Attempt	25,159	13,237	52
Subsequent Attempts	13,930	5,264	37
Overall	39,089	18,501	47

Securing and Safeguarding Information

In 2025, NMLS continued to comply with the Federal Information Security Management Act of 2002 (FISMA) and retained its FISMA Authorization to Operate from the Consumer Financial Protection Bureau, as required. This demonstrates that data in NMLS is being handled securely and in compliance with federal regulatory requirements. In addition, CSBS successfully completed an enterprise cybersecurity risk audit with no significant issues.

Financial Statements, Budget and NMLS Fees

As of December 31, 2025, SRR reported total assets of \$197.3 million (compared to \$182.6 million at the end of 2024), owner's equity of \$180.4 million (compared to \$165.3 million at the end of 2024), and net income of \$15.1 million (compared to \$7.6 million for 2024). CSBS and SRR audited financial statements for the year ending December 31, 2025, and related audit reports were approved by the CSBS Board of Directors at their May 12, 2026, Board meeting. The financial statements and budgets appear to be accurate and reasonable, including the amounts, estimates, and assumptions used, and the Bureau does not take issue with the disclosures set forth in the financial statements.

NMLS processing fees revenue consists of NMLS license processing fees, credit card service fees and NMLS subscription revenue. NMLS license processing fees are fixed amounts charged by SRR to facilitate the obtainment and renewal of licenses through NMLS. Following a public comment period in 2024, the CSBS Board of Directors and the SRR Board of Managers approved proposed increases to the NMLS processing fees. These fee increases became effective March 1, 2025. This was the first time these fees changed since NMLS was launched in 2008. Credit card service fees are fixed amounts charged by SRR to process customer payments through the NMLS. NMLS subscription revenue consists of two-factor subscriptions and business to business subscriptions. The SRR Board of Managers reviews NMLS fees annually.

This concludes the Commission's Report on the operations of the SRR and NMLS.



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