



# SES Policy Guide



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# SES Policies

State Examination System Policy Guide



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# CHAPTER 1.

## General Policies

State Examination System General Policies.

## Eligibility for Company Enrollment in SES

This policy governs the companies that are eligible to participate in supervisory activities in [State Examination System \(SES\)](#).

*Approved 10/14/20*

*Updated 09/01/23*

This policy governs the prerequisites that a company must meet before it can participate as a new user in the NMLS (Nationwide Multistate Licensing System) supervisory tool - the State Examination System ("SES"). A Supervisory activity comprises the examination, investigation of a company, along with the processing of consumer complaints about a company in the system.

There are two prerequisites for a company to participate as a user in SES:

1. The company must offer a financial product or service; and
2. The company must have an account in NMLS.

These requirements are described in more detail below.

### 1) The Company Must Offer a Financial Product or Service

The company must be responsible for delivering products and services either directly to consumers or related to a consumer's use of those products and services. In addition, these products and services must be supervised or regulated by state financial regulators. This includes, but it is not limited to, all NMLS Business Activities, found [here](#), and the following business types in SES:

- Auction
- Credit Union
- Commercial Finance
- Consumer Finance
- Debt
- Money Service Business
- Mortgage Origination
- Mortgage Servicing
- Technology Service Provider
- Trust

## 2) The Company Must Have an Account in NMLS

A company requested to be supervised in SES by a state agency must first ensure it has an account in NMLS.

The company does not need to apply for a license or proceed with licensure in NMLS. Simply creating an account in NMLS is sufficient for the company to enroll in SES. The process by a company to enroll in SES is a one-time exercise. SES company users will then be eligible for supervision in the system by any agency using the system.

SES company users must have their account information maintained in NMLS regardless of whether they hold a license in NMLS. This is a requirement to keep the data uniformity regularly transferred from NMLS to SES. A SES company that has undergone a legal name change, must call the SES call center support line to have its information updated in NMLS. The support line may be reached at 1-800-269-6189.

The company must provide the call center with a written request on company letterhead that includes the full name of the applicant as it appears on its NMLS account, evidence of the legal name change filed with the Secretary of State or its equivalent in the state of domicile of the company, the IRS (Internal Revenue Services) Form 147C evidencing the name change, the IRS Employer Identification Number, the State/Province & Country of formation, and date of formation.

# Definitions of Findings and Alleged Violations

This policy defines the finding types in the system, and the term "alleged violation."

The policy also outlines the use of these terms in the State Examination System as they relate to the examination/ investigation of a company or the processing of a consumer complaint about a company.

## Definitions

### **Finding.**

An issue identified by a state agency user during the supervision of a financial institution in SES. The finding may describe the company's strengths and/or weaknesses regarding its compliance management system, assess the company's compliance with consumer protection laws or regulations, or any potential consumer harm. A finding may be either a violation, recommendation or observation. These terms are defined below. Findings are used in the Supervisory Activity ("SA") section of the system to elevate an issue identified during examinations and investigations. Findings may be entered by the agency user at any time before the report of examination or investigation is sent to the company, but generally as procedures or loan file reviews are completed.

### **Types of Findings**

#### **Violation.**

A type of finding in SES. A violation includes an act or omission by the company that amounts to the transgression of a law, regulation, rule, or administrative code. The agency may require the company to take steps to correct the violation and there will generally be a follow-up from the state agency regarding the plan or steps that the company will take to correct the violation.

#### **Recommendation.**

A type of finding in SES. Offers an opportunity for the company to improve compliance or risk management posture with a statute, regulation, rule, company policy/procedure or other regulatory expectation.

#### **Observation.**

A type of finding in SES that a company should take into consideration in order to improve their overall risk management posture or compliance with an internal policy or regulatory expectation.

#### **Alleged Violation.**

This type of potential finding is used only in the SES Consumer Complaints area of the system. An alleged violation is a potential finding against the company identified by the state agency during the handling of a complaint about the company in SES Consumer Complaints. Alleged violations are identified by the state agency during the agency's research and assessment of facts and circumstances surrounding the consumer complaint, and communication with the company about the complaint.

## Document Upload

In support of the supervision process, the State Examination System (SES) allows both agency and company users to upload documents.

In addition to the details below, SES will follow a set of document retention rules. [Record Retention and Disposition Schedule \(on page 8\)](#).



## File Types and Size Restrictions

- **File formats supported:** SES will accept all file formats, but the following commonly supported file types are recommended: PDF, Word®, Excel®, CSV, ZIP
- **Max file size:** 1 GB
- **For files larger than 1 GB<sup>1</sup>:**
  - Use ZIP compression to reduce file to less than 1 GB<sup>2</sup>
  - Split the file into multiple smaller files
  - Use File Sharing Links.
- **Max no. characters per file name:** 200
- **Max no. files per upload:** 25, for uploads larger than 25 total files:
  1. Upload first 25.
  2. Select the **Save Draft** option in **Available Next Actions** then click the **Save Draft** button.



**NOTE:** You may need to refresh the screen to see that the files have uploaded to the system.

3. Return to the response screen to upload the next 25 files and repeat.

- **Total no. files:** unlimited

A single document cannot exceed 1 GB in size. If a single document exceeds 1 GB, you will have to break the file up into multiple uploads. Depending on the size of the document, the system will take time to process the file uploads. This could take anywhere from a few seconds to a few minutes. The larger the document, the longer it will take to process.

## Preview vs. Download

The system offers two different ways to view an uploaded document. You can preview a document which loads on screen in a viewing window, or you can download the document in its native format.

## Uploading Encrypted, Password Protected, and Zip Files

Encrypted, password protected, ZIP files, and videos cannot be previewed, but can be downloaded. A user attempting to preview these documents will receive an error message.

## Document Names and Audit Information

The system will support a lengthy document name, but users are encouraged to create succinct titles. For reference, documents will have an audit section to represent:

- Name of user who uploaded document(s)
- Date and time the document was uploaded
- Date and time the document was updated

1. For documents uploaded to the Interactions tab, the maximum file size is 25 MB.
2. For documents uploaded to the Interactions tab, the maximum file size is 25 MB.

- Name of user who updated the document

# SES Record Retention Policy

This policy addresses the retention and disposal of documents and data in the [SES](#). System users will be made aware of this policy during their initial onboarding.

This policy does not supersede the system's Terms of Use.

SES users are advised that if a state law or policy requires a different retention schedule than this policy's schedule, the user is solely responsible for complying with any such schedule in accordance with that user's existing policies and procedures, outside of SES.

# Definitions of Record, Documents, and Data

For purposes of this policy, records do not include agency library items, call center support user files or other non-supervisory activity records.

## Record

A record in SES is the information generated in the system by state agencies and the companies they supervise during an examination, investigation, and consumer complaint handling in the system. Records are comprised of documents uploaded to the system and data generated in SES during supervision. Both terms are defined below.

## Documents

A document is a file that is uploaded to the system during a SA or for complaint handling. These include but are not limited to:

- The report of examination and report of investigation issued by a state agency.
- Electronic documents in Word®, Excel®, PowerPoint®, PDF or similar formats in response to an examination or consumer complaint. The report of examination and report of investigation.
- Other electronic material such as e-mails and audio recordings in response to an examination or consumer complaint.

## Data

Data is information that is entered by, or displayed to, SES users on their screens when they use the system. Data is:

- Generated automatically by the system (i.e., data that can be seen on the user's screen).
- Typed in the system by the user in a data entry field as part of the user's activity in the system.

Examples of data include, but are not limited to, the exam start date; the exam rating (if assigned); comments added to the exam record by examiners when completing procedures; the summary of a complaint.

SES users – state agencies and the companies they supervise in the system – should limit the entry of comments in these fields, including consumers' personal identifiable information and confidential supervisory information. Data that contains sensitive information should be uploaded to the system in a document wherever possible.

# Record Retention and Disposition Schedule

For retention purposes, records in SES refer to the supervision or complaints work initiated and conducted in the system.

For retention purposes, records in SES refer to the supervision or complaints work initiated and conducted in the system. Records are comprised of documents uploaded to the system and data generated in SES during the supervision process or handling of a complaint. Information from each record may fall under one of the two following categories:

- **Category A.** Information in this category is retained for 10 years. This retention period will begin to run as of the date the record is closed in the system, or, if applicable, when the last Matter Requiring Attention (MRA) is closed, whichever is later. Records will be permanently deleted from the system at the conclusion of the retention period. The following records fall under category A:
  - All data generated in the system during state supervision, i.e., Supervisory Activities (SAs) and complaints.
  - All documents uploaded to the system by agency users.
  - Documents uploaded by the company user in response to the report of examination, investigation, MRA, or consumer complaint.
  - Any documents assigned to this category by the agency at the agency's discretion during the examination.
- **Category B.** Information in this category is retained for 90 days. This retention period will begin to run as of the date the record is closed in the system, or, if applicable, when the last MRA is closed in the system, whichever is later. Records will be permanently deleted from the system at the conclusion of the retention period. The following records fall under Category B:
  - Documents uploaded to the system by company users during an exam or investigation that are not listed in Category A. For example, this may include documents uploaded to SES in response to an information request or loan request.

SES agency users can download documents from the system anytime until the files are removed from the system pursuant to the SES Records Retention and Disposition Schedules. The system offers a bulk download functionality to agency users for exams and investigations whereby documents associated to a SA can be downloaded in their original format. A state agency with a retention period greater than the policy's retention timeframes, can use this download feature to store the information on their state agency system to comply with their agency requirements.

SES agency users may also suspend the retention timeframes in the system at their discretion to address pending supervisory matters until they are resolved, at which time they can resume the retention timeframe.



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# CHAPTER 2.

## Agency-specific Policies

SES Policies for state regulatory agencies.

## Agency Library Management

This policy addresses the management of the State Examination System (SES) library and defines the library's terminology and functionality.

Approved 3/24/2020

The library is a feature of SES designed to carry out two main functions in the system:

1. Maintain the core components of any exam program (e.g. information requests, procedures, and references) allowing users to easily access these materials while conducting a supervisory activity.
2. Automate the development of an exam record by allowing the system to retrieve (from the library) and insert information requests and procedures applicable to the scope of the exam directly into an exam record.

Only agency users and support users have access to the library in SES. Company users cannot access the library. To maximize the automation SES provides in the exam workflow, agency users must become familiar with the terminology and functionality of the library. It is recommended that agencies appoint at least one agency representative to become familiar with the standard items (as defined below) in the library and proficient in the creation and ongoing management of agency-specific library items. The following sections define the terminology and functionality of the library.

### Library Item Types

The library houses the following library item types:

- **Procedures**—A procedure is template language used to guide the review of company documentation or compliance with statutes, regulations, and other requirements.
- **Information Requests**—An IR is template language used to request information from a company.
- **References**—An item in the SES Library used by agencies to support the supervision process (e.g. workpapers, templates, manuals, report templates, etc.). These include template documents, websites, or any other reference materials.
- **Area for Review**—An AFR is a review topic in the agency library that can be used to define the scope of an examination or investigation. AFRs are also used to categorize other library items.

## Standard vs. Agency Library Item Categories

There are two categories of library items in the system, standard and agency. Standard library items are available in SES to facilitate the harmonization of exam activities among state agencies, by offering a common set of information requests, procedures, and references for use by all state agency users. CSBS staff manages the standard library items.

- **Standard Library Items** – Uniform procedures, information requests, references and AFRs available to all agency and support users with access to the library. Only CSBS staff have the permission to add standard library items.
- **Agency Library Items** – Agency specific procedures, information requests, and references. Only agency staff directors and staff users have the permission to add and manage agency library items. All agency procedures and information requests are available for other agencies to view in the system. However, agency references are not automatically accessible by other agencies with access to SES; agency staff directors and staff users have the option to share, or not share, references with other agencies. All agency users in the agency have access to that agency's library items and can add them freely to any supervisory activity.

## Core vs. Non-core Library Labels

Core and non-core labels are attributes associated with information requests and procedures that control whether these items will be retrieved from the library and inserted directly into an exam record given the exam's business activities and scope selections.

- The core designation can be applied to both standard and agency procedures and information requests. Core Information Requests are automatically pulled on to an exam or investigation once scope is marked complete. Core procedures are automatically pulled on to an exam or investigation once the supervisory activity is moved to the "In-Flight" milestone. Attributes the system uses to make this determination:
  - Scope Type
  - Business Activities
  - AFR
- Non-core Procedures and Non-core Information Requests will not be automatically added to an exam or investigation, but can be easily added if appropriate. Attributes the system uses to determine IRs and procedures available for quick add:
  - Scope Type
  - Business Activities
  - AFR

## Guidelines for Agency Users

Agency users of SES will find numerous supervision resources available to use in the system in the form standard library items. By making these resources available to all agency users there is an opportunity to cultivate harmonization and areas of uniformity throughout the state regulatory system.

One of the first steps an agency can take to harmonize their supervisory processes is to evaluate the standard information requests and procedures in the system to identify similarities to their agency's template information request lists and procedures. To the extent a standard information request or procedure in SES is substantially similar to what the agency is currently using, the agency should use the standard library item. By leveraging the standard information requests and procedures across the agencies using SES, the companies being examined through the system will become familiar with these standard items over time. Creating this familiarity will produce consistent expectations for companies examined by multiple agencies through SES.

Here are some additional guidelines:

1. Agency references are not automatically shared with other agencies who have access to SES. Agency staff directors and staff users have the option to share their agency's references with other agencies through the library. Sharing references across agencies will further enhance coordination and collaboration within the state regulatory system.
2. When creating state-specific information requests, agency users should avoid consolidating multiple requests for information into a single information request. This practice makes it challenging for the company user to respond as they have a single text box along with one area to upload documentation.
3. Agency users should never upload or include any confidential supervisory information (CSI) to any library item.

## Document Retention for the Library

All documents uploaded to the library will remain in the library until a support user or agency user removes them.





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# CHAPTER 3.

## Company-specific Policies

SES Policies for companies.

## Company Enrollment

This policy addresses the process for a company to get access to SES and the role of state agency users in this process. In order to initiate a supervisory activity or complaint in the system, the company must be enrolled in the SES environment by a state agency.

This process is referred to as “Company Enrollment.” In most cases, a company will only go through this process once. Once a company has been successfully enrolled by a state agency in the system, that company will not likely need to be enrolled again. Once company users are established in SES, it is the responsibility of appointed company account administrators to manage their company’s users as personnel and business needs change.

### Agency Role in the Enrollment Process

Most agency users have the ability to enroll companies in SES, specifically those with the following user role(s):

- Staff Users
- Staff Directors
- Examiners
- Reviewers

It is recommended that each agency establish an internal policy that determines which staff are authorized to enroll companies prior to conducting a supervisory activity or complaint. Agency users performing this action should be aware that enrolling a company user will associate that user to the company account in SES and allow that individual to add other users to the company account. Therefore, it is important that only a confirmed examination

or supervision contact at a company is enrolled. If an agency inadvertently enrolls the wrong user to a company, that company user has an option to decline this request, terminating the enrollment process.

## Enrollment Process – Agency Perspective

Agency users should contact the company outside of SES prior to initiating the enrollment process in the system. This way, companies can anticipate receiving the system emails that are automatically generated with the enrollment process and will understand their purpose. If you are an agency user, please refer to the Agency Guidelines to Enroll New Companies in SES we made available to agencies with company communication templates.

The company enrollment process was designed to allow the agency to create the first company user in SES because it is assumed that the agency has the most accurate information about which individual at a company will handle supervisory activities for that company. SES displays the NMLS Contact Person and the NMLS Complaints Contact if provided by the company in NMLS. These listed individuals are for reference only and could be outdated if not updated regularly in NMLS by the company. The agency can use the NMLS contact information to reach out to the company and determine the appropriate contact for supervisory activities. Once this person is identified, the agency will enter the following basic information as part of the enrollment process:

- Email Address
- First Name / Last Name
- Primary Phone Number

## Enrollment Process – Company Perspective

The enrolled company user is notified via email that the agency initiated the enrollment process. The company notifications provide the steps company users must take to get access to the system.

Company users should make sure they receive SES notifications by marking the SES email addresses and SES URLs as safe. Refer to the *Company Get Started* letter in your SES resource materials.

When following the steps in the initial login email and upon logging in the first time, the company user will be prompted to confirm their association with the company. If the user confirms the relationship with the company, the user will designate the individual(s) they wish to be notified of new exams, investigations, and complaints for their company, a pair of roles called the “SA Contact” and “Complaints Contact”. While initially designated at this step, the “SA Contact” and “Complaints Contact” can be updated when necessary.

If the company user believes they received an enrollment request in error and rejects the association with the company, the system will notify the agency of the rejection and the agency can begin the enrollment process with a different contact person.

## Re-Enrolling

If the initial enrollment request was unsuccessful, agency users can initiate another request.

# Third Party User Role Policy

The State Examination System (SES) allows certain company users to add trusted third party users to the company account for the purposes of participating on specific supervisory activities (e.g. outside counsel or other consultants). Generally, these users are referred to in SES as third party users.

This policy establishes the expected use and purposes of the functions supporting third party user creation and management. For the purposes of this policy and SES in general, the term third party user refers to any user with access to SES that is not a company, state agency, support user or policy user.

## Third Party User Access

Unlike company users, third party users are granted access to only certain supervisory activities, at the discretion of the company. Third party users can only view the supervisory activity (SA) or SAs to which they are assigned by the company, whereas company users have access to all supervisory activities associated to that company.

## Third Party User Role in a Supervisory Activity

The use of a third party user is discretionary and the company determines the role the third party user will hold on a given supervisory activity. A third party user is able to hold the role of third party user (which performs similar to a contributor role), company lead or coordinator for any supervisory activity.

## Third Party User Management

It is the company account administrator's responsibility to manage the third party user roles. Third party users are automatically removed from the supervisory activity when the supervisory activity is closed or when the last Matter Requiring Attention is closed. Company account administrators may also remove the third party users from a supervisory activity at the company's discretion.



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# APPENDIX A.

## **SES Glossary**

### **A-B**

## Accepting an exam

Used by an agency after conducting an internal assessment and determining that it can fully accept another agency's completed examination outright, without further review of the licensee and in lieu of conducting its own examination.

## Active

Status of an open supervisory activity.



## Area for Review

An AFR is a review topic in the agency library that can be used to define the scope of an examination or investigation. AFRs are also used to categorize other library items.

**Full Form:** Area for Review (AFR)

**Abbreviation:** AFR

# Agency

State agency that supervises the activities of the financial services industry under its regulatory authority.

## Agency Library Items

Agency specific procedures, information requests, and references. Only agency staff directors and staff users have the permission to add and manage agency library items. All agency procedures and information requests are available for other agencies to view in the system. However, agency references are not automatically accessible by other agencies with access to SES; agency staff directors and staff users have the option to share, or not share, references with other agencies. All agency users in the agency have access to that agency's library items and can add them freely to any supervisory activity.

**Full Form:** agency library items

## Alleged Violation

This type of potential finding is used only in the SES Consumer Complaints area of the system. An alleged violation is a potential finding against the company identified by the state agency during the handling of a complaint about the company in SES Consumer Complaints. Alleged violations are identified by the state agency during the agency's research and assessment of facts and circumstances surrounding the consumer complaint, and communication with the company about the complaint.

## Asset Review Date

The as-of date for certain asset portfolio data requested. This date is an optional field in the system and may not apply to certain business types.

## Attachment File

Files that are uploaded to the System by SES users during the course of a supervisory activity.

## Business Activity

Any activity a business engages in for the primary purpose of making a profit. This is a general term that encompasses all the economic activities carried out by a company during the course of business.

## Business Type

The product or service offered by the financial institution to consumers.

## C-D



## Close Out

Part of a Milestone. It occurs when the company responds to the report of examination and the EIC fills out the close out form.

## Closed

Part of a Milestone. It occurs when the examination of a company concludes. No actions can be taken on the supervisory activity once it is closed. However, the company can still respond to the MRAs.

## Company SES ID

Unique identifier for a company in SES.

# Complaint

A submission from a consumer that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer's personal experience with a financial product or service.

## Component Rating

Findings include any conclusion, observation, or record generated during the course of an examination that an examiner determines is noteworthy and of importance to the examination. This includes exceptions (adverse findings).

## Core

Core and non-core labels are attributes associated with information requests and procedures that control whether these items will be retrieved from the library and inserted directly into an exam record given the exam's business activities and scope selections.

The core designation can be applied to both standard and agency procedures and information requests. Core Information Requests are automatically pulled on to an exam or investigation once scope is marked complete. Core procedures are automatically pulled on to an exam or investigation once the supervisory activity is moved to the "In-Flight" milestone. Attributes the system uses to make this determination:

- Scope Type
- Business Activities
- AFR

**Full Form:** core

## Custom Information Request

Custom information requests that reside in a specific agency's Library to use during an examination.

## Drafting

Part of a Milestone. The report of examination is drafted, reviewed, and the report package is assembled.

## E



## Examiner in Charge

An agency user role in the System, responsible for scoping examinations, assigning examination tasks, and generating and finalizing a report of examination. May also conduct examination tasks and document findings.

**Full Form:** Examiner in Charge (EIC)

**Abbreviation:** EIC

# Entity

A natural person, organization, agency, or business that has a legal and separate identifiable existence.

## Examination

A supervisory activity conducted by a regulatory agency that reviews an institution's compliance with laws, regulations, and safety and soundness standards.

## Examination Period

Begin and end dates indicating the time span of an examination.

## Examination Scope

The review components/procedures and timeframe a regulatory agency determines will be included in an examination.

## Examiner

A state regulatory agency representative responsible for conducting review tasks and documenting findings under the supervision of an Examiner in Charge or Examination Lead.

## Exceptions

Adverse findings discovered during an evaluation of a company not aligning to a specific policy, rule, regulation, or other requirements. These include violations of regulations or deficiencies discovered during management reviews.

## Exit Meeting

An examiner's meeting with the institution's management or management and board of directors to communicate preliminary supervisory findings and conclusions from an examination.

## F, G, H, I



## Financial Review Date

The as-of date for certain financial data requested. This date is optional and may not apply to certain business types.

# Findings

An issue identified by a state agency user during the supervision of a financial institution in SES. The finding may describe the company's strengths and/or weaknesses regarding its compliance management system, assess the company's compliance with consumer protection laws or regulations, or any potential consumer harm. A finding may be either a violation, recommendation or observation.

## **Types of Findings**

### **Violation.**

A type of finding in SES. A violation includes an act or omission by the company that amounts to the transgression of a law, regulation, rule, or administrative code. The agency may require the company to take steps to correct the violation and there will generally be a follow-up from the state agency regarding the plan or steps that the company will take to correct the violation.

### **Recommendation.**

A type of finding in SES. Offers an opportunity for the company to improve compliance or risk management posture with a statute, regulation, rule, company policy/procedure or other regulatory expectation.

### **Observation.**

A type of finding in SES that a company should take into consideration in order to improve their overall risk management posture or compliance with an internal policy or regulatory expectation.

### **Alleged Violation.**

This type of potential finding is used only in the SES Consumer Complaints area of the system. An alleged violation is a potential finding against the company identified by the state agency during the handling of a complaint about the company in SES Consumer Complaints. Alleged violations are identified by the state agency during the agency's research and assessment of facts and circumstances surrounding the consumer complaint, and communication with the company about the complaint.

# Frequently Asked Questions

**Full Form:** Frequently Asked Questions (FAQs)

**Abbreviation:** FAQs

## In-Flight

Part of a Milestone. The state agency participants complete their review for the areas for review, add findings, add procedures, and add report commentary.

## Investigation

An ad hoc supervisory activity conducted by a state regulatory agency over a company, prompted by a complaint against the company, an adverse finding during an exam or other matters.

# Invoice

A bill issued by a regulatory agency for costs associated with their work performed during a regulatory examination.

## Information Requests

An IR is template language used to request information from a company.

**Full Form:** Information Request (IR)

**Abbreviation:** IR

## L, M, N

## Lead Agency

In multi-state examinations, Lead Agency is the agency responsible for overseeing completion of examination tasks related to one or more components.



## Leveraging an exam

Allows a state agency to use another agency's completed examination as a starting point to further conduct its own review of the company.

# Library

A collection of the resources used and/or created by a state regulatory agency that reside in the System to conduct their supervisory activities. Library items consist of procedures, information requests, references and areas for review.

## Milestone

Status indicators for a supervisory activity in SES: Pending, Scheduled, Planning, In-Flight, Drafting, Close Out, Closed.

# Matters Requiring Attention

System functionality that allows a state agency to communicate and track issues or concerns that the agency expects a company to address at the conclusion of the examination or investigation.

**Full Form:** Matters Requiring Attention (MRA)

**Abbreviation:** MRA

## Multi-state Examinations

An examination of an entity involving two or more states.

# Nationwide Multistate Licensing System & Registry

A holistic system for licensing, registering, and supervising entities in the financial services industries.

**Full Form:** Nationwide Multistate Licensing System & Registry (NMLS)

**Abbreviation:** NMLS

## Non-core

Non-core Procedures and Non-core Information Requests will not be automatically added to an exam or investigation, but can be easily added if appropriate. Attributes the system uses to determine IRs and procedures available for quick add:

- Scope Type
- Business Activities
- AFR

**Full Form:** non-core

## Non-NMLS Entity

A record created for an unknown or unreachable entity that could be operating without a license. Non-NMLS entities are created by agency complaint users with the purpose of enabling tracking of these entities across agencies. Since they are unknown or unreachable, you cannot interact with them using SES, but complaints can be created against these entities to inform other agency users of their reported activity.

## O-P



## Observation

A type of finding in SES that a company should take into consideration in order to improve their overall risk management posture or compliance with an internal policy or regulatory expectation.

## Onscreen Data Field

Data that is either typed in the System by the user, for example, a comment box that accompanies a file upload function in the System, or data that is generated by the System and displayed to SES users on their screens.

## Package Assembler

An agency user role in the System, in charge of putting together the report of exam (ROE), all documentation, comments, and invoicing information. The package assembler can be the EIC or any staff user at your agency.

# Participants

Any SES user that is assigned a role in the system on a supervisory activity.

## Participating Agency

A regulatory agency that is taking part in an examination.

# Planning

Part of a Milestone. It occurs when the EIC defines the scope for the supervisory activity.

## Pending

Part of a Milestone. It occurs when a supervisory activity is initiated and reviewed by a regulatory agency and it is placed on their schedule.

# Point of Contact

**Full Form:** Point of Contact (POC)

**Abbreviation:** POC



## Procedures

A procedure is template language used to guide the review of company documentation or compliance with statutes, regulations, and other requirements.

**Full Form:** procedures

## Q-R

## QuickIR

QuickIR allows a company to browse through the standard information requests (IRs) in the State Examination System (SES) and prepare responses to those IRs in advance of an upcoming examination.

**Full Form:** QuickIR

**Abbreviation:** QuickIR

## Recommendation

A type of finding in SES. Offers an opportunity for the company to improve compliance or risk management posture with a statute, regulation, rule, company policy/procedure or other regulatory expectation.

## References

An item in the SES Library used by agencies to support the supervision process (e.g. workpapers, templates, manuals, report templates, etc.). These include template documents, websites, or any other reference materials.

**Full Form:** references

## Report Commentary

Feedback provided by the state regulatory agency participants on a supervisory activity to help put together the report of examination.

# Report of Examination

A formal document provided to the examinee after the examination has been completed and the examiner reaches a determination regarding its evaluation of the company. It provides a summary of the findings and may include instructions for corrective actions that must be taken by the examinee.

**Full Form:** Report of Examination (ROE)

**Abbreviation:** ROE

# Regulatory User Group

**Full Form:** Regulatory User Group (RUG)

**Abbreviation:** RUG

# S

## Scheduled

Part of a Milestone. It occurs when the EIC defines the scope for the supervisory activity.



## Scope

Outlines the focus areas of a supervisory activity.

## Single Sign-On

The ability to use existing credentials for multiple software applications, thus requiring only one “log in” for the user.

## Single-agency Examination

An examination conducted by a single agency. (Synonym: Independent Examination, Single Exam, Single-state Exam)

# Standard Information Request

An information request that is available to all agencies in the SES Library, added by CSBS.

## Standard Library Items

Uniform procedures, information requests, references and AFRs available to all agency and support users with access to the library. Only CSBS staff have the permission to add standard library items.

**Full Form:** standard library items

# State Examination System

**Full Form:** State Examination System (SES)

**Abbreviation:** SES

## State Regulatory Registry

A nonprofit subsidiary of the Conference of State Bank Supervisors (CSBS) that operates NMLS on behalf of state financial services regulatory agencies.

**Full Form:** State Regulatory Registry (SRR)

**Abbreviation:** SRR

# Structure

Single or multi-state supervisory activity.



## Staff Director or User

An agency user role in the System, responsible for identifying examinees and initiating examinations.

## Supervisory Activity

An activity conducted by a state agency over a financial institution under its regulatory authority. It includes examinations, investigations, and enforcement actions.

## Support Users

NMLS support staff who have been trained to provide assistance to system users.

## T, U, V, W, X, Y, Z

# Tasks

Action items in SES requiring completion.

## Third Party User

SES users added to a supervisory activity by a company user. Unlike company users, third party users are granted access to only certain supervisory activities, at the discretion of the company.

## Time Frame

The begin and end dates pertaining to an information request, may differ from the examination period.

## Violation

A type of finding in SES. A violation includes an act or omission by the company that amounts to the transgression of a law, regulation, rule, or administrative code. The agency may require the company to take steps to correct the violation and there will generally be a follow-up from the state agency regarding the plan or steps that the company will take to correct the violation.

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