

**DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF REAL ESTATE
MORTGAGE LOAN ORIGINATORS AND MORTGAGE COMPANIES
4 CCR 725-3**

**NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
January 20, 2026, at 9:00 AM MST**

**Division of Real Estate Office
1560 Broadway
Denver, CO 80202**

VIRTUAL MEETING REGISTRATION LINK:

https://us06web.zoom.us/webinar/register/WN_tRVPsC-NR_mA7pE5fkAZmw

Pursuant to and in compliance with Title 12, Article 10 and Title 24, Article 4, C.R.S., as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Colorado Board of Mortgage Loan Originators (the "Board") to promulgate rules, or to amend, repeal, or repeal and re-enact the present rules of the Board.

The hearing will be conducted only in a virtual setting. All interested parties are urged to attend this public hearing by registering for the webinar on the Division's website at www.dre.colorado.gov and to submit written comments concerning the proposed amended rules in advance, if possible, for consideration.

To facilitate the review of comments by the Board, all interested parties are strongly encouraged to submit their written comments to the Division of Real Estate at <https://forms.gle/FFxSrBkoMUa2AVaX8> or Marcia Waters via email at marcia.waters@state.co.us on or before 5:00 p.m. on January 13, 2026. Any written comments not received by this date may be submitted via public testimony at the hearing on January 20, 2026.

STATEMENT OF BASIS

The statutory basis for the rules titled Rules Regarding Mortgage Loan Originators and Mortgage Companies is Part 7 of Title 12, Article 10, Colorado Revised Statutes, as amended.

STATEMENT OF PURPOSE

The purpose of the rules is to effectuate the legislative directive to promulgate the necessary and appropriate rules in conformity with the state statutes of the mortgage loan originator licensing and mortgage company registration act.

SPECIFIC PURPOSE OF RULEMAKING

The specific purpose of this rulemaking is to modify the administrative rules to eliminate the incorporation of federal law into the definition of a bona fide nonprofit organization, which is contrary to Colorado law. An additional purpose of the rulemaking is to delete the reference of the tangible net benefit disclosure. Rules pertaining to that disclosure were repealed by the Board in 2025. Please be advised that the proposed amended rules being considered are subject to further changes and modifications after public comment and the formal hearing.

PROPOSED NEW, AMENDED AND REPEALED RULES

Deleted material shown ~~struck through~~; new material is indicated by underline. Readers are advised to obtain a copy of the complete rules of the Board at www.dre.colorado.gov.

CHAPTER 1: DEFINITIONS

1.8. Bona Fide Nonprofit Organization: An organization that complies with the following criteria:

- A. Has the status of tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986; ~~incorporated by reference in compliance with Section 24-4-103(12.5), C.R.S., and does not include later amendments or editions of the Code. A certified copy of the Code is readily available for public inspection at the offices of the Board of Mortgage Loan Originators at 1560 Broadway Suite 925, Denver, Colorado. The Internal Revenue Code of 1986 may be examined at the internet website of the Internal Revenue Service at www.irs.gov. The Internal Revenue Service may also be contacted at 1999 Broadway, Denver, Colorado 80202 or by telephone at (303) 446-1675;~~
- B. Promotes affordable housing or provides homeownership education, or similar services;
- C. Conducts its activities in a manner that serves public and charitable purposes, rather than commercial purposes;
- D. Receives funding and revenue and charges fees in a manner that does not incentivize it or its Employees to act other than in the best interests of its clients;
- E. Compensates its Employees to act only in the best interests of its clients; and
- F. Provides or identifies for the borrower residential mortgage loans with terms favorable to the borrower and comparable to mortgage loans and housing assistance provided under the government housing assistance programs.

CHAPTER 5: PROFESSIONAL STANDARDS

5.6. Reasonable Inquiry

- A. A Mortgage Loan Originator will only recommend appropriate products after reasonable inquiry has been made in order to understand the borrower's current and prospective financial status.
- B. Reasonable inquiry requires the Mortgage Loan Originator to review and analyze the information submitted by the borrower(s) regarding their current and prospective income, including the income's source and likely continuance and may not require the Mortgage Loan Originator to verify such income.
- C. A Mortgage Loan Originator has a duty to recommend mortgage products based on the information provided by the borrower.
- D. A Mortgage Loan Originator will be deemed in compliance with section 12-10-710(1)(b), C.R.S. and this Rule, concerning reasonable inquiry, upon reviewing and analyzing all sections contained in the Uniform Residential Loan Application ~~and upon completion of the Tangible Net Benefit Disclosure. The Tangible Net Benefit Disclosure is posted on the Division's website.~~

A hearing is scheduled for January 20, 2026, beginning at 9:00 a.m. and will only be conducted via Zoom Webinar. All interested and affected parties must register to attend the hearing through the link provided below:

https://us06web.zoom.us/webinar/register/WN_tRVPsC-NR_mA7pE5fkAZmw

Any interested person may participate in the rule making through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no later than January 13, 2026. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered.

Please be advised that the rules being considered are subject to further changes and modifications after public comment and formal hearing.