



## Description



### MICHIGAN 2<sup>ND</sup> MORTGAGE BROKER/LENDER/SERVICER LICENSE

#### Who is required to have this license?

Any sole proprietor or company who, directly or indirectly, services or offers to service subordinate mortgage loans. "Service" means the collection or remittance for a lender, noteowner, or noteholder or a licensee's own account of 4 or more installment payments of the principal of, interest of, or an amount placed in escrow under a secondary mortgage loan, mortgage servicing agreement, or an agreement with a mortgagor.

Any sole proprietor or company may apply for and obtain a 2nd mortgage broker, lender, and servicer license and receive authority to conduct subordinate lien mortgage broker, lender, and servicer activities even if the sole *proprietor* or company will not actively conduct each authorized activity.

Subordinate lien mortgage loan means a loan secured by a 2nd or junior lien position mortgage on real property located in Michigan and used, or improved for use, as a dwelling and designed for occupancy by 4 or fewer families or a land contract covering real property located in this state used, or improved for use, as a dwelling and designed for occupancy by 4 or fewer families.

**If you are applying for or currently have a 1<sup>st</sup> mortgage license, you qualify for a 2<sup>nd</sup> mortgage registration.**

#### Who does not need this license?

- An individual who is licensed as a mortgage loan originator and is an exclusive employee or agent of a non-depository financial institution or an exclusive employee or agent of a subsidiary of a non-depository financial institution.
- Any sole proprietor or company who is licensed/registered as a subordinate lien mortgage broker only, and does not close subordinate lien mortgage loans in its own or assumed name.
- Any sole proprietor or company that is currently registered as a broker, lender, and servicer.
- Any sole proprietor or company who is licensed/registered as a 2nd lien mortgage broker only, does not close 2nd lien mortgage loans in its own or assumed name, or service 2nd lien mortgage loans.
- Any sole proprietor or company who solely brokers or makes or services a subordinate mortgage loan (See 2<sup>nd</sup> Mortgage Broker and Lender License/Registration).
- A state or nationally chartered bank, a state or federally chartered savings and loan association, savings bank, or credit union, or any other institution whose deposits are insured by an agency of the federal government.
- An entity that is an FHLMC approved seller or servicer (See 2nd Mortgage Broker, Lender, and Servicer Registration).
- An entity that is an FNMA approved seller or servicer (See 2nd Mortgage Broker, Lender, and Servicer Registration).
- An entity that is a GNMA approved issuer or servicer (See 2nd Mortgage Broker, Lender, and Servicer Registration).
- Is an entity that is a subsidiary or affiliate of a depository financial institution or a depository financial institution holding company if the depository institution does not maintain a main office or a branch office in Michigan.

- A nonprofit corporation that makes, brokers, or services mortgage loans in connection with a neighborhood housing program assisted under the neighborhood reinvestment corporation act, title VI of Public Law 95-557, 42 U.S.C. 8101 to 8107.
- An entity that acts as a subordinate lien servicer but services 10 or fewer subordinate mortgage loans in a calendar year.

#### **Pre-requisites for license applications**

- Minimum Net worth: \$100,000
- Bond amount: \$125,000
- Criminal background check: Yes
- Credit check: Yes
- Experience: Yes
- Testing: N/A
- Education: N/A

**WHO TO CONTACT** – Contact Consumer Finance Section via phone at (877) 999-6442 or send your questions via e-mail to [difs-fin-info@michigan.gov](mailto:difs-fin-info@michigan.gov) for additional assistance.

THE APPLICANT/LICENSEE/REGISTRANT IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE OR REGISTRATION FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.