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MICHIGAN 1st MORTGAGE BROKER LICENSE

Who is required to have this license?

Any sole proprietor or company who, directly or indirectly serves or offers to serve as an agent for a person in an attempt to obtain a 1st lien mortgage loan and/or serves or offers to serve as an agent for a person who makes or offers to make 1st lien mortgage loans.

1st lien mortgage loan means a loan secured by a 1st 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.

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 solely brokers a subordinate lien mortgage loan (See 2nd Mortgage Broker License/Registration).
- Any sole proprietor or company who closes a 1st lien mortgage loan in its own name (See 1st Mortgage Broker and Lender License/Registration).
- Any sole proprietor or company that is currently licensed/registered as a broker and lender, or licensed/registered as a broker, lender, and servicer.
- A state or nationally chartered bank, a state or federally chartered savings and loan association, savings bank, or credit union, or an entity of the federally chartered farm credit system (See 1st Mortgage Broker Registration).
- An entity that is an FHLMC approved seller or servicer (See 1st Mortgage Broker Registration).
- An entity that is an FNMA approved seller or servicer (See 1st Mortgage Broker Registration).
- An entity that is a GNMA approved issuer or servicer (See 1st Mortgage Broker Registration).
- Is a real estate broker or real estate salesperson licensed under article 25 of the occupational code, 1980 PA 299, MCL 339.2501 to 339.2518, who acts as a 1st lien mortgage broker for not more than 1 licensee or 1 registrant (See 1st Mortgage Broker Registration).
- Is a real estate broker or real estate salesperson licensed under article 25 of the occupational code, 1980 PA 299, MCL 339.2501 to 339.2518, who acts as a 1st lien mortgage broker, 1st lien mortgage lender, or 1st lien mortgage servicer only in connection with real estate sales in which the real estate broker or salesperson affiliated with the real estate broker is engaged and who receives for those services additional compensation beyond the customary commission on real estate sales (See 1st Mortgage Broker 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.
- Any sole proprietor or company who brokers home improvement contracts under the home improvement finance act, 1965 PA 332, MCL 445.1101 to 445.1431.

- A salesperson acting as an agent for a residential builder or residential maintenance and alteration contractor, or a residential builder or residential maintenance and alteration contractor licensed under article 24 of the occupational code, 1980 PA 299, MCL 339.2401 to 339.2412, if a 1st lien mortgage is made or negotiated in connection with the sale or financing of a residential structure or improvement constructed or improved by that residential builder or residential maintenance and alteration contractor.
- Agencies or corporate instrumentalities of the United States and of this state and its political subdivisions, including the public employees' retirement system.
- An individual licensed to practice law in this state and not engaged in the business of negotiating loans secured by real property, if the individual renders services in the course of his or her practice as an attorney-at-law.
- A person who makes 1st lien mortgage loans exclusively for the benefit of employees of that person if the proceeds of the loan are used to assist the employee in meeting his or her housing needs.
- A person acting as a fiduciary with respect to any employee pension benefit plan qualified under the internal revenue code who makes 1st lien mortgage loans solely to plan participants from plan assets.
- A 1st lien mortgage broker, 1st lien mortgage lender, or a 1st lien mortgage servicer that is a subsidiary or affiliate of a depository financial institution or a subsidiary or affiliate of a holding company of a depository financial institution, if the depository financial institution maintains its main office or a branch office in Michigan.
- A nonprofit corporation that makes, brokers, or services 1st lien mortgage loans in connection with a neighborhood housing program assisted under the neighborhood reinvestment corporation act, 42 USC 8101 to 8107.

Pre-requisites for license applications

- Minimum Net worth:	$25,000 if collecting fees prior to mortgage loan closing
	$15,000 if not collecting fees prior to mortgage loan closing (to demonstrate "general fitness" pursuant to Section 3(1) of the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 PA 173).
- Bond amount:	$25,000 if collecting fees prior to mortgage loan closing
	No bond required if not collecting fees prior to mortgage loan closing
- 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* for additional assistance.