



Description



MICHIGAN 1st MORTGAGE BROKER/LENDER REGISTRATION

Who is required to have this registration?

Any sole proprietor or company who, directly or indirectly, makes or offers to make 1st lien mortgage loans. This includes any sole proprietor or company that closes 1st lien mortgage loans in its own or assumed name, and who meets 1 or more of the following qualifications:

- Is an entity that is an FHLMC approved seller or servicer.
- Is an entity that is an FNMA approved seller or servicer.
- Is an entity that is a GNMA approved issuer or servicer.
- 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.
- 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, mortgage lender, or 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.
- 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 may apply for and obtain a 1st mortgage broker and lender registration and receive authority to conduct 1st lien mortgage broker and lender activities even if the sole proprietor or company will not actively conduct each authorized activity.

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 registration?

- An individual who is licensed as a 1st lien 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 1st lien mortgage broker only, and does not close 1st lien mortgage loans in its own or assumed name.
- Any sole proprietor or company that is currently licensed/registered as a broker, lender, and servicer.
- Any sole proprietor or company who solely brokers or makes a subordinate mortgage loan (See 2nd 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 an entity of the federally chartered farm credit system.
- A real estate broker or real estate salesperson, in connection with real estate sales in which the real estate broker or real estate salesperson affiliated with the real estate broker is engaged, who acts as a mortgage broker on 10 or fewer mortgage loans in any 12-month period from January 1 to December 31 and who receives for such services additional compensation beyond the

customary commission on real estate sales shall be exempt from the registration or licensing requirements of this act for that 12-month period. If the broker and all real estate salespersons affiliated with the broker in aggregate brokered more than 30 mortgage loans as described in this subsection in the same 12-month period from January 1 to December 31, then that broker shall obtain a license or shall register.

- 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 registration applications

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| • Minimum Net worth: | N/A |
| • Bond amount: | N/A |
| • Criminal background check: | N/A |
| • Credit check: | N/A |
| • Experience | N/A |
| • 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.

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.