



## Description



### MICHIGAN 2<sup>ND</sup> 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 subordinate lien mortgage loans. This includes any sole proprietor or company that closes 2nd 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 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.
- Is an entity that is licensed under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, or a registrant under that act if the registrant is a mortgage broker, mortgage lender, or mortgage servicer approved as a seller or servicer by the federal national mortgage association or the federal home loan mortgage corporation, or a mortgage broker, mortgage lender, or mortgage servicer approved as an issuer or servicer by the government national mortgage association.

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.

Any sole proprietor or company may apply for and obtain a 2nd mortgage broker and lender registration and receive authority to conduct subordinate lien mortgage broker and lender 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.

#### Who does not need this registration?

- 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 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 any other institution whose deposits are insured by an agency of the federal government.
- 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 lender but makes or negotiates 2 or fewer secondary mortgage loans in a calendar year.

#### **Pre-requisites for registration applications**

- Minimum Net worth: N/A
- Bond amount: \$25,000
- 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](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.