



Description



MICHIGAN 2ND 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 subordinate lien mortgage loan and/or serves or offers to serve as an agent for a person who makes or offers to make subordinate lien mortgage loans.

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 1st mortgage license, you qualify for a 2nd 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 registered as a subordinate lien mortgage broker.
- Any sole proprietor or company who closes a subordinate lien mortgage loan in its own name (See 2nd Mortgage Broker and Lender License/Registration).
- Any sole proprietor or company that is currently licensed/registered as a 2nd mortgage broker and lender, or licensed/registered as a 2nd mortgage 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 (See 2nd Mortgage Broker Registration).
- Any sole proprietor or company who is licensed or registered as 1st lien mortgage broker (See 2nd Mortgage Broker Registration).
- An entity that is an FHLMC approved seller or servicer (See 2nd Mortgage Broker Registration).
- An entity that is an FNMA approved seller or servicer (See 2nd Mortgage Broker Registration).
- An entity that is a GNMA approved issuer or servicer (See 2nd 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.
- 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.

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 5(1) of the Secondary Mortgage Loan Act, 1981 PA 125).
- 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.

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.