



## Description



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

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

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 1<sup>st</sup> lien mortgage loans in its own or assumed name.

Any sole proprietor or company may apply for and obtain a 2nd mortgage broker and lender license 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 license?

- Present to July 30, 2010, an Individual who is registered as a subordinate lien mortgage loan officer 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.
- Beginning July 31, 2010, 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 as a subordinate lien mortgage broker only, and does not close subordinate lien mortgage loans in its own or assumed name.
- 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.
- An entity that is an FHLMC approved seller or servicer (See 2nd Mortgage Broker and Lender Registration).
- An entity that is an FNMA approved seller or servicer (See 2nd Mortgage Broker and Lender Registration).
- An entity that is a GNMA approved issuer or servicer (See 2nd Mortgage Broker and Lender 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 lender but makes or negotiates 2 or fewer secondary mortgage loans in a calendar year.

## Pre-requisites for license applications

- Minimum Net worth: \$25,000
- Bond amount: \$25,000
- Criminal background check: Yes
- Credit check: Yes
- Experience: Yes
- Testing: N/A
- Education: N/A

**WHO TO CONTACT** – Contact [Consumer Finance Section](#) licensing staff by phone at [\(877\) 999-6442](tel:877-999-6442) or send your questions via e-mail to [mcmillent@michigan.gov](mailto:mcmillent@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.