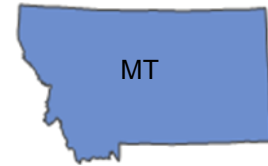




## Description



### MONTANA MORTGAGE SERVICER LICENSE

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

Any entity (a business organization, including a sole proprietorship) that engages, for compensation or gain, in the business of receiving any scheduled periodic payment from a borrower pursuant to the terms of a residential mortgage loan, residential mortgage servicing documents, or residential mortgage servicing contract; or meets the definition of a servicer in 12 U.S.C. 2605(i)(2) with respect to residential mortgage loans.

A license is required for any entity that engages in the residential loan business with a borrower regarding residential real estate located in Montana from any location. A residential mortgage loan is a loan primarily for personal, family or household use secured by a security interest in a residential structure that contains 1 to 4 units, whether or not attached to real property, or residential real estate located in Montana. A residential structure includes a condo unit, a cooperative unit, and a mobile home or trailer, if used as a residence. Real property located in Montana upon which a dwelling is intended to be built within two years is included within this definition.

#### Who does not need this license?

- An entity that is an agency of federal, state, or municipal government.
- A depository institution.
- A subsidiary of a depository institution that is owned and controlled by a depository institution **and** regulated by a federal banking agency.
- A person who offers, negotiates, or provides financing in conjunction with the sale of real property owned by that person, as long as the financing is held throughout the term of the contract for deed, mortgage, or trust indenture by the person who owned the real property.
- An entity that makes a loan to its employee if the proceeds of the loan are used to assist the employee in meeting the employee's housing needs.
- An entity engaged solely in commercial real estate.
- An entity qualified as a pension plan under 26 U.S.C. § 401 if the plan makes mortgage loans only to its participants.
- The Federal National Mortgage Association, Home Loan Mortgage Corporation, and the Government National Mortgage Association.
- A 501(c)(3) corporation that makes mortgage loans to promote home ownership or Improvements for bona fide low-income individuals.

#### Pre-requisites for license applications?

- Surety bond: a servicer must carry a \$100,000 surety bond.
- Criminal and civil background check for principals. A principal is:  
a director, general partner, or executive officer;

an ultimate equity owner of 25% or more of the applicant if the equity owner is an individual; and  
an individual that controls, directly or indirectly, the election of 25% or more of the members of the board of directors of the entity.

- Credit check for principals.
- Nonrefundable fee: \$850 application fee (includes NMLS fee).
- A trust account for borrower funds.

**WHO TO CONTACT** – Contact the Montana Division of Banking and Financial Institutions licensing staff by phone at (406) 841-2920 or send your questions via e-mail to [mortgagelicensing@mt.gov](mailto:mortgagelicensing@mt.gov) for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.