



New Application Checklist Jurisdiction-Specific Requirements



NORTH CAROLINA MORTGAGE LENDER LICENSE

Instructions:

1. Each licensed mortgage lender desiring to conduct business activities in North Carolina from a branch office must obtain a license for that location by filing Form MU3 through the NMLS.
2. Each individual originating mortgages according to North Carolina statute needs to be separately authorized and will require a filing of Form MU4 through NMLS. After the MU4 is submitted, the company must submit a sponsorship request to the regulator before the individual MU4 license will be approved. A quick guide entitled "Create a Company Relationship" at the following link will help walk you through this process: [NMLS Quick Guides](#).
3. The Registered Agent entered on Form MU1 must be the same person recorded with the North Carolina Secretary of State.
4. Each licensee is required to have a Qualifying Individual (QI) with three years of residential mortgage lending experience. Use the QI section of the NMLS Form MU1 to identify the QI. A Form MU2 will then be generated requiring completion of biographical information for the QI. A licensee which also services NC residential mortgage loans must identify a QI for its servicing business in NMLS by typing "NC Servicing QI" in the title field of the "Add" QI screen of the MU1. The servicing QI can be the same individual identified as QI for its residential mortgage lending. Also, check the "Other" box on the "Other Business" section of the MU1 to state that your company is currently engaged in servicing mortgage loans in NC.
5. Each Control Person must be separately identified and included in the Control Person section of the NMLS Form MU1. A Control Person is any person(s) who: (i) is a qualifying individual/managing principal (as defined in the MLA), director, general partner or executive officer; (ii) directly or indirectly has the right to vote 10% or more of a class of a voting securities or has the power to sell or direct the sale of 10% or more of a class of voting securities; (iii) in the case of an LLC, Managing Member; or (iv) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 10% or more of the capital, is presumed to control that company. A Form MU2 will then be generated requiring completion of biographical information for each Control Person.
6. **Financial Statements must be submitted through the Filing Tab in NMLS prior to the submission of your Form MU1 filing.** For additional help, see the [Financial Statement Information Page](#) on the NMLS website.
Provide an audited financial statement prepared by Certified Public Accountant in accordance with Generally Accepted Accounting Principles reflecting a positive net worth of at least \$100,000.
7. Total license costs: \$1,396.00 including the NMLS processing fee.
8. All fees are collected through the NMLS and are non-refundable.
9. The regulator will review the filing and all required documents and communicate with you through NMLS. To review your status in NMLS, click the Tasks tab and click Work List.
10. Jurisdiction-specific requirements as identified on the checklist below must be received with this checklist within 5 business days of the electronic submission of your application through the NMLS at the following:

For U.S. Postal Service:

NC Commissioner of Banks Office
Mortgage Division
4309 Mail Service Center
Raleigh, NC 27699-4309

For Overnight Delivery:

NC Commissioner of Banks Office
Mortgage Division
316 W. Edenton St.
Raleigh, NC 27603

NMLS Unique ID Number: _____

Applicant Legal Name: _____

| ATTACHED | NOT APPLICABLE | ITEM |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | EVIDENCE OF FINANCIAL RESPONSIBILITY. Provide evidence of warehouse line of credit of one million dollars (\$1,000,000) or other evidence of funding capacity to conduct mortgage originations. |
| <input type="checkbox"/> | <input type="checkbox"/> | SURETY BOND. Provide an original Mortgage Lender Surety Bond attached below in the amount of \$150,000 furnished by a surety company authorized to conduct business in North Carolina. The name of the principal insured on the bond must match exactly the Full Legal Name of applicant. . |
| <input type="checkbox"/> | <input type="checkbox"/> | SECRETARY OF STATE DOCUMENTATION. A copy of: <ul style="list-style-type: none">• A Certificate of Authority, for an applicant chartered outside of North Carolina; A Certificate of Good Standing for a domestic applicant (if a corporation), or• The Articles of Organization and Operating Agreement (if a Limited Liability Company), or• The Partnership Agreement (if a partnership of any form); and• A Certificate of Assumed Name from the Register of Deeds Office from each county in which you will conduct business (if a Sole Proprietorship operating under an assumed name). |
| <input type="checkbox"/> | <input type="checkbox"/> | <ul style="list-style-type: none">• A Certificate of Authority or a Certificate of Good Standing from the NC Secretary of State's Office dated not more than 60 days prior to the filing of an application through NMLS. |
| <input type="checkbox"/> | <input type="checkbox"/> | <ul style="list-style-type: none">• If the applicant was organized or formed outside of NC, submit certified proof of authorization to do business in this state from the NC Secretary of State. |
| <input type="checkbox"/> | <input type="checkbox"/> | OTHER TRADE NAMES. If applicant will be operating under a name other than its legal name, such as a "dba" or "fictitious" name, provide a file-stamped copy of the Certificate of Assumed Name from the County Register of Deeds Office in which the company is located. |
| <input type="checkbox"/> | <input type="checkbox"/> | AUTHORIZATION FOR BACKGROUND CHECK AND RELEASE. For each Control Person and/or QI associated with the company, provide an executed original copy of the MLA01 form attached below consenting to a criminal history record check. The cost of a criminal background is a \$38.00 non-refundable fee, per individual, paid outside of the NMLS payable to the NC Commerce/ Banking Commission. |

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|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | FINGERPRINT CARDS. For each control person and QI associated with the company, it will be necessary for you to contact your local Police or Sherriff's department to obtain a Fingerprint card (ID# FD-258). If they are unable to provide the card please email BBrown@nccob.gov and a card will be mailed to you the next business day. Provide one completed FBI fingerprint. |
| <input type="checkbox"/> | <input type="checkbox"/> | DISCLOSURE QUESTIONS. Provide complete details of all events or proceedings for any "Yes" answer to any of the Disclosure questions for the company or any Control Person. Details should include but are not limited to: court or jurisdiction, charge or complaint, case number, current status, last action date, next action date (if unresolved), etc. |
| <input type="checkbox"/> | <input type="checkbox"/> | RESUME. Provide a resume with QI's work experience. |
| <input type="checkbox"/> | <input type="checkbox"/> | OTHER: Completed affidavit, Form MLA16 attached below, by QI stating he/she has read and understands the provisions of, Declaratory Ruling 2003-01 Mortgage Lending Act regarding Net Branching dated November 6, 2003 and issued by the NC Commissioner of Banks. |
| <input type="checkbox"/> | <input type="checkbox"/> | BRANCH MANAGER WRITTEN AGREEMENT(S), provide copies of all branch manager and mortgage loan originator agreement(s). |
| <input type="checkbox"/> | <input type="checkbox"/> | MARKETING AGREEMENT(S), provide copies of fully executed marketing agreements |
| <input type="checkbox"/> | <input type="checkbox"/> | LEASE OR OTHER WRITTEN AGREEMENT(S): Provide a copy of the lease agreement clearly setting out the terms of the lease and describing the leased premises, signed by a company official of the mortgage broker/lender licensee and the Landlord. If the lease is a sublease you must also provide written approval from the master lessor that they agree and are aware the property is being subleased. Additionally, a branch manager cannot sub-lease the property to the company. |
| <input type="checkbox"/> | <input type="checkbox"/> | CREDIT REPORT REQUIREMENT. Individuals in a position of control are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. |
| <input type="checkbox"/> | <input type="checkbox"/> | CREDIT REPORT REQUIREMENT. Branch Managers are required to authorize a credit report through NMLS. Branch Managers will be required to complete an Identity Verification Process (IDV) along with an individual attestation before the license request for the branch can be filed through NMLS. |

WHO TO CONTACT – Contact the NC Mortgage Licensing Division staff by phone at (919) 733-0589 or send your questions via e-mail to mortgage@nccob.gov for additional assistance.

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

is made and paid under this bond, the Surety shall promptly notify the Principal of the payment of such claim, and the Principal shall have thirty (30) days within which to obtain an endorsement from the Surety to reinstate the total coverage of the bond to its original penal sum.

4. Surety agrees by issuing this bond that it will report promptly (within ten (10) days) to the Commissioner any claims paid under this bond.

5. Surety agrees that should the Commissioner determine that the Principal has violated any provision of the MLA and issue an order instructing the Principal to pay certain monies to a claimant(s) by a date certain, Surety will, upon notice from the Commissioner that such amount has not been paid by Principal, promptly (within thirty (30) days) remit the payment as instructed by the Commissioner. Surety further agrees that should the Principal agree to pay certain monies to a claimant(s) by a date certain pursuant to a settlement agreement with the Office of the Commissioner of Banks, and the Commissioner issues an order approving such settlement and ordering such payment, then Surety will, upon notice from the Commissioner that such amount has not been paid by Principal, promptly (within thirty (30) days) remit the payment as instructed by the Commissioner.

6. This bond shall become effective _____, 20____, and shall continue in full force and effect until such time as the same is canceled as provided herein or as otherwise provided by law.

IN WITNESS WHEREOF, the Principal and Surety hereto have executed this surety bond this _____ day _____, 20____.

Attest: _____

Title: _____

Principal

By: _____

Signature

Name: _____

Title: _____

Attest: _____

Title: _____

Surety

By: _____

Signature

Name: _____

Title: _____

Persons executing for the Surety, other than corporate officers, must attach a Power of Attorney authorizing such person to execute surety bonds for Surety.

Mailing Address of the Surety:

Mailing Address of the Commissioner of Banks:

Office of the Commissioner of Banks
4309 Mail Service Center
Raleigh, NC 27699-4309

Tel. No. (_____) _____ Telephone 919-733-3016

NAME, ADDRESS AND TELEPHONE NUMBER OF SURETY CONTACT IN THE EVENT A CLAIM MUST BE FILED.

Name: _____

Title: _____

Address: _____

(City, State and Zip Code)

E-mail: _____

Telephone Number: _____

Fax Number: _____

NORTH CAROLINA

_____ COUNTY Company Name: _____

IN THE MATTER OF:

AFFIDAVIT

The undersigned, being first duly sworn, deposes and says that:

1. I, the managing principal/qualifying individual, acting as the manager of the above referenced company applying for licensure under N. C. Gen. Stat. § 53-243.01 *et seq.* [(the Mortgage Lending Act (MLA)] have read and understand the provisions of [Declaratory Ruling 2003-01 - Mortgage Lending Act](#) dated November 6, 2003 and issued by the Commissioner of Banks.
2. On or about the date of this affidavit, the mortgage banker or broker with whom I (am) will be employed and responsible for managing has applied for licensure under the provisions of the MLA pursuant to N.C.G.S. 53-243.05.
3. I understand that once licensed the company will be expected and required to comply with the laws of North Carolina and the federal laws governing the mortgage lending business in the state and in particular any rulings issued by the Commissioner which affect mortgage lenders or brokers.
4. I further understand that I, as the responsible person overseeing the operations of this company within the state of North Carolina, will be personally responsible for ensuring that the company complies with the applicable laws and rules affecting the mortgage business.
5. I further understand that in the event that the company fails to comply with those statutes and rules, that in addition to the company losing its license to conduct business within the State, I may also lose my license, if applicable.

FURTHER, AFFIANT SAYETH NAUGHT:

This ____ day of _____, 20___. _____ (SEAL)

AFFIANT

NORTH CAROLINA, _____ COUNTY

I certify that: _____, personally appeared before me this day, and, after being duly sworn, acknowledged to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated above.

I have personal knowledge of the identity of the individual and the office he/she holds with the above named company.

Date: _____

Notary Public signature

My commission expires: _____