



## DESCRIPTION



# NORTH CAROLINA MORTGAGE SERVICER LICENSE

### Who is required to have this license?

Any person (individual, partnership, limited liability company, limited partnership, corporation, association, or other group engaged in joint business activities, however organized) who engages, whether for compensation or gain from another or on its own behalf, in the business of receiving any scheduled periodic payments from a borrower pursuant to the terms of any mortgage loan, including amounts for escrow accounts, and making the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the mortgage loan, the mortgage servicing loan documents, or servicing contract.

The NC Mortgage Lending Act defines a mortgage loan as a loan made to a natural person or persons primarily for personal, family, or household use, primarily secured by either a mortgage or a deed of trust on residential real property located in North Carolina.

### Who does not need this license?

- Any agency of the federal government or any state or municipal government granting or servicing mortgage loans under specific authority of the laws of any state or the United States.
- Any employee of a licensee whose responsibilities are limited to clerical and administrative tasks for his or her employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer.
- Any person authorized to engage in business as a bank or a wholly owned subsidiary of a bank, a farm credit system, savings institution, or a wholly owned subsidiary of a savings institution, or credit union or a wholly owned subsidiary of a credit union, under the laws of the United States, this State, or any other state.
- Any licensed real estate agent or broker who is performing those activities subject to the regulation of the North Carolina Real Estate Commission. Notwithstanding the above, an exempt person does not include a real estate agent or broker who receives compensation of any kind in connection with the referral, placement, or origination of a mortgage loan, nor does it include a Real Estate broker servicing a purchase money loan for a seller.
- Any officer or employee of a bank or a wholly owned subsidiary of a bank, a farm credit system, savings institution, or a wholly owned subsidiary of a savings institution, or credit union or a wholly owned subsidiary of a credit union, under the laws of the United States, this State, or any other state, when acting in the scope of employment for the exempt person.
- Any person who, acting as seller and lender and servicer in a residential real estate transaction, receives and services in one calendar year no more than five purchase money notes secured by mortgages, deeds of trust, or other security instruments on the real estate sold as security for the purchase money obligation.

- The North Carolina Housing Finance Agency as established by Article 122A of the General Statutes and the North Carolina Agricultural Finance Authority as established by Article 122D of the General Statutes.
- Any nonprofit corporation qualifying under section 501(c)(3) of the Internal Revenue Code which makes or services mortgage loans to promote home ownership or home improvements for the disadvantaged, provided that such corporation is not primarily in the business of soliciting, servicing or brokering mortgage loans.
- Any life insurance companies licensed to do business in North Carolina with regard to provisions concerning mortgage lenders.
- A North Carolina licensed attorney who, in the practice of law or in performing as a trustee, accepts payments related to a loan closing, default, foreclosure, loss mitigation, or litigation or settlement of a dispute or legal claim related to a loan.
- A mortgage banker licensed under this Article and any employee of a mortgage banker licensed under this Article are exempt from the requirement to obtain a separate license as a mortgage servicer, provided, however, that all provisions of this Article applicable to mortgage servicers are applicable to any mortgage banker or any employee of a mortgage banker acting as a mortgage servicer, except as provided in G.S. 53-243.15(c).

### What are the pre-requisites for license applications?

Surety Bond Amount: \$150,000. An Applicant may satisfy the bond requirements by demonstrating that Applicant meets the definition of a “Qualified Lender\*” and has sufficient Net Worth (in excess of \$250,000) supported by an audited financial statement.

#### “QUALIFIED LENDER/SERVICER” AS DEFINED IN “24 C.F.R. § 202.2” FOR THE NET WORTH FINANCIAL STATEMENT REQUIREMENT:

*\*Qualified lender/servicer. - A person who is engaged as a mortgage lender in North Carolina and is either a supervised or a non-supervised institution, as these terms are defined in 24 C.F.R. § 202.2, approved by the United States Department of Housing and Urban Development.*

Experience: Qualifying Individual shall have at least three years of experience in residential mortgage lending.

**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](mailto:mortgage@nccob.gov) for additional assistance.

YOU ARE NOT AUTHORIZED TO ENGAGE IN MORTGAGE SERVICING, LENDING, BROKERING, OR ORIGINATION ACTIVITIES IN THE STATE OF NORTH CAROLINA UNTIL YOU HAVE RECEIVED A LICENSE APPROVAL THROUGH THE NMLS.