



New Application Jurisdiction-Specific Requirements



NEW YORK STATE EXEMPT MORTGAGE BROKER REGISTRATION

Instructions

Note: Exempt Mortgage Broker Registration Application should be used by exempt entities that do not engage in direct lending.

1. The following companies exempt from licensing under Part 39 of the General Regulations of the Banking Board **must** register their company with the New York State Department of Financial Services through the NMLS:
 - Not-for-profit corporations engaging in Mortgage Loan Origination Activities
2. Companies Exempt from licensing under Section 590.1(e) of Article 12-D of the New York Banking Law have the option of registering their company through the NMLS. This exempt mortgage company registration is provided for companies who are not required to be licensed under Section 590.1(e), but employ individuals required to be licensed under Article 12-E of the New York Banking law and wishes to take advantage of efficiencies the system offers. Such Companies register by submitting a completed Form MU1.
3. Exempt registrants are required to immediately notify the New York State Department of Financial Services of changes in mortgage origination activities which affect the information on file with the New York State Banking Department. As a result, exempt entities must ensure that information maintained in the NMLS database is current and accurate.
4. Foreign corporations must obtain authority from the Secretary of State to conduct business in the State of New York prior to submitting an exemption application, through NMLS.
5. Each exempt entity must designate a person or persons to serve as the Qualified Person (“qualifier”) in charge of the mortgage origination activities or oversight of licensed mortgage loan originators. Such person must have experience in the business of credit analysis or underwriting of residential mortgage loans or similar lending and credit evaluation experience and be actively engaged in the operations of the exempt broker. This person must be designated and entered in the Qualifying Individual field in Form MU1. A Form MU2 must be completed for the qualifier.
6. An Executive Officer must be listed as a Contact Person on Form MU1. The individual should have the authority to make decisions on behalf of the company.
7. **Registered Agent** - The New York State Department of Financial Services does not require you to have a Registered Agent physically located in the State of New York. Out of State exempt organizations must designate the Superintendent of Banks as agent for service of process in connection with any transaction subject to the requirements of the Banking Law and regulations.
8. All applicants are required to pay the following non-refundable fees: - \$100 NMLS processing fee for Form MU1.
9. Entities have the option of uploading required financial statements. If the applicant chooses to upload financial information see the Financial Statement Information page and quick guide posted on the NMLS website here:
www.stateregulatoryregistry.org/AM/Template.cfm?Section=FinancialStatements.

10. Jurisdiction specific documents must be accompanied by a cover letter on company letterhead and signed by an owner or authorized principal officer of the company.
11. Documents notarized outside New York State must be accompanied by a certification from the Secretary of State or county clerk authenticating the notary's signature.
12. Jurisdiction-specific requirements should be completed first as identified on the checklist below. Unless otherwise stated above they 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/Overnight Delivery:

New York State Department of Financial
Services
Mortgage Banking
One State Street
New York, NY10004
Attn: Perry Polhemus

NMLS Unique ID Number: _____

Applicant Legal Name: _____

NOT-FOR-PROFIT ORGANIZATION		
<input type="checkbox"/>	<input type="checkbox"/>	<p>COVER LETTER. – Submit a cover letter signed by an authorized executive officer, or director requesting exemption from licensing and outlining the subsidiary's relevant business activities and current operating structure.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>CERTIFICATE OF GOOD STANDING. – Provide a Certificate of Good Standing issued by the Secretary of State in which you are incorporated and proof of authority to conduct business in New York, if you are a foreign corporation.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>LETTER OF UNDERTAKING. - Provide a letter of undertaking from the not-for-profit organization to the Superintendent of Banks, per Part 39 of the General Regulations of the Banking Board, containing the following:</p> <ul style="list-style-type: none"> ▪ Books and Records relating to the making of a mortgage loan will be kept for a minimum of three years in a manner permitting inspection by the Superintendent; ▪ Authorizing the Superintendent to inspect all books and records upon reasonable notice and that the not-for-profit company will bear all cost and expenses relating to the inspection; ▪ In the case of Out-of-State exempt organization, that the superintendent is designated as the agent for service of process in connection with any transaction subject to the requirements of the Banking Law and regulations; ▪ Affirming that the not-for-profit company is an independent organization and is

		<p>tax exempt under the Internal Revenue Code.</p> <ul style="list-style-type: none"> ▪ The organization will cooperate with the Department in the event of any consumer complaints; ▪ Affirming that the advertising, solicitation, application and commitment procedures and disclosure requirements of Article 12-D of the Banking Law and Part 38 of the General Regulations of the Banking Board shall be applied to all mortgage loans secured by real property located in New York State, except for exempt products offered by the not-for-profit organization.
<input type="checkbox"/>	<input type="checkbox"/>	TAX EXEMPT CERTIFICATE. – Provide a copy of the organization’s tax exempt certificate issued by the Internal Revenue Service or tax exemption determination letter.
<input type="checkbox"/>	<input type="checkbox"/>	DISCLOSURE FORMS. – Provide copies of all disclosure forms which will be used in originating 1-4 family residential mortgage loans in this state, pursuant to Part 38 of the General Regulations of the Banking Board.
<input type="checkbox"/>	<input type="checkbox"/>	FINANCIAL STATEMENTS. - Provide audited financial statements for the tax exempt organization for the past two fiscal years.
<input type="checkbox"/>	<input type="checkbox"/>	ORGANIZATION CHART. - Provide an organization chart reflecting the structure of the not-for-profit organization. The chart should detail program areas and responsible manager, including the mortgage origination component. If the organization is a part of a larger group, a separate chart outlining the organization’s relationship in the larger group should be provided.
<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 the Qualifier.
SECTION 590.1(e) EXEMPT ENTITIES		
		CERTIFICATE OF GOOD STANDING. – Provide a Certificate of Good Standing issued by the Secretary of State in which you are incorporated and proof of authority to conduct business in New York, if you are a foreign.
		DISCLOSURE QUESTIONS. Provide complete details of all events or proceedings for any “Yes” answer to any of the Disclosure questions for the company or the Qualifier.

WHO TO CONTACT – [Perry Polhemus](mailto:perry.polhemus@dfs.ny.gov) by phone at [\(212\) 709-5569](tel:2127095569) or send your questions via e-mail to perry.polhemus@dfs.ny.gov for additional assistance.

THE APPLICANT IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS 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.