



Description



NEW YORK STATE EXEMPT MORTGAGE LOAN SERVICER REGISTRATION

Who is required to have this registration?

This registration is available for companies exempt from the mortgage loan servicer registration requirements pursuant to Section 590(2)(b-1) of the New York Banking Law ("Banking Law").

Section 590(2)(b-1) exempts the following entities from the mortgage loan servicer registration requirements:

- Insurance company, banking organization, foreign banking corporation licensed by the Superintendent or the Comptroller of the Currency to transact business in New York State, national bank, federal savings bank, federal savings and loan association, federal credit union, or any bank, trust company, savings bank, savings and loan association or credit union organized under the laws of any other state or any instrumentality created by the United States or any state with the power to make mortgage loans.
- Registered Mortgage Brokers
- Licensed Mortgage Bankers

Although not explicitly named in Section 590(2)(b-1) of the Banking Law, wholly owned subsidiaries of banking institutions and credit unions may apply for exemption from the mortgage loan servicer registration requirements pursuant to Part 39 of the General Regulations of the Banking Board.

Definition of Mortgage Loan Servicing

Receiving scheduled periodic payments from borrowers pursuant to the terms of any mortgage loan, including amounts for escrow accounts under Banking Law section 6-k, title 3-A of article IX of the Real Property Tax Law or section 10 of 12 U.S.C. 2609 and making 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 documents or servicing contract. In the case of a home equity conversion mortgage or reverse mortgage as referenced in section 6-h of the Banking Law, sections 280 and 280-a of the Real Property Law or 24 CFR 3500.2, servicing includes making payments to the borrower.

Who cannot apply for the Exempt Servicer Registration?

- Companies or individual required to be registered as mortgage loan servicers pursuant to the requirements of Article 12-D and Part 418 of the Superintendent's Regulations cannot complete an exempt servicer application

Pre-requisites for license applications?

- Net worth – \$250,000 or 1% of outstanding principal amount of loans services, which ever is greater.

- Surety Bond amount - \$250,000
- E/O Bond amount – minimum \$300,000 (See Part 418.11(f) and Part 418.12 (c))
- Ratio of adjusted net worth to total assets of at least 5%
- Experience – Minimum five years servicing experience.

WHO TO CONTACT – Contact [Alex Smroda](#) licensing staff by phone at [\(212\) 709- 5569](tel:2127095569) or send your questions via e-mail to mdbdenovo@banking.state.ny.us for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE REGISTRATION FOR WHICH THEY ARE APPLYING. UNLESS EXEMPTED BY LAW, AFTER JUNE 30, 2009 YOU ARE NOT AUTHORIZED TO ENGAGE IN NEW YORK REGULATED MORTGAGE LOAN SERVICING UNTIL YOUR EXEMPTION FROM REGISTRATION HAS BEEN APPROVED BY THE SUPERINTENDENT OF BANKS OF THE STATE OF NEW YORK.