



Description



NEW YORK MORTGAGE LOAN SERVICER REGISTRATION

Who is required to have this Registration?

Sole Proprietors and Companies that engage in the business of 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.

Part 418.3(b) of the Superintendent's Regulations defines a mortgage loan as a loan to a natural person made primarily for personal, family or household use, primarily secured by a mortgage or other consensual security interest on residential real property, a mobile home or certificates of stock or other evidence of ownership interests in, and proprietary leases from, corporations or partnerships formed for the purpose of cooperative ownership of residential real property.

Who does not need this Registration?

- 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.
- Any person who is registered pursuant to Section 592-a of the Banking Law to engage in the business of soliciting, processing, placing or negotiating mortgage loans for others, or offering to solicit, process, place or negotiate mortgage loans for others.
- Employees of exempt organizations, mortgage brokers, mortgage bankers or a mortgage loan servicer who assist in the servicing of mortgage loans for such employer.
- Any person who is licensed pursuant to Section 592 of the Banking Law to engage in the business of making loans in this state.

Pre-requisites for registration applications? [general requirements]

- Adjusted Net Worth – \$250,000 or 1% of the aggregate outstanding principal balance of loans serviced (whether or not in New York), whichever is greater and 5% of the outstanding principal balance of New York loans serviced.
- Surety Bond amount - \$250,000
- E/O Bond amount – minimum \$300,000 (See Part 418.12(c)) of Superintendent's Regulations

- At least 10% of the adjusted net worth required shall consist of cash, cash equivalents or readily marketable securities.
- Criminal background check - must meet the requirements as indicated here:
<http://www.banking.state.ny.us/iambinstsh.htm>
- Credit check –Yes, included with background report.
- Experience – Minimum five years verifiable experience in the business of servicing mortgage loans or similar servicing experience.
- Testing - No

WHO TO CONTACT – Contact *Joseph Barreiro* by phone at (212) 709-5596 or send your questions via e-mail to mbbdenovo@banking.state.ny.us for additional assistance.

YOU ARE PROHIBITED FROM SERVICING MORTGAGE LOANS UNTIL YOU ARE APPROVED BY THE SUPERINTENDENT OF BANKS OF THE STATE OF NEW YORK AND A REGISTRATION HAS BEEN ISSUED IN YOU OR YOUR COMPANY'S NAME.