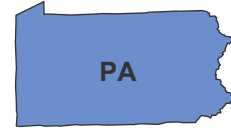




Description



PENNSYLVANIA PARTIALLY EXEMPT MORTGAGE COMPANY REGISTRATION

Who is required to have this registration?

This registration is available for any principal place of business partially exempt from a mortgage business **licensing** requirement but has employees that are licensed or registered mortgage originators.

Partially exempt business entities carrying a surety bond covering their mortgage originators must file an annual report through the NMLS, and therefore must be registered as a “Partially Exempt Mortgage Company” on the NMLS. Although partially exempt entities that do not elect to carry a surety bond for their mortgage originators are not required to do so, the **Department strongly encourages** all partially exempt entities to **register their company** through the NMLS as a “Partially Exempt Mortgage Company.” There is no state registration fee associated with using the NMLS for this registration and doing so will provide the partially exempt entity with enhanced oversight of the status of their mortgage originators’ licenses. It will further relieve the mortgage originators employed by the partially exempt entities from the requirement to provide verification of employment to the Department. Lastly, businesses using the NMLS system will experience a significantly less complicated, more efficient, and timelier application process for their mortgage originators.

Examples are provided below of business entities that are partially exempt from licensure but must either maintain bond coverage for its licensed mortgage originators and file an annual report with the Department through the NMLS, **or** demonstrate, in a form acceptable to the department, that all licensed mortgage originators employed by the entity have obtained and maintained surety bond coverage:

- agencies of the federal government or a corporation created by an act of the United States Congress (e.g. Fannie Mae, Ginnie Mae, FHA, VA, or FHLM)
- agencies of state or local government including PHFA or other government finance agencies
- affiliates of banking institutions or state and federally chartered credit unions (must provide bond coverage for licensed mortgage originators).
- subsidiaries of credit unions (not required to provide bond coverage for registered mortgage originators)
- consumer discount companies
- nonprofit corporations that are not otherwise engaged in, or hold themselves out to the public as engaged in, the mortgage loan business to promote home ownership or improvements for the disadvantaged
- nonprofit corporations that are not otherwise engaged in, or hold themselves out to the public as engaged in, the mortgage loan business who do not make more than 12 mortgage loans in a calendar year with its own funds and make mortgage loans to promote and advance the cultural traditions and lifestyles of bona fide religious organizations

Who does not need this registration?

Examples follow of entities that are completely exempt from the MLA's mortgage licensing requirement, including the requirement of licensing their mortgage originators:

- attorneys at law who do not hold themselves out to the public as engaging in the mortgage loan business and who are not compensated by a company or individual in the mortgage business
- a person who makes, offers, or negotiates terms of a mortgage loan with, or on behalf of, a member of the person's immediate family.
- banking institutions and credit unions; however, their employed mortgage originators must register (not license) through NMLS according to regulations to be issued by federal regulatory agencies
- registered mortgage loan originators who are employees of banking institutions and credit unions
- loan processors and underwriters performing clerical or supportive functions if employed by a mortgage licensee or entity exempt from licensure
- employees of a mortgage business who only re-negotiate existing mortgage loans held or serviced by his or her employer unless determined otherwise by HUD or a court of competent jurisdiction
- an individual or entity solely involved in offering to make or negotiating extensions of credit relating to timeshare plans

What are the pre-requisites for a registration?

- Financial Statements:
 - Provide previous fiscal year financial statement (audited or unaudited if certified by executive officer).
 - All financial statements must be prepared in accordance with Generally Accepted Accounting Principles.
 - Financial statements should include a Balance Sheet, Income Statement and Statement of Cash Flows and all relevant notes thereto.
 - If applicant is a start-up company, only an initial Statement of Condition is required.
- Surety Bond:

<u>Bond Amount</u>	<u>Anticipated or Actual Amount of PA Mortgage Loan Originations</u>
\$100,000	\$29,999,999.99 or less
\$200,000	\$30,000,000 - \$99,999,999.99
\$300,000	\$100,000,000 – \$249,999,999.99
\$500,000	\$250,000,000 or more

WHO TO CONTACT – Contact the Pennsylvania Department of Banking licensing staff by phone at (717) 787-3717 or send your questions via e-mail to ra-asklicensing@state.pa.us 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 FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.