



MA Student Loan Servicer License New Application Checklist (Company)

CHECKLIST SECTIONS

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GENERAL INFORMATION

Who Is Required to Have This License?

- Any person responsible for servicing a student loan to a student loan borrower
- Any person that services federal and private student loans; or who services only private student loans

Please review the Division's Student Loan Servicer Licensing [FAQs](#)

A student loan servicer is any person responsible for servicing a student loan to a student loan borrower.

This includes:

- i)** receiving or soliciting a scheduled periodic payment from a borrower pursuant to the terms of a student loan and making the principal, interest and other payments to the owner of the loan or other third party with respect to the amounts received from the borrower as may be required pursuant to the terms of the servicing loan document or servicing contract;
- (ii)** maintaining account records for a loan and communicating with the borrower regarding the loan on behalf of the owner of the loan during a period in which no payment is required on the loan; or
- (iii)** interacting with a borrower, including activities to help prevent default on obligations arising from a loan, to facilitate the activities described in clause (i) or clause (ii); provided, however, that the actions of the student loan ombudsman under section 35 of chapter 12 and the actions of the division of banks consumer assistance unit under section 3A of chapter 26 shall not constitute servicing.

See the Student Loan Servicer Statute M.G.L. chapter 93L.

Activities Authorized Under This License

This license authorizes the following activities...

- Private student loan servicing OR both Private and Non-private student loan servicing.

The Massachusetts Division of Banks does not issue paper licenses for this license type.

Document Uploads Guidance

Updated: 6/1/2021

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Agency Contact Information

Contact Massachusetts Division of Banks licensing staff by phone at (617) 956-1500, ext. 61479 or send your questions via email to nmls@mass.gov for additional assistance. **Applicants are strongly encouraged to contact Licensing staff by email.**

For U.S. Postal Service & Overnight Delivery:

*Massachusetts Division of Banks
ATTN: Licensing Unit – Student Loan Servicer
1000 Washington Street
10th Floor
Boston, MA 02118-2218*

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	MA Student Loan Servicer License	Submitted via...
<input type="checkbox"/>	<p>MA License/Registration Fee: \$1,000</p> <p>MA Application Fee: \$300</p> <p style="padding-left: 40px;">This is the Investigation Fee</p> <p>NMLS Initial Processing Fee: \$0</p>	NMLS (Filing submission)
<input type="checkbox"/>	Credit Report for Control Persons: \$15 per control person.	NMLS (Filing submission)
<input type="checkbox"/>	FBI Criminal Background Check for MU2 Individual: \$36.25 per person.	NMLS (Filing submission)

REQUIREMENTS COMPLETED IN NMLS

Complete	MA Student Loan Servicer License	Submitted via...
<input type="checkbox"/>	<p>Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.</p>	NMLS
<input type="checkbox"/>	<p>Financial Statements: Upload a financial statement for the applicant that has been audited by an independent Certified Public Accountant, prepared in accordance with Generally Accepted Accounting Principles (GAAP), in U.S. dollars as of your most recent fiscal year end. Financial statements should include a Balance Sheet, Income Statement and Statement of Cash Flows, Statement of Stockholders' Equity and all relevant notes thereto. If the applicant is a start-up company and has not conducted any business, it may submit an initial Balance Sheet that has been audited or reviewed by an independent Certified Public Accountant.</p> <p>Audited financial statements should be prepared in accordance with Generally Accepted Auditing Standards (GAAS), issued by the American Institute of Certified Public Accountants (AICPA).</p> <p>If audited or reviewed financials statements are not available, the applicant may submit unaudited financial statements <u>along with</u> audited consolidated financial statements of its parent.</p> <p><i>A Student Loan Servicer Applicant must demonstrate financial responsibility and demonstrate and maintain a positive net worth pursuant to the Regulation.</i></p> <p>Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.</p>	NMLS

<input type="checkbox"/>	<p>Other Trade Name: If the applicant intend to operate under a name that is different from the applicant’s legal name, that name (“Trade Name”, “Assumed Name” or “DBA”) must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1).</p> <p>If the applicant intends to operate under <u>more than one</u> trade name or DBA designation, separate “Other Trade Name” licenses are required for those names. However, the applicant should <u>not</u> apply for any “Other Trade Name” licenses through NMLS until they are approved and licensed to conduct business in Massachusetts. Please be advised that the fees associated with each “Other Trade Name” license are equal to the license fees, and all fees collected through NMLS are non-refundable.</p> <p>The Massachusetts Division of Banks does not allow more than eight (8) of other trade names. It is the applicant’s responsibility to ensure that all names are properly registered with the required municipality or government agency.</p>	<p>NMLS</p>
<p>Note</p>	<p>The following parameters regarding trade names and/or use of multiple trade names have been established: 1) The trade name may not be a separate legal entity from the applicant; and 2) Licensees must consistently use one single trade name when dealing with a consumer over the life of the loan agreement, installment contract, credit application, debt obligation, remittance transaction, cashing or sale of a check, money order, etc.</p>	
<input type="checkbox"/>	<p>Resident/Registered Agent: The Resident/Registered Agent, the entity that will receive service of legal process on behalf of the applicant or licensee must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1).</p>	<p>NMLS</p>
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> 1. Primary Company Contact. 2. Primary Consumer Complaint Contact. 	<p>NMLS</p>
<input type="checkbox"/>	<p>Non-Primary Contact Employees: Massachusetts requires that an individual(s) be identified as a Non-Primary Contact for the following areas. These contacts must be listed in the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> 1. Accounting 2. Exam Billing 3. Licensing 4. Consumer Complaint (Public) 5. Exam Delivery 6. Litigation 7. Consumer Complaint (Regulator) 8. Legal 9. Pre-Exam Contact 	<p>NMLS</p>

Note	Bank Account: Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.	N/A
<input type="checkbox"/>	Disclosure Questions: Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2). See the Company Disclosure Explanations Quick Guide for instructions.	Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).
<input type="checkbox"/>	Qualifying Individual: An on-site manager is required to be appointed for the applicant’s main office location. This individual, referred to as the Location Manager in Massachusetts, must be listed in the <i>Qualifying Individual</i> section of the Company Form (MU1) and his/her business address must match the address listed as the “Main Address” on the MU1.	NMLS

Control Person (MU2) Attestation: The following individuals must complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).

NMLS

Direct Owners

- Equity Owners - an entity or individual that, directly or indirectly has the right to vote 10% or more of a class of a voting security or has the power to sell or direct the sales of 10% or more of a class of voting securities. In the case of a partnership, an entity or individual that has the right to receive upon dissolution, or has contributed, 10% or more of the capital, is presumed to control that company.

Executive Officers

- Corporate Governance - as set out in the most recent Articles of Incorporations, Articles of Organizations, or Partnership Agreement.
 - Board of Directors, Board of Managers, Member Manager, General Partner, or similar governing body.
 - President, Executive Vice President, Senior Vice President, Treasurer, Secretary, or similarly elected or appointed senior corporate officers.
 - Functional Responsibility – Individuals regardless of titles, who have the power, directly or indirectly to direct the management or policies of a company by contract, or otherwise. Job description holds individual responsible for the operational, financial information technology, compliance, and/or security functions of the company, including Chief Executive Officers, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Credit Officer, Chief Compliance Officer, and individuals occupying similar positions or performing similar functions.



Indirect Owners

- In the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of voting security of that corporation

In the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital.

In the case of an owner that is a trust, the trust and each trustee
In the case of an owner that is a Limited Liability Company (LLC), (i) those members that have the right to receive upon dissolutions, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected or appointed managers, all elected or appointed managers.

*All indirect owners of 25% or more should be identified, regardless of the applicant's/licensee's business structure.

	<p><i>Qualifying Individuals</i></p> <ul style="list-style-type: none"> The Location Manager (on-site manager) whose principle office is physically located in, who is in charge of, and who is responsible for the business operations at the Main Office (MU1). 	
<input type="checkbox"/>	<p>Credit Report: Individuals in a position of control are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. This authorization is made when the Individual Form (MU2) is submitted as part of the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check Requirements: The following Individuals who have submitted an MU2 (see above), are required to authorize a FBI criminal background check (CBC) through NMLS:</p> <ul style="list-style-type: none"> <i>Direct Owners</i> <i>Executive Officers</i> <i>Indirect Owners</i> <i>Qualifying Individuals</i> <p>After authorizing a FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more information.</p> <p>Note: If you are able to 'Use Existing Prints' to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p>	NMLS
<input type="checkbox"/>	<p>Electronic Surety Bond: Electronic Surety Bond via NMLS in the amount of \$25,000 furnished and submitted by a surety company authorized to conduct business in Massachusetts.</p> <p>See the ESB Adoption Table and the ESB for NMLS Licensees page of the NMLS Recourse Center for more information.</p> <p>Note: Surety bonds submitted via the <i>Document Uploads</i> section will not satisfy this requirement.</p>	Electronic Surety Bond in NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	MA Student Loan Servicer License	Submitted via...
<input type="checkbox"/>	<p>Business Plan: Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> • Describe all financial products and services available to borrowers • Type of student loans the applicant intends to service (federal and/or private student loans) • Sources and methods of obtaining loans and portfolios • Outsourced servicing activities • Efforts to minimize delinquency and default • Operating structure the applicant intends to employ <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p> <p>Note: If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan.</p>	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Certificate of Authority/Good Standing Certificate: Upload a State-issued and approved document (typically by the Secretary of State’s office), dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in Massachusetts.</p> <p>This document should be named <i>MA Certificate of Authority OR MA Certificate of Good Standing</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p>Formation Documents: Determine classification of applicant’s legal status and submit a State certified copy of the requested applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes.</p> <p>Sole Proprietor</p> <ul style="list-style-type: none"> • Business Registration, if applicable <p>Unincorporated Association:</p> <ul style="list-style-type: none"> • By-Laws or constitution (including all amendments). <p>General Partnership:</p> <ul style="list-style-type: none"> • Partnership Agreement (including all amendments). <p>Limited Liability Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Liability Partnership; and • Partnership Agreement (including all amendments). <p>Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Liability Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Company (“LLC”):</p> <ul style="list-style-type: none"> • Articles of Organization (including all amendments); • Operating Agreement (including all amendments); • IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and • LLC resolution if authority not in operating agreement. <p>Corporation:</p> <ul style="list-style-type: none"> • Articles of Incorporation (including all amendments); • By-laws (including all amendments), if applicable; • Shareholder Agreement (including all amendments), if applicable; • IRS Form 2553 if S-corp treatment elected; and • Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable. <p>Not for Profit Corporation</p> <ul style="list-style-type: none"> • Documents requested of a Corporation; and • Proof of nonprofit status <ul style="list-style-type: none"> ○ Internal Revenue Service (“IRS”) 501(c)(3) designation letter; or ○ statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity’s net earnings may lawfully benefit any private shareholder or individual; or ○ entity's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or ○ Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate. <p>Trust (Statutory)</p> <ul style="list-style-type: none"> • Certificate of Trust; and • Governing instrument (all amendments). 	<p>Upload in NMLS: under the Document Type <u>Formation Document</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p> <p>This document should be named <i>Formation Documentation [Date of Creation (MM-DD-YYYY)]</i>.</p>
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<input type="checkbox"/>	<p>W-9 Form: Obtain a Form W-9 from the IRS website. Complete and submit the form for the applicant. Please be advised that any applicant who is a sole proprietor must obtain an IRS Employee Identification Number. For the purposes of this application, do not submit a W-9 Form with a social security number provided.</p> <p>This document should be named <i>MA - Form W-9</i></p>	<p>Upload in NMLS: under “Additional Requirements” in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Management Chart: Submit a Management chart displaying the applicant’s directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p> <p>Note: If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under the Document Type Management Chart in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Organizational Chart/Description: Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the applicant/licensee <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p>Note: If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under the Document Type Organizational Chart/Description in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Parent Financial Statements: IF APPLICABLE Submit current and two years’ financial statements for the parent corporation(s), partnership(s), trust(s), or Limited Liability Company(s) who directly own 10% or greater, or indirectly own 25% or greater, of the applicant. The requirements for these financial statement requirements are the same as for the applicant (see above). FINANCIAL STATEMENTS ARE NOT REQUIRED FOR PARENT COMPANIES THAT ARE CURRENTLY LICENSED IN MASSACHUSETTS.</p> <p>This document should be named <i>[Parent Company Legal Name] – Financial Statement</i>.</p>	<p>Upload in NMLS: under “Additional Requirements” in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Licensing Activity: Provide a list of all jurisdiction(s) where the applicant is licensed/registered to conduct student loan servicing activity. You do not need to include states or jurisdictions that participate in the NMLS for student loan servicer licensing/registering.</p> <p>This document should be named <i>[Company Legal Name – MA License/Jurisdiction List]</i>.</p>	<p>Upload in NMLS: under “Additional Requirements” in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS

<input type="checkbox"/>	<p>Credit Report Explanations: Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies in the last 3 years, repossessions, loan modifications, etc.</p> <p>Note: Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the <i>Disclosure Explanations</i> section of your Individual Form (MU2).</p> <p>This document should be named <i>Credit Report Explanations – Sub Name – Document Creation Date</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Credit Report Explanations</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>
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REQUIREMENTS SUBMITTED OUTSIDE OF NMLS

Complete	MA Student Loan Servicer License	Submitted via...
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No items are required to be submitted outside of NMLS for this license/registration at this time.