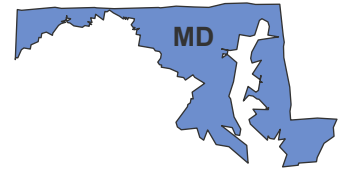




## Description



### Maryland Mortgage Lender License

#### Who is required to have this license?

Unless exempt from licensing under the Maryland Mortgage Lender Law, the principal executive office of any person who is a mortgage broker, mortgage lender, and/or mortgage servicer as defined by Md. Code Ann., Fin. Inst. Art. § 11-501.

#### Who does not need this license?

See Md. Code Ann., Fin. Inst. Art. § 11-502.

- Any bank, trust company, savings bank, savings and loan association, or credit union incorporated or chartered under the laws of this State or the United States or any other-state bank having a branch in this State.
- Any insurance company authorized to do business in the State.
- Any corporate instrumentality of the Government of the United States including
  - The Federal Home Loan Mortgage Corporation
  - The Federal National Mortgage Association
  - The Government National Mortgage Association
- Any person who takes back a deferred purchase money mortgage in connection with the sale of:
  - A dwelling or residential real estate owned by, and titled in the name of, that person; or
  - A new residential dwelling that the person built
- A nonprofit charitable organization registered with the Maryland Secretary of State or a nonprofit religious organization.
- An employer making a mortgage loan to an employee.
- A person making a mortgage loan to a borrower who is the person's spouse, child, child's spouse, parent, sibling, grandparent, grandchild, or grandchild's spouse.
- A real estate broker who is licensed in the State and makes a mortgage loan providing a repayment schedule of 2 years or less to assist the borrower in the purchase or sale of a dwelling or residential real estate through the broker.
- A home improvement contractor licensed under the Maryland Home Improvement Law who assigns a mortgage loan without recourse within 30 days after completion of the contract to a person licensed under the Maryland Mortgage Lender Law or to an institution that is exempt from licensing under the Maryland Mortgage Lender Law.
- A subsidiary or affiliate of an institution described in Md. Code Ann., Fin. Inst. Art. § 11-502(c), which subsidiary or affiliate:
  - Is subject to audit or examination by a regulatory body or agency of this State, the United States, or the state where the subsidiary or affiliate maintains its principal office; and
  - Files with the Commissioner, prior to making mortgage loans, information sufficient to identify:
    - The correct corporate name of the subsidiary or affiliate;
    - An address and telephone number of a contact person for the subsidiary or affiliate;
    - A resident agent; and
    - Any additional information considered necessary by the Commissioner for protection of the public.

- Any employee benefit plan qualified under Internal Revenue Code § 401 or persons acting as fiduciaries with respect to such a plan, making mortgage loans solely to plan participants from plan assets.
- Employees acting within the scope of their employment with a licensed mortgage lender or a person who is exempt from licensure under the Maryland Mortgage Lender Law.

See Md. Code Ann., Fin. Inst. Art. § 11-502(c).

- When applicable, the exemption applies to subsidiaries and affiliates of:
  - Any bank, trust company, savings bank, savings and loan association, or credit union incorporated or chartered under the laws of this State; or
  - Any other-state bank, as the term is defined in Md. Code Ann., Fin. Inst. Art. § 5-1001, having a branch that accepts deposits in this state.

See Md. Code Ann., Fin. Inst. Art. § 11-501(j)(2).

- A financial institution that accepts deposits and is regulated under Md. Code Ann. Fin. Inst. Title 3, Title 4, Title 5, or Title 6.
- Any person engaged exclusively in the acquisition of any portion of a mortgage loan under any federal, State, or local governmental program of mortgage loan purchases.
- An Affiliated Insurance Producer-Mortgage Originator licensee.

#### **Pre-requisites for license applications?**

- Minimum net worth: If an applicant brokers and/or services only, the required minimum net worth amount is \$25,000. If an applicant lends money secured by residential real property, the required minimum net worth amount ranges from a minimum of \$25,000 to a maximum of \$250,000 based upon the amount of lending in the prior twelve (12) months.
- **Electronic Surety Bond:** Starting August 1<sup>st</sup>, 2017, an Electronic Surety Bond via NMLS is required to be submitted to satisfy this requirement. See the [ESB Adoption Table](#) and the [ESB for NMLS Licensees page](#) of the NMLS Recourse Center for more information.

Surety Bond amount is based on the aggregate volume of business by principal executive office and all branches:



**Electronic Surety Bond:** Electronic Surety Bond via NMLS in the amount described below furnished and submitted by a surety company authorized to conduct business in Maryland.

See the [ESB Adoption Table](#) and the [ESB for NMLS Licensees page](#) of the NMLS Recourse Center for more information.

**Note:** Surety bonds submitted via the *Document Uploads* section will not satisfy this requirement.

The tables below provide the minimum bond amounts as established by the Commissioner. You must satisfy the highest applicable requirement below.

**Note:** Surety bond amounts are subject to change at license renewal, based on your volume of Maryland business. You may wish to consider your expected volume of Maryland business when obtaining your surety bond. The Commissioner may also require a different bond amount as permitted under Md. Code Ann., Financial Institutions Article §11-508.

Aggregate Mortgage Lending in Maryland In Prior 12 Months	Minimum Bond Amount
Applicant did not lend, or lent \$5,000,000 or less	\$50,000
\$5,000,000.01 to \$25,000,000	\$100,000
\$25,000,000.01 to \$100,000,000	\$250,000
\$100,000,000.01 to \$250,000,000	\$500,000
More than \$250,000,000	\$750,000

Total Maryland Serving Portfolio*	Minimum Bond Amount
Not exceeding \$10,000,000	\$50,000
\$10,000,000.01 to \$100,000,000	\$100,000
\$100,000,000.01 to \$1,000,000,000	\$250,000
\$1,000,000,000.1 to \$5,000,000,000	\$500,000
More than \$5,000,000,000	\$750,000

\*Includes loans serviced under mortgage servicing rights, loans subserviced by you for others, and loans subserviced by others for which you own mortgage servicing rights.

**Electronic Surety Bond in NMLS**

- Criminal background check (FBI) – no sole proprietor, director, officer, partner, member or owner of 10% or more who has been convicted within the last 10 years of a felony involving fraud, theft, or forgery.
- Financial Responsibility/Credit Worthiness
- Required Experience (aka Qualified Individual) – The sole proprietor, coventurer, general partner, principal officer or member must have at least 3 years of experience in the mortgage lending business
- Entity Specific Documents
  1. Articles of Incorporation
  2. Articles of Organization
  3. By-Laws
  4. Operating Agreement
  5. Partnership Agreement
  6. Limited Partnership Agreement
- Certificate of Authority/Good Standing Certificate from State of Maryland (not applicable to individuals)
- Trade Name Certificate (if applicable)

**WHOM TO CONTACT** – Contact the Commissioner of Financial Regulation licensing staff by phone at 410-230-6155 or 888-784-0136 for further assistance regarding Maryland specific requirements.

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