SD Mortgage Lender License
New Application Checklist (Company)

CHECKLIST SECTIONS

- General Information
- License Fees
- Requirements Completed in NMLS
- Requirements/Documents Uploaded in NMLS
- Requirements Submitted Outside of NMLS

GENERAL INFORMATION

Who Is Required to Have This License?
This license is required for any company (including a sole proprietorship) who, for valuable consideration, originates, sells, or services mortgages, or holds himself, herself, or itself out as a person who, for valuable consideration, originates, sells, or services mortgages.

South Dakota Codified Law (SDCL) 54-14-13

Activities Authorized Under This License
This license authorizes the following activities...

- Commercial mortgage brokering or lending
- First mortgage brokering
- First mortgage lending
- First mortgage servicing
- High cost home loans
- Home equity lending/lines of credit
- Lead generation
- Manufactured housing financing
- Master servicing
- Mortgage loan modifications
- Mortgage loan purchasing
- Rent-to-own
- Reverse mortgage brokering
- Reverse mortgage lending
- Reverse mortgage servicing
- Second mortgage brokering
- Second mortgage lending
- Short sale
- Subordinate lien mortgage servicing
- Third party first mortgage servicing
- Third party mortgage loan processing
- Third party mortgage loan underwriting
- Third party subordinate lien mortgage servicing

South Dakota does not issue paper licenses for this license type.
Document Uploads Guidance

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 South Dakota Division of Banking licensing staff by phone at 605.773.3421 or send your questions via email to banking@state.sd.us for additional assistance.

NOTICE:

Failure to provide ALL items on the checklist will result in the application being Withdrawn- Application Abandoned for submitting an incomplete application.

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.
<table>
<thead>
<tr>
<th>Complete</th>
<th>SD Mortgage Lender License</th>
<th>Submitted via...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD License/Registration Fee: $750</td>
<td>NMLS (Filing submission)</td>
</tr>
<tr>
<td></td>
<td>SD Application Fee: $0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NMLS Initial Processing Fee: $0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Credit Report for Control Persons: $15 per control person.</td>
<td>NMLS (Filing submission)</td>
</tr>
<tr>
<td></td>
<td>FBI Criminal Background Check for MU2 Individual: $36.25 per person.</td>
<td>NMLS (Filing submission)</td>
</tr>
<tr>
<td>Complete</td>
<td>SD Mortgage Lender License</td>
<td>Submitted via...</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td></td>
<td><strong>Submission of Company Form (MU1):</strong> Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.</td>
<td>NMLS</td>
</tr>
</tbody>
</table>
|          | **Financial Statements:** Upload an audited financial statement prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. 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.  
**Note:** Financial statements are uploaded separately under the Filing tab and Financial Statement submenu link. See the Financial Statements Quick Guide for instructions. | NMLS |
|          | **Other Trade Name:** If operating 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 Other Trade Names section of the Company Form (MU1). South Dakota does not limit the number of other trade names.  
If operating under an “Other Trade Name”, upload STATE OF SOUTH DAKOTA Doing Business As (DBA) Fictitious Business Name Registration from the South Dakota Secretary of State regarding ability to do business under that trade name.  
This document should be named SD Mortgage Lender Trade Name – Assumed Name. | NMLS |
|          | **Resident/Registered Agent:** The Resident/Registered Agent must be listed under the Resident/Registered Agent section of the Company Form (MU1) and must match the information currently on record with South Dakota Secretary of State. | NMLS |
|          | **Primary Contact Employees:** The following individuals must be entered into the Contact Employees section of the Company Form (MU1).  
1. Primary Company Contact.  
2. Primary Consumer Complaint Contact. | NMLS |
| Note     | **Non-Primary Contact Employees:** SD does not require any non-primary contacts to be listed in the Contact Employees section of the Company Form (MU1). | N/A |
### Approvals and Designation

- Federal Housing Administration (FHA) Approval
- Ginnie Mae approved Issuer/Servicer
- Fannie Mae approved Seller/Servicer
- Freddie Mac approved Seller/Servicer
- Veterans Administration (VA) Approved Lender
- Guaranteed Rural Housing (GRH) Approval

Confirmation Number and Filing Date in the Approvals and Designation section of the Company Form (MU1).

### Bank Account

Bank account information must be completed for the company’s Letter/Line of Credit, Operating, and/or Trust Primary accounts in the Bank Account section of the Company Form (MU1).

### 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 Disclosure Explanations section of the Company Form (MU1) or Individual Form (MU2).

### Note

**Qualifying Individual:** The Qualifying Individual section is not required to be completed for SD on the Company Form (MU1).

### Control Person (MU2) Attestation

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).

### 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).
MU2 Individual FBI Criminal Background Check Requirements: The following Individuals, as specified below, on the Company Form (MU1) are required to authorize a FBI criminal background check (CBC) through NMLS.

SDCL 54-14-15

South Dakota Administrative Rule (ARSD) 20:07:19:04

Direct Owners
- any person that owns 10 percent or more of a mortgage entity that is other than a sole proprietorship or partnership;

Executive Officers
- each individual who has control of or involvement in the day to day operations of the applicant entity or who is the principal or manager

Indirect Owners
- any person that owns 10 percent or more of a mortgage entity that is other than a sole proprietorship or partnership;

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.

See the Criminal Background Check section of the NMLS Resource Center for more information.

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.

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 South Dakota.

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.

Surety Bond Requirements Table

<table>
<thead>
<tr>
<th>Amount</th>
<th>Bond Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>$ 25,000,001 to $100,000,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Over $100,000,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>
## Requirements/Documents Uploaded in NMLS

<table>
<thead>
<tr>
<th>Complete</th>
<th>SD Mortgage Lender License</th>
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</thead>
</table>
|          | **AML/BSA Policy:** Upload the most recent version of Anti-Money Laundering (AML) / Bank Secrecy Act (BSA) Policy and the most recent Independent Review of the AML/BSA Program.  
AML/BSA Policy  
This document should be named *AML/BSA Policy [approval date mm-dd-yyyy]*.  
Independent Review of AML/BSA Program  
This document should be named *AML/BSA Policy Independent Review [review date mm-dd-yyyy]*. | **Upload in NMLS:** under the Document Type AML/BSA Policy in the Document Uploads section of the Company Form (MU1). |
|          | **Business Plan:** Upload a business plan outlining the following information:  
- Marketing strategies  
- Products  
- Target markets  
- Fee schedule  
- Operating structure the applicant intends to employ.  
This document should be named *[Company Legal Name] Business Plan.*  
**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. | **Upload in NMLS:** under the Document Type Business Plan in the Document Uploads section of the Company Form (MU1). |
|          | **Certificate of Authority/Good Standing Certificate:** Upload a South Dakota State-issued and approved document from the South Dakota 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 SD.  
This document should be named *SD Certificate of Authority OR SD Certificate of Good Standing.* | **Upload in NMLS:** under the Document Type Certificate of Authority/Good Standing Certificate in the Document Uploads section of the Company Form (MU1). |
**Company Staffing and Internal Policies:** Upload document(s) including information on staffing and internal organizational policies and procedures. If submitting multiple policies, upload and name each policy separately. The document must include the following information:

- Underwriting Policy for non-conforming loans
- Information Security Policy
- Compliance Manual
- Underwriting Policy for Reverse Mortgage

This document should be named *[Name of Policy]*.

**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.

- **Limited Liability Partnership:**
  - Certificate of Limited Liability Partnership; and
  - Partnership Agreement (including all amendments).
- **Limited Partnership:**
  - Certificate of Limited Partnership; and
  - Partnership Agreement (including all amendments).
- **Limited Liability Company (“LLC”):**
  - 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.
- **Corporation:**
  - 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.
- **Trust (Statutory), excludes SD Chartered Trust Companies**
  - Certificate of Trust; and
  - Governing instrument (all amendments).

**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.

This document should be named *[Company Legal Name] Management Chart.*

**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.
<table>
<thead>
<tr>
<th><strong>Mortgage Servicing Agreement:</strong> Submit a copy of any written agreement or contract related to mortgage servicing rights. This document should be named [Servicing Company Name] Mortgage Servicing Agreement.</th>
<th><strong>Upload in NMLS:</strong> under Mortgage Servicing Agreement in the Document Uploads section of the Company Form (MU1).</th>
</tr>
</thead>
</table>
| **Organizational Chart/Description:** Submit a chart showing (or a description which includes) the percentage of ownership of:  
  - Direct Owners (total direct ownership percentage must equate to 100%)  
  - Indirect Owners  
  - Subsidiaries and Affiliates of the applicant/licensee  
This document should be named [Company Legal Name] Organizational Chart – Description.  
**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. | **Upload in NMLS:** under Organizational Chart/Description in the Document Uploads section of the Company Form (MU1). |

**INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS**

| **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.  
**Note:** Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the Disclosure Explanations section of your Individual Form (MU2).  
This document should be named Credit Report Explanations – Sub Name – Document Creation Date. | **Upload in NMLS:** under the Document Type Credit Report Explanations in the Document Uploads section of the Individual Form (MU2). |
| **Legal Name/Status Documentation:** Upload legal documentation of legal name or legal status. This may be certified copies of divorce decree, marriage certificate, copy of driver’s license, passports, etc.  
This document should be named [Document Name] (Ex. Driver’s License, Marriage Certificate, etc.). | **Upload in NMLS:** under the Document Type Legal Name/Status Documentation in the Document Uploads section of the Individual Form (MU2). |
| Verification of Experience: | Provide a license specific resume with detailed job descriptions and/or duties performed evidencing experience in the industry the company is applying for a license. Detailed job descriptions and duties with all employers need to be incorporated into a resume to demonstrate experience related to the specific state license being applied for. This document should be named *Resume – SD Mortgage Lender.* | Upload in NMLS: under the Document Type Verification of Experience in the Document Uploads section of the Individual Form (MU2). |