



Description



NEW YORK STATE EXEMPT MORTGAGE LOAN SERVICER REGISTRATION

Who is required to have this registration?

This registration is available for companies exempt from the mortgage loan servicer registration requirements pursuant to Section 590(2)(b-1) of the New York Banking Law ("Banking Law").

Section 590(2)(b-1) exempts the following entities from the mortgage loan servicer registration requirements:

- 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.
- Registered Mortgage Brokers
- Licensed Mortgage Bankers

Section 418.2(e) of Part 418 of the Superintendent's Regulations grants the Superintendent of Banks the authority to grant exemptions to entities not specifically identified in Section 590(2)(b-1). Any entity seeking such exemption must submit a written request to the superintendent prior to completing an Exempt Mortgage Loan Servicer Application.

Definition of Mortgage Loan Servicing

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.

Who cannot apply for the Exempt Servicer Registration?

- Companies or individual required to be registered as mortgage loan servicers pursuant to the requirements of Article 12-D and Part 418 of the Superintendent's Regulations cannot complete an exempt servicer application

Pre-requisites for license applications?

- Net worth – Refer to Part 418 Section 418.12(a) of the Superintendent's Regulations for minimum requirements.
- Surety Bond amount - \$250,000
- E/O Bond amount – minimum \$300,000 (Refer to Part 418 Section 418.12(c)) of the Superintendent's Regulations.
- At least 10% of the adjusted net worth required shall consist of cash, cash equivalents or readily marketable securities.
- Experience – Minimum five years verifiable experience in the business of servicing mortgage loans or similar servicing experience.

WHO TO CONTACT – Contact [Perry Polhemus](mailto:perry.polhemus@dfs.ny.gov) licensing staff by phone at [\(212\) 709- 5569](tel:2127095569) or send your questions via e-mail to perry.polhemus@dfs.ny.gov for additional assistance.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE REGISTRATION FOR WHICH THEY ARE APPLYING. UNLESS EXEMPTED BY LAW, AFTER JUNE 30, 2009 YOU ARE NOT AUTHORIZED TO ENGAGE IN NEW YORK REGULATED MORTGAGE LOAN SERVICING UNTIL YOUR EXEMPTION FROM REGISTRATION HAS BEEN APPROVED BY THE SUPERINTENDENT OF BANKS OF THE STATE OF NEW YORK.