



## Description



# NEW YORK MORTGAGE LOAN SERVICER REGISTRATION

### Who is required to have this Registration?

Sole Proprietors and Companies engaged directly or indirectly in the business of servicing mortgage loans, including (i) receiving scheduled periodic payments from borrowers pursuant to the terms of any mortgage loan; (ii) making payments to borrowers on home equity conversion mortgages or reverse mortgages, and (iii) ownership of mortgage servicing rights, irrespective of whether such entity is a passive investor.

Part 418.3(b) of the Superintendent's Regulations defines a mortgage loan as a loan to a natural person made primarily for personal, family or household use, secured by a mortgage or other consensual security interest on residential real property, or certificates of stock or other evidence of ownership interests in, and proprietary leases from, corporations or partnerships formed for the purpose of cooperative ownership of residential real property and, if determined by regulation, shall include loans secured by a security interest on a manufactured home.

### Who does not need this Registration?

- 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.
- Any person who is registered pursuant to Section 592-a of the Banking Law to engage in the business of soliciting, processing, placing or negotiating mortgage loans for others, or offering to solicit, process, place or negotiate mortgage loans for others.
- Employees of exempt organizations, mortgage brokers, mortgage bankers or a mortgage loan servicer who assist in the servicing of mortgage loans for such employer.
- Any person who is licensed pursuant to Section 592 of the Banking Law to engage in the business of making loans in this state.
- Other persons may be exempted with the prior written approval of the Superintendent for good cause

### Pre-requisites for registration applications? [general requirements]

- Adjusted Net Worth
  - **Master Servicer Only:** Individual or entity own mortgage servicing rights to service loans – minimum net worth required is \$250,000 plus ¼ of 1% of the outstanding principal balance of aggregate mortgages serviced nationwide;
  - **Sub-servicer (Third-Party Servicer):** Individual or entity does not own servicing rights, solely services loans on behalf of a master servicer – minimum net worth required is

\$250,000 plus ¼ of 1% of the outstanding principal balance of New York residential mortgage loans serviced;

- **Master Servicer/Sub-Servicer:** Individual or entity services owns servicing rights on some loans and service other loans as a third-party servicer – minimum net worth \$250,000 plus ¼ of 1% of the outstanding principal balance of non-third party loans serviced nationwide and ¼ of 1% of the outstanding principal balance of New York loans for which it is a third-party servicer;
- Surety Bond amount - \$250,000
- E/O Bond amount – minimum \$300,000 (See Part 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.
- Criminal background check - must meet the requirements as indicated here:  
<http://www.banking.state.ny.us/iambinstsh.htm>
- Credit check –Yes, included with background report.
- Experience – Minimum five years verifiable experience in the business of servicing mortgage loans or similar servicing experience.
- Testing - No

**WHO TO CONTACT** – Contact Joseph Barreiro by phone at (212) 709-5596 or send your questions via e-mail to [mbbdenovo@dfs.ny.gov](mailto:mbbdenovo@dfs.ny.gov) for additional assistance.

**YOU ARE PROHIBITED FROM SERVICING MORTGAGE LOANS UNTIL YOU ARE APPROVED BY THE SUPERINTENDENT OF BANKS OF THE STATE OF NEW YORK AND A REGISTRATION HAS BEEN ISSUED IN YOU OR YOUR COMPANY’S NAME.**