



# ND Residential Mortgage Loan Servicer New Application Checklist (Company)

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## CHECKLIST SECTIONS

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## GENERAL INFORMATION

### Who Is Required to Have This License?

Refer to North Dakota Century Code Chapter 13-13

Except as otherwise provided, a person other than a residential mortgage loan servicer licensed and authorized under this chapter may not engage in residential mortgage loan servicing, either as a servicer, subservicer, or mortgage servicing rights investor, in the state without a residential mortgage loan servicer license issued by the commissioner. A person engages in residential mortgage loan servicing in the state if the borrower resides in North Dakota.

"Residential mortgage loan servicing" means receiving any scheduled periodic payments from a borrower pursuant to the terms of any federally related mortgage loan, including amounts for escrow accounts under section 10 of the Real Estate Settlement Procedures Act [12 U.S.C. 2609], and making the payments to the owner of the loan or other third parties 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 servicing loan documents or servicing contract. In the case of a home equity conversion mortgage or reverse mortgage as referenced in this section, servicing includes making payments to the borrower.

"Service or servicing a loan" means on behalf of the lender or investor of a residential mortgage loan:

- a. Collecting or receiving payments on existing obligations due and owing to the lender or investor, including payments of principal, interest, escrow amounts, and other amounts due;
- b. Collecting fees due to the servicer;
- c. Working with the borrower and the licensed lender or servicer to collect data and make decisions necessary to modify certain terms of those obligations either temporarily or permanently;
- d. Otherwise finalizing collection through the foreclosure process; or e. Servicing a reverse mortgage loan.

"Servicer" means the entity performing the routine administration of residential mortgage loans on behalf of the owner or owners of the related mortgages under the terms of a servicing contract.

"Subservicer" means the entity performing the routine administration of residential mortgage loans as agent of a servicer or mortgage servicing rights investor under the terms of a subservicing contract.

"Mortgage servicing rights investor" means entities that invest in and own mortgage servicing rights and rely on subservicers to administer the loans on their behalf. Mortgage servicing rights investors are often referred to as master servicers.

"Mortgage servicing rights" refers to the contractual right to service residential mortgage loans on behalf of the owner of the associated mortgage in exchange for specified compensation in accordance with the servicing contract.

"Large servicer" means a residential mortgage servicer with servicing portfolios of two thousand or more one-to-four unit residential mortgage loans serviced or subserviced for others, excluding whole loans owned, and loans being "interim" serviced prior to sale as of the most recent calendar year end, reported in the nationwide multistate licensing system and registry mortgage call report, and that operates in two or more states, districts, or territories of the United States either currently or as of the prior calendar year end. For entities within a holding company or affiliated group of companies' applicability must be at the large servicer level. This definition excludes servicers solely owning or conducting reverse mortgage servicing, or both, or the reverse mortgage portfolio administered by the large servicer

#### **The following entities do not need this license:**

- Banks
- Credit Unions
- Savings and Loan Associations
- State or Federal housing finance agencies
- Institutions chartered by the Farm Credit Administration; or
- Not-for-profit mortgage servicers
- If you originated and continue to own the mortgage loan and servicing rights, you may service the loan as a first-party servicer without a license.

#### **Activities Authorized Under This License:**

This license authorizes the following activities...

- First mortgage servicing
- Master servicing
- Reverse mortgage servicing
- Subordinate lien mortgage servicing
- Third party first mortgage servicing
- Third party subordinate lien mortgage servicing

[Business Activities Definitions.pdf \(nationwidelicencingsystem.org\)](https://www.nwlicensing.com/BusinessActivitiesDefinitions.pdf)

#### **Pre-Requisites for License Applications**

- None

The ND Dept. of Financial Institutions 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 ND Dept. of Financial Institutions licensing staff by phone at (701) 328-9933 or send your questions via email to [dfi@nd.gov](mailto:dfi@nd.gov) for additional assistance.

### For U.S. Postal Service:

ND Dept. of Financial Institutions  
Non-Depository Division  
1200 Memorial Hwy  
Bismarck, ND 58504

### For Overnight Delivery:

ND Dept. of Financial Institutions  
Non-Depository Division  
1200 Memorial Hwy  
Bismarck, ND 58504

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	ND ResidentialMortgage Loan Servicer	Submitted via...
<input type="checkbox"/>	<b>ND License/Registration Fee:</b> \$400 <b>ND Application Fee:</b> \$400 <b>NMLS Initial Processing Fee:</b> \$100	NMLS (Filing submission)
<input type="checkbox"/>	<b>Credit Report for Control Persons:</b> \$15 per control person.	NMLS (Filing submission)
<input type="checkbox"/>	<b>FBI Criminal Background Check for MU2 Individual:</b> \$36.25 per person.	NMLS (Filing submission)

**REQUIREMENTS COMPLETED IN NMLS**

Complete	ND ResidentialMortgage Loan Servicer	Submitted via...
<input type="checkbox"/>	<b>Submission of Company Form (MU1):</b> Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.	NMLS
<input type="checkbox"/>	<p><b>Financial Statements:</b> Upload an audited financial statement prepared by a independent Certified Public Accountant in accordance with Generally Accepted Accounting Principles as of your most recent 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.</p> <p>If application submission date is greater than 90 days after fiscal year end, submit an unaudited financial statement prepared in accordance with Generally Accepted Accounting Principles as of the most recent month end.</p> <p>The financial statement must illustrate a company net worth. Refer to NDCC 13-13 regarding tangible net worth requirements.</p> <p><b>Note:</b> Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the <a href="#">Financial Statements Quick Guide</a> for instructions.</p>	NMLS

<input type="checkbox"/>	<p><b>Other Trade Name:</b> 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 <i>Other Trade Names</i> section of the Company Form (MU1). North Dakota does not limit the number of other trade names.</p> <p>If operating under an "Other Trade Name", upload the North Dakota Trade Name Registration Certificate issued by the North Dakota Secretary of State's Office.</p> <p><b>Titled:</b> <i>ND-Residential Mortgage Lender Trade Name – Assumed Name.</i></p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Trade Name/Assumed Name Registration Certificates</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Resident/Registered Agent:</b> The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1) and must match the information currently on record with the ND Secretary of State's Office.</p>	<b>NMLS</b>
<input type="checkbox"/>	<p><b>Primary Contact Employees:</b> 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"> <li>1. <b>Primary Company Contact.</b></li> <li>2. <b>Primary Consumer Complaint Contact.</b></li> </ol>	<b>NMLS</b>
<input type="checkbox"/>	<p><b>Non-Primary Contact Employees:</b> North Dakota <b>requires</b> that an individual(s) be identified as a <b>Non-Primary Contact</b> 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"> <li>1. Licensing</li> <li>2. Pre-Exam Contact</li> <li>3. Exam Billing</li> <li>4. Exam Delivery</li> <li>5. Legal</li> </ol>	<b>NMLS</b>
<input type="checkbox"/>	<p><b>Bank Account:</b> Bank account information must be completed for the company's operating accounts and trust accounts used for servicing North Dakota loans in the <i>Bank Account</i> section of the Company Form (MU1).</p>	<b>NMLS</b>
<input type="checkbox"/>	<p><b>Disclosure Questions:</b> 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).</p> <p>See the <a href="#">Company Disclosure Explanations Quick Guide</a> for instructions.</p>	<p><b>Upload in NMLS</b> in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).</p>

<input type="checkbox"/>	<p><b>Qualifying Individual:</b> A Qualifying Individual must be designated for North Dakota jurisdiction. This individual must be listed in the <i>Qualifying Individual</i> section of Company Form (MU1). It is recommended the Qualifying Individual be in a managerial role with three years or more industry or supervisory experience. A credit report and background check will be required.</p>	NMLS
<input type="checkbox"/>	<p><b>Control Person (MU2) Attestation:</b> 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).</p>	NMLS
<input type="checkbox"/>	<p><b>Credit Report:</b> 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><b>MU2 Individual FBI Criminal Background Check Requirements:</b> The following Individuals, as specified below, on the Company Form (MU1) are required to authorize a FBI criminal background check (CBC) through NMLS.</p> <p><i>Direct Owners</i></p> <ul style="list-style-type: none"> <li>Any individual that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of 10% or more of stock or a class of voting security of the applicant.</li> </ul> <p><i>Executive Officers</i></p> <ul style="list-style-type: none"> <li>Individuals, regardless of title, who have the power, directly or indirectly, to direct the management or policies of a company by contract or otherwise. Includes: Board of Directors, President, Executive Vice President, Senior Vice President, Treasurer, Secretary, Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Compliance Officer, or similarly elected or appointed senior corporate officers.</li> </ul> <p><i>Indirect Owners</i></p> <ul style="list-style-type: none"> <li>Any individual that directly owns or has the right to vote 10% or more of a class of a voting security or has the power to sell or direct the sale of 10% or more of stock or a class of voting security of the applicant.</li> </ul> <p><i>Qualifying Individuals</i></p> <ul style="list-style-type: none"> <li>All designated Qualifying Individuals are required to complete a CBC.</li> </ul> <p><b><u>Please authorize access for North Dakota to view the background check prior to submitting the request.</u></b> 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 <a href="#">Criminal Background Check section</a> of the NMLS Resource Center for more information.</p>	NMLS

	<p><b>Note:</b> 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>	
<input type="checkbox"/>	<p><b>Electronic Surety Bond – Limited Applicability (For applicants not subject to NDCC 13-13-07 in lieu of Tangible Net Worth requirement):</b> For a company that is not considered a “large servicer” as defined on pg. 2 and in NDCC 13-13-01(8), please refer to NDCC 13-13-08. An applicant or licensee with a portfolio of loans not subject to any government-sponsored enterprises requirements must maintain liquidity to include operating reserves of 0.00035 times the unpaid principal balance of the portfolio and maintain a minimum tangible net worth set forth in NDCC 13-13-08 (2)(a). However, a surety bond in the amount of one million dollars may be held in lieu of the tangible net worth.</p> <p><b>if applicable,</b> You may submit an Electronic Surety Bond (ESB) via NMLS in the amount of \$1,000,000 furnished by a surety company authorized to conduct business in North Dakota.</p> <p>See the <a href="#">ESB Adoption Table</a> and the <a href="#">ESB for NMLS Licensees page</a> of the NMLS Recourse Center for more information.</p>	<p><b>Electronic Surety Bond in NMLS</b></p>

#### REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	ND ResidentialMortgage Loan Servicer	Submitted via...
<input type="checkbox"/>	<p><b>Business Plan:</b> Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> <li>• Executive Summary (Overview)</li> <li>• Marketing strategies</li> <li>• Products</li> <li>• Target markets</li> <li>• Schedule of range of cost and fees charged to borrowers</li> <li>• Operating structure the applicant intends to employ.</li> </ul> <p><b>Note:</b> 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><b>Titled:</b> <i>[Company Legal Name] Business Plan.</i></p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Business Plan</u> in the <u>Document Uploads</u> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p><b>IT/Cybersecurity Policy:</b> Upload the most recent version of IT/Cybersecurity Policy. The Policy should include at a minimum:</p> <ul style="list-style-type: none"> <li>• Designation of Information Security Officer</li> <li>• Internal policies, procedures, and control covering information security, physical security, fraud prevention/investigation</li> <li>• Business Continuity/Disaster Recovery</li> <li>• Procedures or plan of action in the event of a security breach. Should include Regulatory Agency notification.</li> <li>• Relevant and ongoing training of employees.</li> <li>• System Testing and maintenance</li> </ul> <p>Program and policy review.</p> <p><b>Titled:</b> <i>IT/Cybersecurity Policy [revision date mm-dd-yyyy].</i></p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Company Staffing/Internal Policies</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Certificate of Authority/Good Standing Certificate:</b> Upload a State-issued and approved document (typically by the Secretary of State's office), that demonstrates authorization to do business in North Dakota.</p> <p><b>Titled:</b> <i>ND Certificate of Authority <u>OR</u> ND Certificate of Good Standing.</i></p>	<p><b>Upload in NMLS:</b> 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><b>Formation Documents:</b> 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><b>Unincorporated Association:</b></p> <ul style="list-style-type: none"> <li>• By-Laws or constitution (including all amendments).</li> </ul> <p><b>General Partnership:</b></p> <ul style="list-style-type: none"> <li>• Partnership Agreement (including all amendments).</li> </ul> <p><b>Limited Liability Partnership:</b></p> <ul style="list-style-type: none"> <li>• Certificate of Limited Liability Partnership; and</li> <li>• Partnership Agreement (including all amendments).</li> </ul> <p><b>Limited Partnership:</b></p> <ul style="list-style-type: none"> <li>• Certificate of Limited Partnership; and</li> <li>• Partnership Agreement (including all amendments).</li> </ul> <p><b>Limited Liability Limited Partnership:</b></p> <ul style="list-style-type: none"> <li>• Certificate of Limited Liability Limited Partnership; and</li> <li>• Partnership Agreement (including all amendments).</li> </ul> <p><b>Limited Liability Company ("LLC"):</b></p> <ul style="list-style-type: none"> <li>• Articles of Organization (including all amendments);</li> <li>• Operating Agreement (including all amendments);</li> <li>• IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and</li> <li>• LLC resolution if authority not in operating agreement.</li> </ul>	<p><b>Upload in NMLS:</b> 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>



	<p><b>Corporation:</b></p> <ul style="list-style-type: none"> <li>Articles of Incorporation (including all amendments);</li> <li>By-laws (including all amendments), if applicable;</li> <li>Shareholder Agreement (including all amendments), if applicable;</li> <li>IRS Form 2553 if S-corp treatment elected; and</li> <li>Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable.</li> </ul> <p><b>Not for Profit Corporation</b></p> <ul style="list-style-type: none"> <li>Documents requested of a Corporation; and</li> <li>Proof of nonprofit status <ul style="list-style-type: none"> <li>Internal Revenue Service (“IRS”) 501(c)(3) designation letter; or</li> <li>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</li> <li>entity's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or</li> <li>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.</li> </ul> </li> </ul> <p><b>Trust (Statutory)</b></p> <ul style="list-style-type: none"> <li>Certificate of Trust; and</li> <li>Governing instrument (all amendments).</li> </ul>	
<input type="checkbox"/>	<p><b>Management Chart:</b> 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><b>Note:</b> 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><b>Titled:</b> <i>[Company Legal name] Management Chart.</i></p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Organizational Chart/Description:</b> Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> <li>Direct Owners (total direct ownership percentage must equate to 100%)</li> <li>Indirect Owners</li> <li>Subsidiaries and Affiliates of the applicant/licensee</li> </ul> <p><b>Note:</b> 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><b>Titled:</b> <i>[Company Legal Name] Organization Chart – Description.</i></p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

## INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS

<input type="checkbox"/>	<p><b>Credit Report Explanations:</b> 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><b>Note:</b> 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><b>Upload in NMLS:</b> under the Document Type <u>Credit Report Explanations</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>
<input type="checkbox"/>	<p><b>Legal Name/Status Documentation:</b> 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.</p> <p>This document should be named <i>[Document Name]</i> (Ex. Driver's License, Marriage Certificate, etc.).</p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Legal Name/Status Documentation</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>
<input type="checkbox"/>	<p><b>Personal Financial Statement:</b> The following individuals, as specified below, on the Company Form (MU1) are required to upload a personal financial statement.</p> <p><i>Direct Owners</i></p> <ul style="list-style-type: none"> <li>Provide a personal financial statement (balance sheet), dated no older than 30 days prior to the application date, for any individual directly owning 25% or more of the applicant stock.</li> </ul> <p><i>Indirect Owners</i></p> <ul style="list-style-type: none"> <li>Provide a personal financial statement (balance sheet), dated no older than 30 days prior to the application date, for any individual indirectly owning 25% or more of the applicant stock.</li> </ul> <p><b>Titled:</b> <i>ND – Personal Financial Statement</i>.</p>	<p><b>Upload in NMLS:</b> under the Document Type <u>Personal Financial Statement</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>

## REQUIREMENTS SUBMITTED OUTSIDE OF NMLS

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