



Description



SOUTH CAROLINA MORTGAGE LENDER/SERVICER LICENSE

Steps before application in NMLS

SC-BFI strongly suggests a potential applicant submit a detailed business plan as described in the new application checklist. This should be done prior to applying in NMLS to determine the correct licensing jurisdiction. Fees payable to NMLS are non-refundable.

Who is required to have this license?

Any person (individual, sole proprietorship, corporation, limited liability company, partnership, trust or any other group of individuals, however organized) who means to engage in the business of making or servicing a mortgage loan for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly, including soliciting, processing, placing, or negotiating a mortgage loan.

South Carolina defines a mortgage loan as a loan made to a natural person primarily for personal, family, or household use, primarily secured by a mortgage, deed of trust, or other security interest on residential real property or security interest arising under an installment sales contract or equivalent security interest against the borrower's dwelling and located in South Carolina, negotiated, offered or otherwise transacted within this State, in whole or in part, or made or extended within this State.

Who does not need this license?

- An employee of a licensee whose responsibilities are limited to clerical or support duties for the employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer.
- A depository institution or a subsidiary that is wholly owned and controlled by the depository institution and regulated by a federal banking agency or an institution regulated by the Farm Credit Administration.
- An officer, registered loan originator or employee of an exempt person acting in the scope of employment for the exempt person.
- An individual who offers or negotiates terms of a mortgage loan secured by a dwelling that served as the person's residence.
- An employee whose employment as a processor or underwriter is undertaken pursuant to the direction and supervision of a licensee or exempt person except when the processor or underwriter is working as an independent contractor.
- An attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a mortgage lender, a mortgage broker, or other mortgage loan originator or by an agent of the mortgage lender, mortgage broker, or other mortgage loan originator.

- An attorney who works for a mortgage lender, pursuant to a contract, for loss mitigation efforts or third party independent contractor who is HUD-certified, Neighborworks-certified, or similarly certified, who works for a mortgage lender, pursuant to a contract, for loss mitigation efforts.
- A manufactured home retailer and its employees if performing only clerical or support duties in connection with the sale or lease of a manufactured home and the manufactured home retailer and its employees receive no compensation or other gain from a mortgage lender or a mortgage broker for the performance of the clerical or support duties.

Pre-requisites for license applications

- Name, address, and social security number or if applicable Employer Identification Number (EIN).
- Form and place of organization, if applicable.
- Proposed method of and locations for doing business (See detailed business plan on the new application Mortgage Lender/Servicer checklist).
- Qualifications and business history and, if applicable, the business history of any partner, officer, or director, a person occupying a similar status or performing similar functions, or a person directly or indirectly controlling the applicant, including: (1) a description of any injunction or administrative order by a state or federal authority to which the person is or has been subject, including denial, suspension or revocation of a financial services or financial services related license or registration; (2) a conviction, or plea of guilty or nolo contendere to a misdemeanor within the last ten years involving financial services or a financial services related business or any fraud, false statements or omissions, theft or wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, money laundering, breach of trust or a conspiracy to commit any of these offenses; and (3) a conviction of, or plea of guilty or nolo contendere to, a felony.
- Financial condition, credit history, and business history.
- Consent to national and state fingerprint-based criminal history record checks. In the case of an applicant that is a corporation, partnership, limited liability company, association, or trust, each natural person who has control of the applicant or who is the managing principal or a branch manager shall consent to national and state fingerprint-based criminal history record checks.
- If the applicant is a sole proprietor, the applicant shall have at least three years of experience in financial services or financial services related business or other experience or competency requirements.
- If the applicant is a general or limited partnership, at least one of its general partners shall have at least three years of experience in financial services or financial services related business or other experience or competency requirements.
- If the applicant is a corporation, at least one of its principal officers shall have at least three years of experience in financial services or financial services related business or other experience or competency requirements.
- If the applicant is a limited liability company, at least one of its members or managers shall have at least three years of experience in financial services or financial services related business or other experience or competency requirements.
- Instead of a showing of three years' experience, an applicant may show proof of three years' employment with a federally insured depository institution or a VA, FHA, or HUD-approved mortgagee.

- A mortgage lender/servicer shall post and maintain a surety bond in an amount determined by the commissioner, based on the total dollar amount of mortgage loans originated in a calendar year in this State pursuant to the following:
 - (1) dollar volume of mortgage loans from \$0 to \$49,999,999, surety bond of \$50,000;
 - (2) dollar volume of mortgage loans from \$50,000,000 to \$249,999,999, surety bond of \$100,000;
 - (3) dollar volume of mortgage loans greater than \$250,000,000, surety bond of \$150,000.

In no case is the surety bond less than fifty thousand dollars (\$50,000). The surety bond must be executed by a surety company authorized by the laws of this State to transact business within this State. **The full amount of the surety bond must be in effect at all times.**

WHO TO CONTACT – Contact South Carolina State Board of Financial Institutions/Consumer Finance Division licensing staff by phone at 803-734-2020 for additional assistance.

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