

Direct Owners and Executive Officers

Overview/Policy

Identify all direct owners and executive officers. If the direct owner or executive officer is a natural person (individual), list their full legal name as first, middle, last, suffix, provide their title and the percentage of ownership. All natural persons listed in the *Direct Owners and Executive Officers* section of the Company (MU1) Form are required to complete and submit the Individual (MU2) Form.

Review the definition of control when completing this section and include any individual or company that has control over the entity.

Many states require currently approved companies to provide the regulator with advance notice before making changes to their direct owners/executive officers. An advance notification allows the regulator to review the change prior to its effective date and indicate to the licensee whether or not the proposed change is acceptable.

Not all states require an Advance Change Notice. Review the [Advance Change Notice Requirement Chart](#) and [Amendment Checklist](#) prior to submitting a change to direct owners/executive officers.

Definitions and Charts

Term	Definition
Advance Change Notice	An NMLS filing notifying state agencies of certain changes to a licensee's NMLS information in advance of the effective date.
Effective Date	The date on which a change to a licensee's NMLS information is intended to be effective.

Direct Owners and Executive Officers				
"c" Corporation	Shareholders ≥10%	All members of Board of Directors	Elected or Appointed Officers	Chief Officers & other required individuals
"S" Corporation	Shareholders ≥10%	All members of Board of Directors	Elected or Appointed Officers	Chief Officers & other required individuals
Limited Liability Company	All Members ≥10%	Member Managed (Managing Member)	Elected or Appointed Officers	Chief Officers & other required individuals
		All Managers (Board of Managers)	Elected or Appointed Officers	Chief Officers & other required individuals

Partnership	All Partners ≥10%	General Partner	Elected or Appointed Officers	Chief Officers & other required individuals
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CONTROL is determined in several ways:

- 1) Equity Owners – An entity or individual that, directly or indirectly, 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 a class of voting securities. In the case of a partnership, an entity or individual that has the right to receive upon dissolution or has contributed 10% or more of the capital is presumed to control that company
- 2) Corporate Governance – As set out in the most recent Articles of Incorporation, Articles of Organization, or Partnership Agreement
 - A) Board of Directors, Board of Managers, Member Manager, General Partner, or similar governing body
 - B) President, Executive Vice President, Senior Vice President, Treasurer, Secretary, or similarly elected or appointed senior corporate officers
- 3) Functional Responsibility – Individuals, regardless of title, who have the power, directly or indirectly, to direct the management or policies of a company by contract or otherwise. Job description holds individual responsible for the operational, financial, information technology, compliance, and/or security functions of the company, including Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Credit Officer, Chief Compliance Officer, and individuals occupying similar positions or performing similar functions. Other required individuals may include qualified persons, location supervisors, and branch managers.

The following points will help companies decide who to include:

Direct Owners

Direct owners include any person that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of 10% or more of a class of voting security of the applicant or licensee. For purpose of this section, a person beneficially owns any securities (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law sharing the same residence; In the cases where the company is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution or have contributed 10% or more of the partnership’s capital.

In the case of a trust that directly owns 10% or more of the class of voting security of the applicant, or that has the right to receive upon dissolution or have contributed 10% or more of the applicant or licensee’s capital, the trust, and each trustee.

In the case where the company is a Limited Liability Company (“LLC”), (i) if member managed, the managing member, (ii) if managed by elected or appointed managers, all elected or appointed managers; and, (iii) those members that have the right to receive upon dissolution or have contributed 10% or more of the LLC’s capital. In the case where the company is a partnership, (i) all general partners,

and (ii) those limited and special partners that have the right to receive upon dissolution or have contributed 10% or more of the partnership's capital. In certain states, other required persons, including "qualified persons" or branch supervisors. Consult the state licensing requirements in which the applicant or licensee is applying for details.

Ownership must be disclosed as it is found on the organizing documents of an entity. Ownership disclosure in NMLS is not dependent on community property statutes and therefore should be represented in NMLS as found on legal, organizing documents for the entity.

Control Person

A control person is an individual (natural person) that directly or indirectly exercises control over the applicant or licensee. This definition includes any individual that is a "director, general partner, or executive officer." The term director includes all members of a company's board of directors, including board members that are not employees of the company.

Stock Symbol

Provide the stock symbol (if the company is publicly traded).

SSN or EIN

Provide the person's Social Security Number or the company's Tax Identification Number or Employer Identification Number, as issued by the IRS.

Individual or Company

All direct owners of 10% or more should be identified, regardless of the applicant or licensee's business structure. All individuals listed in this section are required to complete and submit an Individual (MU2) Form.

Note: If an applicant or licensee is publicly traded or there are control persons holding less than 10% ownership, then the total percent ownership derived from the individual line items may not equal 100%.

How To

Add a Direct Owner and/or Executive Officer:

1. From the *Direct Owners and Executive Officers* screen, click **Add Individual** or **Add Company**. Adding an individual or company will depend on the type of ownership of the company.
2. Enter either an *Individual ID, License Number, or First and Last Name*.
3. Click **Search**.
4. If the individual's NMLS ID is displayed, click the corresponding **Individual ID**.

Note: If no search results are returned, create an individual by selecting **Create Individual** and complete the required fields. All individual direct owners/executive officers are required to have their own individual account in NMLS. The individual will need to go through the process to create an account in NMLS.

5. Complete all required fields.
6. Click **Create**.

Direct Owners and Executive Officers

Bailey's New Houses (1091) MU1 filing created 6/13/2013 by BaileyW. Total Charges: \$0.00

In this section you must provide information regarding the individuals and/or companies acting as any of the following for your company:

- Direct Owners (For mortgage companies, "direct owners" include entities with an ownership interest of 10% or more. Applicants in other industries should consult their state regulator for definitions of "direct owners" in those industries.)
- Executive Officers
- Control Persons (This excludes indirect owners that must be identified in the Indirect Owners section of this filing.)

Click in the sandbar for detailed information regarding the individuals and/or companies that must be listed.

AVAILABLE ACTIONS	FUNCTION
	Add a new individual direct owner or executive officer. (To avoid duplicate records, a search for an individual's record prior to adding them to the filing.)
	Add a new company direct owner or executive officer. (To avoid duplicate records, a search for a company's record prior to adding them to the filing.)
	Edit a direct owner or executive officer or an existing change notice.
	Undo the changes made to a direct owner or executive officer.
	Delete a direct owner or executive officer.
	Withdraw (undo) an existing change notice.

Unsubmitted Change Notices

This table lists direct owners and executive officers that have been created, modified, removed, amended, or canceled. [View records with unsubmitted changes above or use the buttons below to add a new record.](#)

Direct Owners and Executive Officers

This table lists direct owners and executive officers currently on record and change notices that have been submitted. [View records with unsubmitted changes above or use the buttons below to add a new record.](#)

New Direct Owner or Executive Officer

Bailey's New Houses (1091) MU1 filing created 6/13/2013 by BaileyW.

Provide the information requested below for the individual or company being identified as a (i) or (c) that must be identified in the Indirect Owners section of this filing.

Title examples include: President, CEO, CFO, COO, partner, trustee, sole proprietor, shareholder, etc.

An MU2 form must be completed for each individual identified in this section.

Entity ID: 1103

Full Legal Name: Bailey, William

Title:

Effective Date: (MM/DD/YYYY)

Percentage of Ownership:

Individual or Company: Company Individual

Edit a Direct Owner/Executive from the Unsubmitted Change Notices Section (first grey bar):

1. From the *Direct Owners and Executive Officers* screen, click the **Edit** icon.
2. Complete necessary updates and click **Save**.

Direct Owners and Executive Officers

Bailey's New Houses (1091) MU1 filing created 6/13/2013 by BaileyW. Total Charges: \$0.00

In this section you must provide information regarding the individuals and/or companies acting as any of the following for your company:

- Direct Owners (For mortgage companies, "direct owners" include entities with an ownership interest of 10% or more. Applicants in other industries should consult their state regulator for definitions of "direct owners" in those industries.)
- Executive Officers
- Control Persons (This excludes indirect owners that must be identified in the Indirect Owners section of this filing.)

Click **HELP** in the sidebar for detailed information regarding the individuals and/or companies that must be listed in this section.

AVAILABLE ACTIONS FUNCTION

- Add Individual** Add a new individual direct owner or executive officer. (To avoid duplicate records, a search must be conducted before creating a new individual record. You must have access to the individual's record prior to adding them to the filing.)
- Add Company** Add a new company direct owner or executive officer. (To avoid duplicate records, a search must be conducted before creating a new company record. You must have access to the company's record prior to adding them to the filing.)
- Edit a direct owner or executive officer or an existing change notice.
- Undo the changes made to a direct owner or executive officer.
- Delete a direct owner or executive officer.
- Cancel** Withdraw (undo) an existing change notice.

Unsubmitted Change Notices

This table lists direct owners and executive officers that have been created, modified, removed, amended, or cancelled on this filing.

Entity ID	Name	Title	% Ownership	Pending Change Notice Type	Effective Date
1103	Bailey, William	Ceo	10	Creation	06/13/2013

Direct Owners and Executive Officers

This table lists direct owners and executive officers currently on record and change notices that have been submitted but are not yet effective.

[View records with unsubmitted changes above or use the buttons below to add a new record.](#)

New Direct Owner or Executive Officer

Bailey's New Houses (1091) MU1 filing created 6/13/2013 by BaileyW.

Provide the information requested below for the individual or company being identified as a (i) or (c) that must be identified in the Indirect Owners section of this filing.

Title examples include: President, CEO, CFO, COO, partner, trustee, sole proprietor, shareholder, etc.

An MU2 form must be completed for each individual identified in this section.

Entity ID: 1103

Full Legal Name: Bailey, William

Title:

Effective Date: (MM/DD/YYYY)

Percentage of Ownership:

Individual or Company: Company Individual

Edit a Direct Owner/Executive Officer Previously Submitted on the Company (MU1) Form (second grey bar):

1. From the *Direct Owners and Executive Officers* screen, click the **Edit** icon.
2. If the *Percentage of Ownership* needs to be modified, select the box titled "Do you want to amend the Percentage of Ownership?"
 - a. Enter the *Effective Date* for the change (MM/DD/YYYY)
3. Click **Save**.

Direct Owners and Executive Officers

Bailey's New Houses (1091) MU1 filing created 6/14/2013 by BaileyW. Total Charges: \$0.00

In this section you must provide information regarding the individuals and/or companies acting as any of the following for your company:

- Direct Owners (For mortgage companies, "direct owners" include entities with an ownership interest of 10% or more. Applicants in other industries should consult their state regulator for definitions of "direct owners" in those industries.)
- Executive Officers
- Control Persons (This excludes indirect owners that must be identified in the Indirect Owners section of this filing.)

Click in the sidebar for detailed information regarding the individuals and/or companies that must be listed in this section.

AVAILABLE ACTIONS FUNCTION

- Add Individual Add a new individual direct owner or executive officer. (To avoid duplicate records, a search must be conducted on the individual's record prior to adding them to the filing.)
- Add Company Add a new company direct owner or executive officer. (To avoid duplicate records, a search must be conducted on the company's record prior to adding them to the filing.)
- Undo Edit a direct owner or executive officer or an existing change notice.
- Undo Undo the changes made to a direct owner or executive officer.
- Delete Delete a direct owner or executive officer.
- Cancel Withdraw (undo) an existing change notice.

Unsubmitted Change Notices

This table lists direct owners and executive officers that have been created, modified, removed, amended, or cancelled on the current filing.

No unsubmitted change notices exist on this filing.

Direct Owners and Executive Officers

This table lists direct owners and executive officers currently on record and change notices that have been submitted but are not yet implemented.

Entity ID	Name	Title	% Ownership	Existing Change Notice Type	Effective Date
14799	Rainy Days Mortgage, LLC.	Affiliate	100		

Modify Direct Owner or Executive Officer

Bailey's New Houses (1091) MU1 filing created 6/14/2013 by BaileyW. Total Charges: \$0.00

Provide the updated information below for the individual or company identified as a direct owner, executive officer, or control person. An effective date must be provided for changes made to the percentage of ownership.

Entity ID: 14799
 Full Legal Name: Rainy Days Mortgage, LLC.
 Title: Affiliat
 Percentage of Ownership: 100

Do you want to amend the Percentage of Ownership?
 If yes, check here:

Percentage of Ownership:
 Effective Date: (MM/DD/YYYY)

Stock Symbol:
 SSN or EIN: 77-8569185
 Individual or Company: Company Individual

Note: After edits are made to a direct owner or executive officer, use the **Undo** () icon to undo changes made. Use the **Delete** () icon to delete a direct owner or executive officer.

Helpful Hints

1. Individuals listed as a direct owner/executive officer on the Company (MU1) Form filing must have an individual NMLS account and will be required to complete an Individual (MU2) Form.
2. The *Percentage(s) of Ownership* may not exceed 100% at any given time. To remove an owner, you must first amend their *Percentage of Ownership* to 0% with an applicable effective date for the change. The owner may be deleted upon implementation of the change of ownership percentage.

Additional Resources:

- Find state-specific requirements on the [NMLS Resource Center](#).
- Details regarding information available in NMLS Consumer Access can be found within [Information Viewable on NMLS Consumer Access](#).
- Quick Guides:
 - [Submitting Company Form \(MU1\)](#)
 - [Individual Account Creation](#)
 - [Attestation](#)
 - [Company \(MU1\) Form – ACN Direct Owners/Executive Officers](#)

See Company and Branch Help [Table of Contents](#)