



Business Activities Definitions

Business activities are generic, non-legal definitions of a financial services activity that reasonably describes the activity.¹

When applying for a license, applicants should review this document in its entirety and make sure to select all business activities that they intend to perform under their business model.

This document is broken down into the following five sections:

Mortgage Lending

Helping people get a loan secured by residential real estate

Consumer Lending

Providing commercial, auto, or other non-mortgage loans

Servicing/Debt

Includes servicing loans and collecting, purchasing, or negotiating debt

Moving Funds

Such as transmission, exchanging, bill pay, or check cashing

Miscellaneous

Less commonly used business activities

¹ No activity can be covered by more than one definition.

Mortgage Lending

Business Activity	Definition
Appraisal Management Services	Administering an appraiser panel, including recruitment, selection and retention of appraisers; contracting with appraisers to perform appraisals; managing the appraisal process; and/or reviewing the work of appraisers.
First mortgage brokering	Providing the service of bringing borrowers and lenders together and assisting in negotiating a mortgage loan that gives the mortgagee a security right over all other mortgages of the mortgaged property.
First mortgage lending	Acting as a lender or creditor by offering to provide funds to a borrower for a mortgage loan that gives the mortgagee a security right over all other mortgages of the mortgaged property.
Foreclosure consulting/foreclosure rescue	<p>Directly or indirectly making a solicitation, representation or offer to a homeowner to perform, for or with the intent to receive compensation from or on behalf of the homeowner, a service that the solicitation, representation or offer indicates will accomplish one or more of the following:</p> <ul style="list-style-type: none"> a) Prevent, postpone or stop a foreclosure sale. b) Obtain forbearance from a beneficiary or mortgagee. c) Assist the homeowner in exercising a right of redemption. d) Obtain an extension of the period within which the homeowner may reinstate the homeowner's obligation. e) Obtain the waiver of an acceleration clause that is: <ul style="list-style-type: none"> A. Contained in a promissory note or contract; and a. Secured by or contained in a deed of trust for, or mortgage on, a residence in foreclosure or in default. f) Assist the homeowner in obtaining a loan or advance of funds. <p>Avoid or ameliorate an impairment of the homeowner's credit resulting from a recorded notice of foreclosure or default.</p>

High cost home loans - Broker	Acting as a broker on a loan which meets the definition of a high cost home loan under state or federal law.
High cost home loans - Lender	Acting as a lender on a loan which meets the definition of a high cost home loan under state or federal law.
Home equity lending/lines of credit - Broker	Acting as a broker for an open-end loan, usually recorded as a second mortgage, that permits borrowers to obtain cash advances on an approved line of credit.
Home equity lending/lines of credit - Lender	Acting as a lender for an open-end loan, usually recorded as a second mortgage, that permits borrowers to obtain cash advances on an approved line of credit.
Manufactured housing financing - Broker	Acting as a broker in financing of a dwelling unit that is constructed off-site before moving to the set location where the property would reside.
Manufactured housing financing - Lender	Acting as a lender in financing of a dwelling unit that is constructed off-site before moving to the set location where the property would reside.
Mortgage loan purchasing	Purchasing closed mortgages (that are not currently in default) with the intent to service or resell to others.
Reverse mortgage brokering	Acting as a broker for a loan secured by a lien on residential real estate in which the homeowner is not required to make payments on the loan until a specific event occurs (e.g. homeowner ceases to reside in the property).
Reverse mortgage lending	Acting as a lender for a loan secured by a lien on residential real estate in which the homeowner is not required to make payments on the loan until a specific event occurs (e.g. homeowner ceases to reside in the property).
Second mortgage brokering	Providing the service of bringing borrowers and lenders together and assist in negotiating a mortgage loan that has subordinate rights to a first mortgage.
Second mortgage lending	Acting as a lender or creditor by offering to provide funds to a borrower for a mortgage loan that has subordinate rights to a first mortgage.

Short sale	Making or facilitating a sale of residential property for an amount that is less than the remaining amount due on the loan that the residential property secures.
Third party mortgage loan processing	Completing the mortgage loan application and supporting documentation for underwriting for an application your company did not take from the borrower.
Third party mortgage loan underwriting	Underwriting a mortgage loan application and supporting documentation for an application your company did not take from the borrower nor are funding.

Consumer Lending

Business Activity	Definition
Commercial Financing (Lending/Brokering)	<p>(1) Acting as a lender or creditor by providing or offering to provide open-end, closed-end, sales-based, factoring, or other form of commercial financing transaction, primarily for purposes other than personal, family, or household use, and the financing is not secured by real property; or</p> <p>(2) Acting as a broker by providing or offering to provide the service of bringing borrowers and lenders or creditors together to assist in negotiating such a commercial financing transaction.</p>
Consumer loan brokering	Providing the service of bringing borrowers and lenders together to assist a borrower obtain funds for personal, family or household purposes not including loans secured by real property.
Consumer loan lending	Acting as a lender or creditor by offering to provide or providing funds to a borrower primarily for personal, family or household purposes not including loans secured by real property.
Consumer Reporting Agency	Any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which may use any means or facility of commerce for the purpose of preparing or furnishing consumer reports.
Industrial loan lending companies	Acting as a lender by providing funds to a business or a corporation and not to a consumer.
Non-private student loan lending	Acting as a lender by providing funds for a loan guaranteed by the federal government to an individual for higher education purposes.
Pawn brokering	Acting as a lender by providing money on a deposit or pledge or taking other personal property items into possession as security for money advanced or publicly exhibiting signs that money is to be loaned on things on deposit.

<p>Payday lending – storefront</p>	<p>Providing, at any physical location, a smaller-dollar unsecured consumer loan, which typically is for a consumer's liquidity and due in a short period of time (i.e., generally less than 120 days) or payable in a single installment and includes engaging in a deferred presentment transaction.</p>
<p>Payday lending – online</p>	<p>Over the internet, providing a smaller-dollar unsecured consumer loan, which typically is for a consumer's liquidity and due in a short period of time (i.e., generally less than 120 days) or payable in a single installment, and includes engaging in a deferred presentment transaction.</p>

Private student loan lending	Acting as a lender by providing funds for a loan not guaranteed by the federal government to an individual for higher education purposes.
Property tax lending	Offering, negotiating, transacting, making, or servicing an advance of money on behalf of property owners for the purpose of paying property tax payments for which the lender receives a lien on the property allowing the lender to foreclose on the property if the owner defaults on the loan.
Refund anticipation lending	Offering a loan to a taxpayer based on the taxpayer's anticipated federal income tax refund.
Sales finance company activities – general	Providing financing to one or more retail buyers or purchasing retail installment contracts from one or more retail sellers in connection with products other than motor vehicles.
Sales finance company activities – moto vehicles	Providing financing to one or more retail buyers or purchasing retail installment contracts from one or more retail sellers in connection with motor vehicles.
Title lending	Providing a loan to a borrower that is secured by a nonpurchase money security interest in titled personal property.

Servicing/Debt

Business Activity	Definition
Active debt buying (undertakes direct collections on accounts)	Purchasing debt from another which is in default at the time of purchase or acquisition and undertaking activity to directly collect on the debt.
Consumer loan servicing	Providing services which include the receipt of payments, customer service, escrow administration, investor accounting, and collections for consumer loans (not including loans secured by real property).
Credit repair	Selling, providing or performing services to improve any consumer's credit record, credit history or credit rating, or providing advice or assistance to any consumer with regard to his credit record, credit history or credit rating.
Debt management/credit counseling	Receiving money, or offering to receive money, from debtors for application or payment to or prorating of a debt owed to, any creditor or creditors of such debtor; or providing, or offering to provide, counseling or other services to debtors in the management of their debts, or contracting with the debtor to affect the adjustment, compromise, or discharge of any account, note or other indebtedness of the debtor.
Debt negotiation	Acting on behalf of consumer debtors for or with the expectation of a fee, commission, or other valuable consideration to help clear debts by entering into direct negotiations with creditors in order to facilitate the repayment of debts.
Debt settlement/debt adjuster	For or with the expectation of a fee, commission or other valuable consideration, entering into an agreement with a debtor agreeing to distribute, supervise, coordinate, negotiate, or control the distribution of money or evidences thereof among one or more of the debtor's creditors in full or partial payment of the obligations of the debtor and including services as an intermediary between a debtor and one or more of the debtor's creditors for the purpose of obtaining concessions.

First mortgage servicing	Providing services which include the receipt of payments, customer service, escrow administration, investor accounting, collections or foreclosures for first mortgages the company holds/owns.
First party debt collection	Directly or indirectly collecting or receiving payment for your own delinquent accounts, bills, claims, or other indebtedness (not including mortgage indebtedness).
Judgment recovery	Collecting monies owed by delinquents or defaulting parties under judgments.
Master servicing	Directly or indirectly holding the rights to service mortgage loans, but not actually conducting the servicing activities associated with the loans.
Non-private student loan servicing	Providing services which include the receipt and application of borrower payments and other administrative services with respect to a loan to an individual to finance education or other school related expenses which is guaranteed by the federal government.
Passive debt buying (does not undertake direct collections on accounts)	Purchasing debt from another which is in default at the time of purchase or acquisition and engaging only in the practice of purchasing delinquent consumer debts for investment purposes without undertaking any activities to directly collect on the debt.
Private student loan servicing	Providing services which include the receipt and application of borrower payments and other administrative services with respect to a loan to an individual to finance education or other school related expenses which is not guaranteed by the federal government.
Repossession agency activities	Any person who through a designated repossession agent engages in business or accepting employment to locate or recover collateral that has been sold under a security agreement or used as security in a loan transaction including any secured party that utilizes its employees to repossess collateral.
Repossession agent activities	An individual who physically obtains possession of collateral for a secured party and engages in the above noted activity.

Reverse mortgage servicing	Acting as a servicer for a loan secured by a lien on residential real estate in which the homeowner is not required to make payments on the loan until a specific event occurs (e.g. homeowner ceases to reside in the property).
Subordinate lien mortgage servicing	Providing services which include the receipt of payments, customer service, escrow administration, investor accounting, collections or foreclosures for subordinate lien mortgages the company holds/owns.
Third party debt collection	Directly or indirectly collecting or receiving payment for others of any delinquent account, bill, claim or other indebtedness (not including mortgage indebtedness).
Third party first mortgage servicing	Providing services which include the receipt of payments, customer service, escrow administration, investor accounting, collections or foreclosures for first mortgages the company does not hold/own.
Third party subordinate lien mortgage servicing	Providing services which include the receipt of payments, customer service, escrow administration, investor accounting, collections or foreclosures for subordinate lien mortgage the company does not hold/own.

Moving Funds

Business Activity	Definition
Bill paying	Transferring funds from one location to another, by electronic devices or otherwise, for the acceptance of funds for bill payment when the bill payee does not have a contractual agreement with the service provider.
Check cashing	Accepting checks or monetary instruments in return for currency or a combination of currency and other monetary instruments or other instruments.
Electronic money transmitting	Accepting or instructing to be delivered currency, funds, or other value, such as stored value, that substitutes for currency to another location or person by electronic means, such as mobile-to-mobile payments.
Foreign currency dealing or exchanging	Accepting the currency, or other monetary instruments, funds or other instruments denominated in the currency, of one or more countries in exchange for the currency, or other monetary instruments, funds, or other instruments denominated in the currency of one or more countries.
Issuing and/or selling drafts	Issuing and/or selling either a negotiable instrument or non-negotiable instrument denominated in United States or foreign currency.
Issuing money orders	Being ultimately responsible for payment of money orders as the drawer of such instruments or a money transmitter that has the obligation to guarantee payment of a money transfer.

<p>Issuing prepaid access/stored value</p>	<p>Issuing prepaid access/stored value. Prepaid access/stored value is defined as accepting currency, funds or other value that substitutes for currency that has been paid in advance and can be retrieved or transferred at some point in the future through an electronic device or vehicle such as a card, code, electronic serial number, mobile identification number or personal identification number. This may include both “open loop” prepaid access (a type of prepaid access that can be used in transactions at any accepting retail location) and “closed loop” prepaid access (a type of prepaid access that can only be used in transactions involving a defined merchant or location, or set of locations).</p>
<p>Issuing traveler’s checks</p>	<p>Being ultimately responsible for payment of traveler’s checks as the drawer of such instruments or a money transmitter that has the obligation to guarantee payment of a money transfer.</p>
<p>Selling money orders</p>	<p>Operating a business that money order issuers authorize, through written agreement or otherwise, to sell the issuer’s money orders or send and receive the issuers transfer services.</p>
<p>Selling prepaid access/stored value</p>	<p>Selling prepaid access/stored value. Prepaid access/stored value is defined as accepting currency, funds or other value that substitutes for currency that has been paid in advance and can be retrieved or transferred at some point in the future through an electronic device or vehicle such as a card, code, electronic serial number, mobile identification number or personal identification number. This may include both “open loop” prepaid access (a type of prepaid access that can be used in transactions at any accepting retail location) and “closed loop” prepaid access (a type of prepaid access that can only be used in transactions involving a defined merchant or location, or set of locations).</p>
<p>Selling traveler’s checks</p>	<p>Operating a business that traveler’s check issuers authorize, through written agreement or otherwise, to sell the issuer’s traveler’s checks or send and receive the issuer’s transfer services.</p>

Transporting Currency	Engaging in the physically transportation of currency.
Virtual currency exchanging and trading services	Buying and selling virtual currency as a customer business on the company's own account; providing services allowing for the conversion or exchange of (1) fiat currency or other value into virtual currency, or (2) virtual currency into fiat currency or other value, or (3) one form of virtual currency into another form of virtual currency; including offering an online digital currency exchange and/or trading platform.

Miscellaneous

Business Activity	Definition
Accounting/billing servicing	Providing a billing and/or accounting service to a company.
Bi-weekly payment processing services	Offering or selling a service which allows a borrower to enter into a repayment plan that requires payments every two weeks to help repay the loan over a shorter amount of time.
Commercial mortgage brokering or lending	Acting as a broker or lender for commercial property (e.g. office buildings, apartment buildings, shopping centers and residential property over 4 units).
Credit insurance services	Offering or selling an insurance policy to a borrower that pays off one or more existing debts secured by real property in the event of death, disability or unemployment.
Escrowing agents	Any transaction for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he or she is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.
Lead generation	Loan solicitation without origination.
Mortgage loan modifications	Negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a mortgage loan modification which is defined as a change in one or more of a loan's terms or conditions.

Non-depository ATM operation	Providing a non-depository automated teller machine (ATM) for which the person or entity imposes a fee on, or receives a fee from, a customer using the ATM.
Non-mortgage loan modifications	Negotiating, attempting to negotiate, arranging, attempting to arrange, or otherwise offering to perform a non-mortgage loan modification which is defined as a change in one or more of a loan's terms or conditions.
Precious Metals Dealing	Engaging in the business of purchasing, selling, or trading articles made of or containing gold, silver, platinum, or other precious metals or jewels.
Premium finance company activities	Entering into agreements by which an insured or prospective insured promises to pay to an insurance premium finance company the amount advanced or to be advanced under the agreement to an insurer or to an insurance agent or broker in payment of premiums on an insurance contract together with a service charge.
Prepaid funeral plan providers	Offering prepaid funeral plans that provide funeral or cemetery merchandise or services.
Property assessed clean energy (PACE) Program Administrator	Administer financing for energy efficient property improvements on behalf of a local government entity.
Rent-to-own	Providing a rental purchase in which property is leased for a payment (weekly/monthly) with the ability to purchase at some point in time.
Retail installment selling	Selling or assigning retail installment contracts.