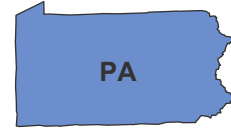




Description



PENNSYLVANIA MORTGAGE CONSUMER DISCOUNT COMPANY LICENSE

Who is required to have this license?

This license is required of a business entity that holds a Consumer Discount Company License and has employees that act as mortgage originators, regardless of the statutory authority under which the Consumer Discount Company is operating.

A Consumer Discount Company that acts as a mortgage lender, mortgage loan correspondent, or mortgage broker, shall be subject to the following provisions in the Mortgage Act:

- Provisions of Subchapter C (mortgage loan business restrictions and requirements)
- Sections 6131 (c) (2), (3), and (5) (application for license)
- Section 6138 (authority of the department)
- Section 6140 (b) (penalties)

Employees of licensee under the Consumer Discount Act that act as mortgage originators shall be subject to licensing under the Mortgage Act. Mortgage Consumer Discount Companies that employ mortgage originators shall be subject to the same requirements of mortgage lenders in regard to the employment and supervision of mortgage originators.

What are the pre-requisites for license applications?

- Net worth: minimum of \$250,000
- Financial Statements:
 - Provide previous fiscal year financial statement (audited or unaudited if certified by executive officer), showing a minimum tangible net worth of \$250,000.
 - All financial statements must be prepared in accordance with Generally Accepted Accounting Principles.
 - 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.
- Line of Credit, Repurchase Agreement or Equivalent Mortgage Funding Capability of not less than: \$1,000,000.
- Credit check for company owners and officers
- Bond: Obtain and maintain a bond in the amount that will provide coverage for the mortgage originators employed by the company based upon total Pennsylvania loan volume.

<u>Bond Amount</u>	<u>Anticipated or Actual Amount of PA Mortgage Loan Originations</u>
\$100,000	\$29,999,999.99 or less
\$200,000	\$30,000,000 - \$99,999,999.99
\$300,000	\$100,000,000 – \$249,999,999.99
\$500,000	\$250,000,000 or more

- Criminal background check for company owners and officers
- Tax Certification: Licensees are required to provide a certified memorandum indicating all tax obligations to the Commonwealth of Pennsylvania have been paid or that a deferred payment plan with the Pennsylvania Department of Revenue has been made.

WHO TO CONTACT – Contact the Pennsylvania Department of Banking and Securities, Non-Depository licensing staff by phone at (717) 787-3717 or send your questions via e-mail to ra-asklicensing@pa.gov 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.