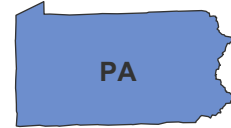




Description



PENNSYLVANIA PARTIALLY EXEMPT MORTGAGE COMPANY REGISTRATION

Who is required to have this registration?

This registration is available for any principal place of business partially exempt from a mortgage business **licensing** requirement but may have employees that are licensed or registered mortgage originators.

Partially exempt business entities carrying a bond covering their mortgage originators must file an annual report through the NMLS, and therefore must be registered as a “Partially Exempt Mortgage Company” on the NMLS. There is no state registration fee associated with using the NMLS for this registration.

Examples are provided below of business entities that are partially exempt from licensure but must either maintain bond coverage for its licensed mortgage originators and file an annual report with the Department through the NMLS, **or** demonstrate, in a form acceptable to the department, that all licensed mortgage originators employed by the entity have obtained and maintained bond coverage:

- affiliates of banking institutions or state and federally chartered credit
- subsidiaries of credit unions (not required to provide bond coverage for registered mortgage originators)
- consumer discount companies
- A bona fide nonprofit organization and employees of the organization acting within the scope of their employment. (not required to provide bond coverage)
- An installment seller of, or holder of installment sales contracts secured by, manufactured homes who is licensed under the act of June 28, 1947 (P.L.1110, No.476), known as the Motor Vehicle Sales Finance Act, provided the installment seller or holder only engages in the mortgage loan business regarding installment sales contracts secured by manufactured homes that are purchase-money mortgage loans.
- A non-originating person deemed to be engaged in the mortgage loan business by the department.

Who does not need this registration?

Examples follow of entities that are completely exempt from the MLA’s mortgage licensing requirement, including the requirement of licensing their mortgage originators:

- attorneys at law who do not hold themselves out to the public as engaging in the mortgage loan business and who are not compensated by a company or individual in the mortgage business
- banking institutions and credit unions; however, their employed mortgage originators must register (not license) through NMLS according to regulations to be issued by federal regulatory agencies
- registered mortgage loan originators who are employees of banking institutions and credit unions

- loan processors and underwriters performing clerical or supportive functions if employed by a mortgage licensee or entity exempt from licensure
- employees of a mortgage business who only re-negotiate existing mortgage loans held or serviced by his or her employer unless determined otherwise by HUD or a court of competent jurisdiction
- an individual or entity solely involved in offering to make or negotiating extensions of credit relating to timeshare plans
- A person who originates or negotiates less than four mortgage loans in a calendar year, unless determined to be engaged in the mortgage loan business by the department.
- Any agency or instrumentality of the Federal Government or a corporation otherwise created by an act of the United States Congress, including the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans' Administration, the Federal Home Loan Mortgage Corporation and the Federal Housing Administration, and employees thereof acting within the scope of their employment.
- Any agency or instrumentality of a state or local government, the District of Columbia or any territory of the United States, including the Pennsylvania Housing Finance Agency and other government housing finance agencies, and employees thereof acting within the scope of their employment.

What are the pre-requisites for a registration?

- Financial Statements:
 - Provide previous fiscal year financial statement (audited or unaudited if certified by executive officer).
 - 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.
- Bond:

<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

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.