



Connecticut Mortgage Servicer License New Application Checklist (Company)

Section 36a-718 of the Connecticut General Statutes requires activity subject to licensure to be conducted at an office in a state, as defined in section 36a-2. State means any state of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the trust territory of the Pacific Islands, the Virgin Islands and the Northern Mariana Islands.

CHECKLIST SECTIONS

- [General Information](#)
- [License Fees](#)
- [Requirements Completed in NMLS](#)
- [Requirements/Documents Uploaded in NMLS](#)
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GENERAL INFORMATION

Who Is Required to Have This License?

Any person, who, for such person or on behalf of the holder of a residential mortgage loan, receives payments of principal and interest in connection with a residential mortgage loan, records such payments on such person's books and records, and performs other administrative functions as may be necessary to carry out the mortgage holder's obligations under the mortgage agreement including, when applicable, the receipt of funds from the mortgagor to be held in escrow for payment of real estate taxes and insurance premiums and the distribution of such funds to the taxing authority and insurance company, and includes a person who makes payments to borrowers pursuant to the terms of a home equity conversion mortgage or reverse mortgage.

Note: Owners of mortgage servicing rights and owners of mortgage loans for which mortgage servicing rights have been retained, who hire licensed mortgage servicers to perform the mortgage servicing necessitated by ownership, must obtain a mortgage servicer license unless exempt or excluded from licensure.

Who Does Not Need This License?

1. Any bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, provided such bank or credit union is federally insured;
2. Any wholly-owned subsidiary of such bank or credit union;
3. Any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same such bank or credit union;
4. Any person licensed as a mortgage lender in this state while acting as a mortgage servicer from a location licensed as a main office or branch office under sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, provided (A) such person meets the supplemental mortgage servicer surety bond, fidelity bond and errors and omissions coverage requirements under section 36a-719c; and
5. Any person licensed as a mortgage correspondent lender in this state while acting as a mortgage servicer with respect to any residential mortgage loan it has made during the permitted 90 day holding period for such loan from a location licensed under sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-534b.

Activities Authorized Under This License

- First mortgage servicing
- Subordinate lien mortgage servicing
- Master servicing
- Mortgage loan modifications
- Third party first mortgage servicing
- Third party subordinate lien mortgage servicing
- Reverse mortgage servicing

Pre-Requisites for License Applications

- **Bond Amount:** \$100,000 per office location.
- **Fidelity Bond:** Minimum of \$300,000 in coverage required (see chart below). Refer to section 36a-719c for details.
- **Errors and Omissions Coverage:** Minimum of \$300,000 in coverage required (see chart below). Refer to section 36a-719c for details.
- **Experience:** A Qualifying Individual with at least three years of experience in the mortgage servicing business within the five years immediately preceding the date of application.
- **Total License Cost:** \$1,100 including the NMLS processing fee.

The Connecticut Department of Banking does not issue paper licenses for this license type.

Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Agency Contact Information

Contact Consumer Credit licensing staff by phone at (860) 240-8225 or send your questions via email to dob.ccl@ct.gov for additional assistance.

For U.S. Postal Service & Overnight Delivery

*Connecticut Department of Banking
Consumer Credit Division
260 Constitution Plaza
Hartford, CT 06103*

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

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	CT Mortgage Servicer License	Submitted via...
<input type="checkbox"/>	CT License/Registration Fee: \$1,000 NMLS Initial Processing Fee: \$100	NMLS (Filing submission)
<input type="checkbox"/>	Credit Report for Control Persons: \$15 per person.	NMLS
<input type="checkbox"/>	FBI Criminal Background Check for MU2 Individual: \$36.25 per person.	NMLS

REQUIREMENTS COMPLETED IN NMLS

Complete	CT Mortgage Servicer License	Submitted via...
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license through NMLS.	NMLS
<input type="checkbox"/>	Financial Statements: Upload a financial statement prepared within 12 months of application date. 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. Click to download financial statement form. Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.	NMLS
<input type="checkbox"/>	Other Trade Name: If operating under a name that is different from the applicant's legal name that name must be listed in the <i>Other Trade Names</i> section of the Company Form (MU1). The Connecticut Department of Banking does not limit the number of Other Trade Names. Note: It is the applicant's responsibility to ensure that all names are properly registered with the required municipality or government agency.	NMLS
<input type="checkbox"/>	Resident/Registered Agent: The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1) and must match the information currently on record with Connecticut Secretary of the State.	NMLS
<input type="checkbox"/>	Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1): 1. Primary Company Contact. 2. Primary Consumer Complaint Contact.	NMLS
<input type="checkbox"/>	Non-Primary Contact Employees: An individual should be identified for the following areas in the <i>Contact Employees</i> section of the Company Form (MU1): 1. Accounting 2. Exam Billing 3. Licensing 4. Consumer Complaint (Public) 5. Exam Delivery 6. Litigation 7. Consumer Complaint (Regulator) 8. Legal 9. Pre-Exam Contact	NMLS

<input type="checkbox"/>	<p>Disclosure Questions: Upload complete details of all events or proceedings for each “Yes” response to the Disclosure Questions for the Company, each control Person and Qualifying Individual on NMLS Company Form and Individual Form. Upload copies of any applicable orders or supporting documents into appropriate Disclosure Explanations sections. Include official court documents for any felony or misdemeanor conviction(s) and all documents for any outstanding judgment(s) or lien(s) including evidence of payment.</p> <p>See the Company Disclosure Explanations Quick Guide for instructions.</p>	<p>Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).</p>
<input type="checkbox"/>	<p>Qualifying Individual: A Qualifying Individual is required to:</p> <ul style="list-style-type: none"> • Have at least three years of experience in the mortgage servicing business within the five years immediately preceding the application • Be capable of providing full-time supervision of the main office <p>A work experience form or resume must be uploaded to NMLS recognizing the dates of employment (month/year), employer, job title, and work functions for each position held by the individual for a period of at least five years immediately preceding the date of application. Click to download experience form.</p> <p>This document should be named <i>Work experience form – [QI Name]</i>.</p> <p>Note: The Qualifying Individual is required to meet <u>minimum criminal and credit background check requirements</u>. The individual will be required to authorized a criminal background check and credit report through NMLS.</p>	<p>Upload in NMLS: under the Document Type <u>Verification of Experience</u> in the <i>Document Uploads</i> section of the Individual Form (MU2)</p>
<p>Note: Control Person means, “an individual that directly or indirectly exercises control over another person. Any person that (A) is a director, general partner or executive officer; (B) in the case of a corporation, directly or indirectly has the right to vote ten per cent or more of a class of any voting security or has the power to sell or direct the sale of ten per cent or more of any class of voting securities; (C) in the case of a limited liability company, is a managing member; or (D) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten per cent or more of the capital, is presumed to be a control person. For purposes of this subdivision, "control" means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise.”</p>		
<input type="checkbox"/>	<p>Direct Owner/Executive Officer and Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>	<p>NMLS</p>
<input type="checkbox"/>	<p>Credit Report: Direct Owners/Executive Officers and the Qualifying Individual are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. This authorization is made when the Individual Form (MU2) is submitted as part of the Company Form (MU1).</p>	<p>NMLS</p>
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check Requirements: MU2 Individuals on the Company Form (MU1) are required to authorize an FBI criminal background check (CBC) through NMLS.</p> <p>After authorizing an FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more info.</p> <p>Note: If you can ‘Use Existing Prints’ to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p>	<p>NMLS</p>

	<p>Formation Documents: Determine classification of applicant's legal status and submit a State certified copy of the applicable documentation detailed below. Original formation documents and all subsequent amendments including a list of any name changes.</p> <p>General Partnership:</p> <ul style="list-style-type: none"> Partnership Agreement (including all amendments) <p>Limited Liability Company:</p> <ul style="list-style-type: none"> Articles of Organization (including all amendments) <p>Corporation:</p> <ul style="list-style-type: none"> Articles of Incorporation (including all amendments) <p>This document should be named <i>Formation Documentation [Date of Creation]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Formation Document</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
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<input type="checkbox"/>	<p>Electronic Surety Bond: Electronic Surety Bond via NMLS in the amount of \$100,000 per location furnished and submitted by a surety company authorized to conduct business in Connecticut.</p> <p>See the ESB Adoption Table and the ESB for NMLS Licensees page of the NMLS Recourse Center for more information.</p>	<p>Electronic Surety Bond in NMLS</p>
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REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

Complete	CT Mortgage Servicer License	Submitted via...
<input type="checkbox"/>	<p>Errors and Omissions Coverage: Upload the FULL policy (includes Declaration Page and Certificate of Insurance) to NMLS reflecting a minimum of \$300,000 in coverage (see chart below). Refer to Section 36a-719c of the Connecticut General Statutes.</p> <p>Note: This policy must name the Commissioner of the CT Department of Banking as an additional loss payee.</p>	<p>Upload in NMLS: under Document Type <u>Errors and Omissions</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Fidelity Bond: Upload the FULL policy (includes Declaration Page and Certificate of Insurance) to NMLS reflecting a minimum of \$300,000 in coverage (see chart below). Refer to Section 36a-719c of the Connecticut General Statutes.</p> <p>Note: This policy must name the Commissioner of the CT Department of Banking as an additional loss payee.</p>	<p>Upload in NMLS: under Document Type <u>Fidelity Bond</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

Calculation Chart for Fidelity Bond and Errors and Omissions Coverage

Minimum Principal Amount Required	Amount of Residential Mortgage Loans Serviced
\$300,000	\$100 million or less
Plus 0.15%	of the next \$400 million
Plus 0.125%	of the next \$500 million
Plus 0.10%	of the amount over \$1 billion

Mortgage Servicers Who Meet the Definition of Covered Institution

Complete

CT Mortgage Servicer License

Submitted via...

Note: "Covered institution" means a mortgage servicer that services, or subservices for others, at least two thousand mortgage loans primarily for personal, family or household use secured by residential property in the United States, excluding whole loans owned and loans being interim serviced prior to sale, as reported on the mortgage call report on the system or any other document required by the commissioner.



Financial Statements: A covered institution shall annually procure an external audit, including audited financial statements and audit reports that shall include:

1. Annual financial statements, including a balance sheet, income statement, cash flows, notes and supplemental schedules prepared in accordance with GAAP;
2. Assessment of the internal control structure;
3. Computation of tangible net worth;
4. Validation of mortgage servicing rights valuation and reserve methodology;
5. Verification of adequate fidelity and errors and omissions insurance; and
6. Testing of controls related to risk management activities, including compliance and stress testing, as applicable.

A covered institution shall maintain the Federal Housing Finance Agency's Eligibility Requirements for Enterprise Single-Family Seller/Servicers for minimum capital ratio, net worth, and liquidity whether or not the mortgage servicer is approved for government sponsored enterprise servicing.

Note: Written policies and procedures shall be maintained for implementing the capital and servicing liquidity requirements including a sustainable written methodology for satisfying these requirements.

NMLS



Board of Directors: A covered institution shall establish and maintain a board of directors responsible for oversight of the covered institution. The board of directors shall:

1. Establish a written corporate governance framework, including appropriate internal controls designed to monitor corporate governance and assess compliance with the corporate governance framework;
2. Monitor and ensure institutional compliance with the rules established under sections 36a-715 to 36a-719l, inclusive, of the general statutes and accurately and timely complete and submit regulatory reports, including filing the mortgage call report; and
3. Establish internal audit requirements appropriate for the size, complexity, and risk profile of the servicer, with appropriate independence to provide a reliable evaluation of the servicer's internal control structure, risk management, and governance.

NMLS



Risk Management Program: A covered institution shall establish a risk management program under the oversight of the board of directors that identifies, measures, monitors, and controls risk commensurate with the complexity of the servicer. The risk management program shall have appropriate processes and models in place to measure, monitor, and mitigate financial risks and changes to the risk profile of the servicer and assets being serviced. Such risks shall include, but are not limited to Credit Risk, Liquidity Risk, Operational Risk, Market Risk, Compliance Risk, Legal Risk, and Reputation Risk.

Note: A risk management assessment shall be conducted annually and shall include a written report to the board of directors. It shall include evidence of risk management activities, any adverse findings relating to the institution's risk management program, and proposed corrective actions needed to remedy any findings noted.

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