



TX-SML Mortgage Banker Registration New Application Checklist (Company)

CHECKLIST SECTIONS

- [General Information](#)
- [License Fees](#)
- [Requirements Completed in NMLS](#)
- [Requirements/Documents Uploaded in NMLS](#)
- [Requirements Submitted Outside of NMLS](#)

GENERAL INFORMATION

Who Is Required to Have This Registration?

A person may not conduct the business of a mortgage banker unless the person is registered as a mortgage banker. The term “person” includes any corporation, organization, partnership, association, sole proprietorship, or other legal entity that conducts the business of a mortgage banker unless the person is exempt. See Texas Finance Code § 157.003.

Texas Finance Code § 157.002(4) defines a “mortgage banker” as “a person who:

- (A) accepts an application for a residential mortgage loan, makes a residential mortgage loan, or services residential mortgage loans; and
- (B) is an approved or authorized:
 - (i) mortgagee with direct endorsement underwriting authority granted by the United States Department of Housing and Urban Development;
 - (ii) seller or servicer of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; or
 - (iii) issuer for the Government National Mortgage Association.”

In addition to the licensing/registration requirement for originating residential mortgage loans, a person may not make a wrap mortgage loan unless the person is licensed as a mortgage company, registered as a mortgage banker, or exempt from licensure. See Texas Finance Code § 159.051.

A “wrap lender” is defined by Texas Finance Code § 159.001(6) as “a person who makes a wrap mortgage loan; or an owner of residential real estate who contacts with another person to make a wrap mortgage loan to a wrap borrower on the owner’s behalf to finance the purchase of the owner’s residential real estate.”

A person is considered to make a wrap mortgage loan “when a person determines the credit decision to provide the wrap mortgage loan, or the act of funding the wrap mortgage loan or transferring money to the wrap borrower. A person whose name appears on the loan documents as the payee of the note is considered to have ‘made’ the wrap mortgage loan.” See 7 Texas Administrative Code § 78.2(8).

For wrap mortgage loan transactions, the following entities must be licensed or registered:

- (1) a person making the credit decision to make the wrap mortgage loan;
- (2) the lender of record shown on the promissory note;

- (3) hard-money lenders;
- (4) table funding or correspondent lenders where the wrap mortgage loan is closed in a broker's name as the lender on the promissory note but the funding for the wrap mortgage loan comes from a prearranged buyer of the loan or from a "warehouse" line of credit extended by a bank, financial institution or entity; and
- (5) a person originating a wrap mortgage loan on behalf of a lender.

Who Does Not Need This Registration?

The following entities do not have to be registered as a mortgage banker (see Texas Finance Code § 157.004):

- (1) a federally insured bank, savings bank, savings and loan association, Farm Credit System Institution, or credit union;
- (2) a subsidiary of a federally insured bank, savings bank, savings and loan association, Farm Credit System Institution, or credit union;
- (3) a residential mortgage loan company licensed under Chapter 156 of the Texas Finance Code;
- (4) an authorized lender licensed under Chapter 342 of the Texas Finance Code (applies only to home equity loans and secondary mortgage loans with an effective rate greater than 10% simple interest – see note below); or
- (5) the state or a governmental agency, political subdivision, or other instrumentality of the state, or an employee of the state or a governmental agency, political subdivision, or instrumentality of the state who is acting within the scope of the person's employment.

Note: The exemption under item (4) only applies if the person originates a loan subject to Chapter 342 (secondary mortgage loans with an effective rate greater than 10% per annum) or a loan governed by Section 50(a)(6), Article XVI, Texas Constitution (home equity loans), and, the person:

- (A) is enrolled in NMLS;
- (B) is licensed under Chapter 342 of the Texas Finance Code (holds a regulated loan license issued by the Texas Office of Consumer Credit Commissioner); and
- (C) makes consumer loans subject to:
 - (i) Subchapter G, Chapter 342; and
 - (ii) Subchapter E or F, Chapter 342;

Activities Authorized Under This Registration

This registration authorizes the following activities...

- First and Second mortgage brokering
- First and Second mortgage lending
- High cost home loans brokering
- High cost home loans lending
- Home equity lending/lines of credit brokering
- Home equity lending/lines of credit lending
- Mortgage loan purchasing
- Reverse mortgage brokering
- Reverse mortgage lending
- Short Sale
- Third party mortgage loan processing
- First lien mortgage servicing
- Subordinate lien mortgage servicing
- Reverse mortgage servicing

- Third party first mortgage servicing
See the [Business Activities Definitions](#) for a full list.

Pre-Requisites for License Applications

To register, a mortgage banker shall:

1. enroll with the Nationwide Mortgage Licensing System and Registry;
 2. be in good standing with the Texas Secretary of State;
 3. have a valid federal employer identification number issued by the Internal Revenue Service;
 4. meet the qualification requirements for a mortgage banker;
 5. not be in violation of Chapter 157 of the Texas Finance Code, a rule adopted under Chapter 157 of the Texas Finance Code, or any order previously issued by the commissioner to the applicant; and
 6. provide to the commissioner a list of any offices that are separate and distinct from the primary office identified on the mortgage banker registration and that conduct residential mortgage loan business relating to this state, regardless of whether the offices are located in this state.
- See Texas Finance Code § 157.003(b) and 7 Texas Administrative Code § 81.204(b)(4).

Additionally, the company name or assumed name must be properly filed with either the Texas Secretary of State or the appropriate Texas County Clerk's Office (unincorporated person).

TX SML **does not** issue paper licenses for this registration 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 the TX-SML Licensing Section by phone at 512-475-1350 or toll free at 877-276-5550 or send your questions via e-mail to nmls@sml.texas.gov for additional assistance.

For U.S. Postal Service and Overnight Delivery:

*Department of Savings and Mortgage Lending
Licensing Section
2601 North Lamar Boulevard, Suite 201
Austin, Texas 78705-4207*

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	TX-SML Mortgage Banker Registration	Submitted via...
<input type="checkbox"/>	Texas Mortgage Banker Registration Fee (MU1): \$300 NMLS Initial Processing Fee: \$100	NMLS

REQUIREMENTS COMPLETED IN NMLS

Complete	TX-SML Mortgage Banker Registration	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 registration through NMLS.	NMLS

<input type="checkbox"/>	<p>Approvals and Designation:</p> <p>To register as a mortgage banker, the company must provide one or more of the following approvals or authorizations:</p> <p>HUD FHA DE Approval- Approval letter from the United States Department of Housing and Urban Development that the company has Direct Endorsement Underwriting Authority.</p> <p>Ginnie Mae Approval- Letter from the Government National Mortgage Association showing the company as an approved issuer.</p> <p>Fannie Mae Approval- Letter from the Federal National Mortgage Association that the company is an approved seller or servicer.</p> <p>Freddie Mae Approval – Letter from the Federal Home Loan Mortgage Corporation that the company is approved seller or servicer.</p>	<p>NMLS</p> <p>Upload in NMLS: under the Document Type Document Samples in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Disclosure Questions: Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2).</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>
<p>Note</p>	<p>Qualifying Individual: The <i>Qualifying Individual</i> section is not required to be completed for TX-SML on the Company Form (MU1) for a mortgage banker.</p>	<p>N/A</p>
<input type="checkbox"/>	<p>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>Branch Office Registrations: Each branch office must be separately registered and file a Form MU3 through NMLS. A “branch office” is any office a mortgage banker maintains that is separate and distinct from its main office, whether located in Texas or not, at which it conducts residential mortgage loan origination business with mortgage applicants or prospective mortgage applicants in Texas or concerning residential real estate located in Texas. See 7 Texas Administrative Code § 81.206(a)(2).</p>	<p>NMLS</p>

<p>□</p>	<p>List of Administrative Offices: A mortgage banker must provide a list of all “administrative offices” of the mortgage banker. See Texas Finance Code § 157003(b) and 7 Texas Administrative Code § 81.204(b)(4).</p> <p>"Administrative office" means any office of a mortgage banker that is separate and distinct from its main office or a branch office, whether located in Texas or not, at which the mortgage banker conducts residential mortgage loan business in Texas.</p> <p>The term includes (see 7 Texas Administrative Code § 81.206(a)(11):</p> <ul style="list-style-type: none"> (A) an office or location at which the employees of the mortgage banker act solely in the capacity of a "loan processor or underwriter," as that term is defined by Texas Finance Code § 180.002; (B) an office or location at which the employees of the mortgage banker perform solely administrative or clerical tasks on behalf of an individual licensed as an originator, as provided by Texas Finance Code § 180.002(19)(B)(i); (C) with respect to a mortgage banker whose registration under Chapter 157 of the Texas Finance Code reflects it acts as a servicer of residential mortgage loans, an office or location at which a mortgage banker or its employees solely perform activities relating to residential mortgage loan servicing, including: <ul style="list-style-type: none"> (i) collection of the residential mortgage loan; (ii) the administration of escrow accounts; (iii) loss mitigation; (iv) administering or enforcing the terms of a residential mortgage loan; or (v) administering the terms of an investor servicing agreement for a residential mortgage loan; or (D) an office or location which conducts any combination of activities described by subparagraphs (A)-(C) of this paragraph. <p>The list of “administrative offices” must include the trade name, complete physical address of the administrative office, and the business activities conducted at the administrative office.</p>	<p>NMLS</p> <p>Upload in NMLS: under the Document Type <u>List of Offices</u> in the <u>Document Uploads</u> section of the Company Form (MU1).</p>
<p>Note</p>	<p>Each residential mortgage loan originator (An individual who for compensation or gain or in the expectation of compensation or gain: (1) takes a residential mortgage loan application; or (2) offers or negotiates the terms of a residential mortgage loan) must be separately licensed and file a Form MU4 through NMLS. After the MU4 is submitted, the mortgage banker must submit a sponsorship request to the TX-SML before the individual MU4 license will be approved.</p> <p>A quick guide entitled “Create a Company Sponsorship” at the following link will help walk you through this process: NMLS Quick Guides.</p>	<p>NMLS</p>

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	TX-SML Mortgage Banker Registration	Submitted via...
<input type="checkbox"/>	<p>Certificate of Authority/Good Standing Certificate: If the company was organized or formed outside of Texas, Upload a State-issued and approved document (Texas Secretary of State's office), dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in Texas.</p> <p>This document should be named <i>Texas Certificate of Authority OR Texas Certificate of Good Standing</i>.</p> <p>Note: A foreign filing entity, as described in Section 9.001 of the Texas Business Organizations Code, must file an application for registration, previously known as an application for certificate of authority, if it "transacts business" in Texas.</p> <p>Section 9.001 of the Texas Business Organizations Code only requires a certificate of authority for the following entities: corporations; limited partnerships; limited liability partnerships; limited liability companies; business trusts; real estate investment trusts; cooperatives; public or private limited companies; any other foreign entity that, if formed in Texas, would be formed as a corporation, limited partnership, limited liability company, professional association, cooperative, or real estate investment trust; and any other foreign entity that affords limited liability under the law of its jurisdiction of formation for any owner or member.</p> <p>A true sole proprietorship is not required to obtain a certificate of authority from the Texas Secretary of State.</p> <p>More information about the out-of-state entity registration can be obtained from the Texas Secretary of State.</p>	<p>Upload in NMLS: under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<div data-bbox="147 401 172 428" data-label="Image"><input type="checkbox"/></div> <div data-bbox="147 705 172 732" data-label="Image"><input type="checkbox"/></div>	<p>Document Samples: Upload copies of the following sample documents used in the regular course of business in connection with this license:</p> <ul style="list-style-type: none"> IRS Employer Identification Number Verification Document A copy of the SS-4 letter or 147C letter from the Internal Revenue Service (IRS) must be provided that confirms the company's Employee Identification Number (EIN). Note: A SS-4 application form will not be accepted by TX-SML as proof of the issuance of an EIN. Company name listed on the IRS document must match exactly as the name listed on the MU1 and with Texas Secretary of State. This document should be named <i>[IRS EIN Verification]</i>. Written Statement that Mortgage Banker acts as a Residential Mortgage Loan Servicer, if applicable A mortgage banker that services residential mortgage loans must provide a written statement that the mortgage banker acts as a residential mortgage loan servicer. See Texas Finance Code § 157.003(h). A mortgage banker may satisfy the written statement requirement by checking one or more of the following items in the "Business Activities" section of the MU1 --- First mortgage servicing, Subordinate lien mortgage servicing, Reverse mortgage servicing, and Third party first mortgage servicing. 	<p>Upload in NMLS: under the Document Type <u>IRS EIN Verification</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
NOTE	Company must be in good standing with the Texas Secretary of State and the Texas Comptroller of Public Accounts.	

<div data-bbox="147 1010 175 1037" data-label="Image"></div>	<p>Formation Documents: Determine classification of applicant’s legal status and submit a true and correct copies of the applicable documentation detailed below.</p> <p>Sole Proprietorship</p> <ul style="list-style-type: none"> • None <p>Unincorporated Association:</p> <ul style="list-style-type: none"> • By-Laws or constitution (including all amendments). <p>General Partnership:</p> <ul style="list-style-type: none"> • Partnership Agreement (including all amendments). <p>Limited Liability Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Liability Partnership; and • Partnership Agreement (including all amendments). <p>Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Liability Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Company (“LLC”):</p> <ul style="list-style-type: none"> • Certificate of Formation or similar document (including all amendments); • Operating Agreement (including all amendments); • IRS Form 2553 or IRS Form 8832 if S-corp or C-corp treatment elected; and • LLC resolution if authority not in operating agreement. <p>Corporation:</p> <ul style="list-style-type: none"> • Certificate of Formation or similar document (including all amendments); • By-laws (including all amendments), if applicable; • Shareholder Agreement (including all amendments), if applicable; • IRS Form 2553 if S-corp treatment elected; and • Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable. <p>Not for Profit Corporation</p> <ul style="list-style-type: none"> • Documents requested of a Corporation; and • Proof of nonprofit status <ul style="list-style-type: none"> ○ IRS 501(c)(3) designation letter; or ○ statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity’s net earnings may lawfully benefit any private shareholder or individual; or ○ entity's Certificate of Formation or similar document if it clearly establishes the nonprofit status of the applicant; or ○ Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate. 	<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> <p>This document should be named <i>Formation Documentation [Date of Creation (MM-DD-YYYY)]</i>.</p>
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	Trust (Statutory) <ul style="list-style-type: none"> • Certificate of Trust; and • Governing instrument (all amendments). 	
<input type="checkbox"/>	<p>Management Chart: Submit a Management chart displaying the applicant's directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p> <p>Note: If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under the Document Type <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Organizational Chart/Description: Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the applicant/licensee <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p>Note: If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under the Document Type <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

REQUIREMENTS SUBMITTED OUTSIDE OF NMLS - These items must be completed outside of NMLS and submitted directly to the regulator.

No items are required to be submitted outside of NMLS for this license/registration at this time.