



Company New Application Checklist Agency Requirements



NEW YORK EXEMPT MORTGAGE BROKER REGISTRATION-NP

Instructions

This document includes instructions for a Not-for-Profit Organization (herein after referred to as “nonprofit organization” or “organization”) to follow in completing the requirements for approval as an exempt mortgage broker.

Pursuant to Part 39 of the General Regulations of the Superintendent, nonprofit organizations engaged in mortgage loan origination activities may seek an exemption from registration. Section 39.4(e) of the regulations grants the Superintendent the authority to prescribe the information that must be submitted to the Department.

Additionally, in order for employees of nonprofit organizations to be exempted from the mortgage loan originator licensing requirements of 12 C.F.R. section 1008.103(a), the Department must make a determination that the mortgage loan originator is an employee of a bona fide nonprofit. See 12 C.F.R. section 1008.103(7)(i). The guidelines for determining whether a nonprofit organization is bona fide is outlined in 12 C.F.R. section 1008.103(7)(ii).

If the nonprofit organization operates a Single Purpose Limited Liability Subsidiary to “make” loans on 1-4 family property located in New York State, the SPLLS must submit an Exempt Mortgage Banker License-NP, application simultaneously with the parent’s Exempt Mortgage Broker Registration-NP application. Additionally, the parent must have one licensed mortgage loan originator to supervise independent contractors engaged in processing and underwriting activities for the SPLLS.

Fee

Total License costs: \$100 (NMLS processing fee)

Fees collected through the NMLS ARE NOT REFUNDABLE.

Incomplete Application

If an application is determined to be incomplete, the applicant will receive a written notice identifying the items and matters that must be addressed for the Department to continue the application review process. **If a complete response fully addressing all such items and matters to the satisfaction of the Department is not received within 60 days of sending such notice, the application will be considered withdrawn.**

Approval or Denial

After the application has been processed, the applicant will receive written notification of the approval or denial of the application.

Submitting a Complete Application

The checklist below provides instructions and requirements for information to be entered in the NMLS, the documents that must be uploaded into NMLS, as well as the documents for which originals must be mailed to the Department.

For help with the NMLS application, see the [Quick Guide for submitting a complete Company Form](#) filing through NMLS.

Items marked **File in NMLS** must be completed and/or uploaded in the NMLS. **NOTE:** this information will not be viewable to the Department until the application has been submitted through NMLS.

For help with document uploads, see the [Document Upload Quick Guide](#) for formatting instructions, upload instructions and document descriptions and examples.

Jurisdiction specific requirements marked **SENT TO NY DEPT. OF FINANCIAL SERVICES** must be received by the Department within five (5) business days of the submission of your application through the NMLS. **NOTE:** The Applicant’s NMLS Identification Number must be included on every document submitted. If originals are required, the originals **MUST** be mailed in hard copy to the following address:

*New York State Department of Financial Services
Attention: Mortgage Banking – Exempt Application Processing Unit
One State Street
New York, NY 10004*

DO NOT SEND THIS CHECKLIST TO THE DEPARTMENT

FILED IN NMLS	SENT TO NY DEPT. OF FINANCIAL SERVICES	NOT APPLICABLE	NEW YORK EXEMPT MORTGAGE BROKER REGISTRATION- NP
<input type="checkbox"/>	N/A	N/A	NMLS Application: Submit the Company (MU1) Form through NMLS. The Department will not accept documentation for New York State jurisdiction-specific requirements before an NMLS application is submitted.
<input type="checkbox"/>	N/A	N/A	Qualifying Individual: Each exempt entity must designate a person or persons to serve as the Qualifying Individual (the “Qualifier”) in charge of the organization’s loan origination activities or oversight of licensed mortgage loan originators. Such person must have at least two-years of experience in the business of credit analysis or similar lending and credit evaluation experience and be actively engaged in the business of the exempt mortgage broker. This individual should be listed in the <i>Qualifying Individual</i> section of the Company (MU1) Form.
<input type="checkbox"/>	N/A	N/A	Resident/Registered Agent: The New York State Department of Financial Services does not require you to have a Registered Agent physically located in the State of New York. However, this section CANNOT be left blank on the Company (MU1) Form. Corporations, limited liability companies and partnership that have not engaged an agent for services of process in the State of New York can use the following address to complete the Registered Agent information. The New York Department of State - Division of Corporation, 99 Washington Avenue, Albany, NY 12231.

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N/A	<input type="checkbox"/>	N/A	<p>Cover Letter: Send a cover letter signed by an authorized executive officer or program director of the organization requesting exemption from registration, and outlining the organization's relevant mortgage origination activities and current operating structure.</p> <p>Nonprofit organizations are required to demonstrate that they serve public or charitable purposes, rather than commercial purposes, and promote affordable housing, homeownership or similar loan programs, products and services. The following program related information must be submitted as an attachment to the cover letter:</p> <ul style="list-style-type: none"> • A detailed description of loan programs, products, and services offered, including a list of all fees charged and collected by the organization for each program, product or services rendered; • Information regarding the organization's funding sources, including fee income, grants, and donations. Separately detail funding sources from any banks or other financial institutions, and federal and state agencies. If any one entity or person represents 10% or more of funding, please provide name(s) of such entities or persons.
N/A	<input type="checkbox"/>	N/A	<p>Financial Statement: Send audited financial statements for the past two fiscal years.</p>
N/A	<input type="checkbox"/>	N/A	<p>Letter of Undertaking: Nonprofit organizations seeking exemption from the licensing or registration provisions of Article 12-D must submit a letter of undertaking signed by an authorized executive officer or program director. The letter must contain the following affirmations:</p> <ul style="list-style-type: none"> • Books and records related to the making of a mortgage loan will be kept for a minimum of three years in accordance with section 597 of the New York Banking Law and made available for inspection by the Superintendent in accordance with Part 410 of the Superintendent's Regulations; • The organization will comply with the advertising, solicitation, application and commitment procedures and disclosure requirements of Article 12-D of the New York Banking Law and Part 38 of the General Regulations of the Superintendent for all mortgage loans secured by owner-occupied one-to-four family residential property located in New York, except for exempt loan products listed in Part 39 of the General Regulations of the Superintendent; • Upon reasonable notice, the Superintendent has the authority to inspect all books and records, and that the organization will bear all costs and expenses related to the inspection; • For out-of-state applicants, designating the New York Secretary

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			<p>of State as the agent for service of process in connection with any transaction subject to the requirements of the Banking Law and Department's regulations;</p> <ul style="list-style-type: none"> The organization is an independent organization, and is tax-exempt under Internal Revenue Code Section 501(c)(3), and The organization will cooperate with the Department in the event of any consumer complaints.
N/A	<input type="checkbox"/>	N/A	<p>Resume: Send a resume for the individual designated to serve as the Qualifying Individual (the "Qualifier") in charge of the organization's loan origination activities or having oversight of the organization's mortgage loan originators, processors and underwriters. Also submit a reference from a third-party lender or law firm familiar with the organization's loan origination activities verifying the Qualifier's experience.</p>
N/A	<input type="checkbox"/>	N/A	<p>Mortgage Loan Disclosure Forms: Send copies of the organization's disclosure forms that will be provided to borrowers pursuant to Part 38 of the General Regulations of the Superintendent and federal disclosure laws.</p>
<input type="checkbox"/>	<input type="checkbox"/>	N/A	<p>Management and Organization Charts: Mail or upload an organizational chart showing the structure of the organization. The chart should detail program areas and the responsible manager(s), including, but not limited, to loan programs.</p> <p>NOTE: If the not-for-profit organization utilizes a Single Purpose Limited Liability Subsidiary (SPLLS) to facilitate loan origination activities, an Exempt Mortgage Banker License-NP application must be submitted for the SPLLS.</p> <p>This information may be mailed to the department or uploaded into NMLS.</p> <p>If this document is uploaded into NMLS, it should be uploaded as the Document Type "Organizational Chart/Description" in the <i>Document Uploads</i> section of the Company (MU1) Form.</p> <p>See the Document Upload Quick Guide for formatting instructions, upload instructions and document descriptions and examples.</p>
N/A	<input type="checkbox"/>	N/A	<p>Tax Exemption Certificate: Send a copy of the organization's 501(c)(3) tax exempt certificate or tax determination letter issued by the Internal Revenue Service.</p>

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<input type="checkbox"/>	<input type="checkbox"/>	N/A	<p>SECRETARY OF STATE DOCUMENTATION.</p> <p>Domestic Organizations (include entities incorporated or chartered in the State of New York)</p> <p>(A) Mail an original Certificate of Good Standing, if the applicant has been incorporated for more than six months; and Upload one of the following:</p> <ul style="list-style-type: none"> • Certified copy of the Certificate of Incorporation and filing receipt (if a corporation); or • The Articles of Organization and Operating Agreement (if a Limited Liability Company) <p>Foreign Organizations (entities incorporated or chartered outside the State of New York) provide the following:</p> <p>(A) Mail an original Certificate of Good Standing from the New York Secretary of State if the authority to conduct business in New York is more than six months old; and</p> <p>(B) Upload one of the following:</p> <ul style="list-style-type: none"> • Copy of filing receipt and certified copy of Application for Authority from the New York Secretary of State; or • Copy of filing receipt and certified Certificate of Fictitious name from the New York Secretary of State if you file for a Fictitious name; and <p>(C) Upload one of the following:</p> <ul style="list-style-type: none"> • Certified copy of certificate of incorporation from the Secretary of State in which the entity was incorporated or chartered; or • The Articles of Organization and Operating Agreement, if a limited liability company. <p>Upload this document in NMLS under the Document Type "Certificate of Authority/Good Standing Certificate" in the <i>Document Uploads</i> section of the Company (MU1) Form.</p> <p>See the Document Upload Quick Guide for formatting instructions, upload instructions and document descriptions and examples.</p>
<input type="checkbox"/>	N/A	<input type="checkbox"/>	<p>Disclosure Questions: Provide an explanation for any "Yes" response. Upload a copy of any applicable orders or supporting documents in NMLS.</p>
<input type="checkbox"/>	N/A	<input type="checkbox"/>	<p>Website Domain: Provide any domain addresses (i.e., website) used by the organization.</p> <p>This individual should be listed in the <i>Web Addresses</i> section of the Company (MU1) Form.</p>

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N/A	<input type="checkbox"/>	N/A	Loan Origination Employees Compensation: Send written explanation of how mortgage loan originators, processors and underwriters are compensated. The information should address any incentives provided to such employees.
N/A	<input type="checkbox"/>	N/A	Report of Loan Origination Activity: Send a report listing loans originated during the past 36 months. The report should include the following details for each closed loan: (i) loan amount; (ii) maturity date (iii) date of closing; (iv) borrower's credit score; (v) interest rate, and (vi) fees charged.
N/A	<input type="checkbox"/>	N/A	Roster of Loan Origination Employees: Send a listing of all employees or independent contractors engaged in mortgage loan origination activities, including processing and underwriting functions.
<input type="checkbox"/>	N/A	<input type="checkbox"/>	<p>Other Trade Names: If the organization will be operating under a name other than its legal name, such as a "Doing Business As" (D/B/A), or "fictitious" name, the names must be listed under the Other Trade Names section on the NMLS Company Form. Organizations using "fictitious" names or forced D/B/As must select "forced" in the NMLS filing.</p> <p>Applicants must provide a file-stamped copy of the Certificate of Assumed Name from the Secretary of State of New York.</p> <p>Upload this document in NMLS under the Document Type "Trade Name/Assumed Name Registration Certificates" in the <i>Document Uploads</i> section of the Company (MU1) Form.</p> <p>See the Document Upload Quick Guide for formatting instructions, upload instructions and document descriptions and examples.</p>
N/A	<input type="checkbox"/>	<input type="checkbox"/>	<p>Word Approval: Organizations must secure the prior approval of the Superintendent to use the following words or any derivative thereof in Business Names, Assumed (d/b/a) Names or Fictitious Names:</p> <ul style="list-style-type: none"> • Loan • Mortgage • Finance • Investment • Bank <p>NOTE: All applicants must demonstrate compliance with the statutory requirement. A copy of the word approval authorization certificate received from the Department and submitted to the New York Department of State must be provided with the application. Click here to review detailed instructions on obtaining the approval of the Superintendent to use certain words are posted on the Department's website.</p>

YOU ARE NOT AUTHORIZED TO ENGAGE IN NEW YORK REGULATED MORTGAGE ORIGINATION ACTIVITIES UNTIL YOU RECEIVE WRITTEN APPROVAL FROM THE DEPARTMENT

WHO TO CONTACT – For questions concerning an exempt mortgage broker registration, please contact the Department at Mortgage.Broker@dfs.ny.gov.

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 THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.