



Financial Services & Products ADVISORY ■

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Pennsylvania Offers Clarity for Holders of Mortgage Servicing Rights

As you are aware, Pennsylvania Senate Bill 751 (referred to as “Act 81”) requires a person who services residential mortgage loans to obtain a license. Act 81 defines “mortgage servicer” as “a person who engages in the mortgage loan business by directly or indirectly servicing a mortgage loan.” However, neither Act 81 nor the implementing regulations promulgated by the Department of Banking on February 6, 2018, definitively addresses whether holders of mortgage servicing rights (MSRs) must obtain a servicer license under Act 81. Significantly, in the “[Mortgage Servicer Frequently Asked Questions](#)” issued today by Pennsylvania Department of Banking and Securities, the department opined that absent an exemption, owners of “master servicing rights and the subservicer are required to obtain mortgage servicer licenses.” Notably, in certain instances, affiliates of banking institutions and subsidiaries of federally chartered or state-chartered credit unions are exempt from licensure but would have to comply with other provisions of the law. Applications for the new servicer license become available on NMLS on April 1, 2018, and must be submitted by June 30, 2018.

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