



NC Commissioner of Banks

Location: 316 W. Edenton Street, Raleigh, NC 27603
Mail Address: 4309 Mail Service Center, Raleigh, NC 27699-4309
Telephone: 919/733-0589 Fax: 919/733-2978 Internet: www.nccob.org

AUTHORIZATION TO MAKE REVERSE MORTGAGE LOANS

General Information

Unless otherwise exempt by statute, G.S. 53-258(a) requires any person, firm, or corporation which engages in the business of making reverse mortgage loans to first be approved as an authorized lender by the Commissioner of Banks.

Filing Instructions

The attached form (RM56) should be used to apply for authorization to make reverse mortgage loans. Please review this information carefully and give full and complete responses to each question. If a particular item does not apply, please enter "None" or "N/A." Incomplete responses or failure to file the required fees, schedules, or supporting documents will delay the processing of your application. **Form RM56 may be completed online.** To file for approval, you should submit the information as follows:

- A complete "application for authorization to make reverse mortgage loans" (RM56), including Schedules A through E. **No handwritten forms will be accepted.**
- **\$500 non-refundable application fee made payable to Department of Commerce/ Banking Commission.**
- **\$250 annual registration fee made payable to Department of Commerce/ Banking Commission.**
- Copy of Articles of Incorporation (corporations only).
- Copy of Assumed Name Certificate, if applicable.
- Certificate of Existence issued within 90 days of application (corporations only).
- Certificate of Authority to do Business in North Carolina (foreign corporations only).
- A detailed business resume for each executive officer, partner, or director of the applicant.
- An unconsolidated, audited financial statement prepared by a Certified Public Accountant for the immediate previous fiscal year. (A minimum net worth of \$500,000 is required for lenders authorized to make reverse mortgage loans).
- Surety Bond in amount of \$100,000 (form attached).

Note: Incorporation documents and information may be obtained by calling the Office of Secretary of State at (919)733-4201.

Amendments to Application

At all times authorized lenders must maintain a complete and current application on file with the Commissioner of Banks. If any information contained in the application should change, you must file a correcting amendment as soon as possible, but in no event, later than 30 days. Changes to an application should be reported as follows:

- Complete *in full* the application page to be amended and *circle* the number of the item being changed. **All information may be completed online. No handwritten forms will be accepted.**
- Use only the "application for authorization to make reverse mortgage loans" (Form RM56) and its schedules or a reproduction of them. **Please make a reserve copy of the application form for filing future amendments with the Commissioner of Banks.**

Contact Employee

The individual listed on the application form as "contact employee" must be authorized to receive all compliance information, communications, and mailings and be responsible for disseminating such information within the applicant's organization.

Information Required of Lenders (G.S. 53-264 — G.S. 53-265)

1. Within 10 business days after borrower applies for a reverse mortgage loan, but not less than 20 business days before the loan is closed, all lenders are required to provide applicants or borrowers with the following information:
 - (a) The borrower's rights, obligations, and remedies with respect to the borrower's temporary absence from the home, late payments by the lender, and payment default by the lender.
 - (b) Conditions or events that require the borrower to repay the loan obligation.
 - (c) The right of the borrower to mortgage less than the full value of the home, if permitted by the reverse mortgage loan contract.
 - (d) The projected total annual percentage rate applicable under various loan terms and appreciation rates and interest rates applicable at sample ages of borrowers.
 - (e) Standard closing costs.
 - (f) All service fees to be charged during the term of the loan.
2. Borrowers must be informed that reverse mortgage counseling is required before the loan can be closed.
3. Borrowers must be provided the names and addresses of approved reverse mortgage loan counselors listed with the Commissioner of Banks.
4. At the closing of the reverse mortgage loan, the lender must give to the borrower the name of the lender's employee or agent who has been designated specifically to respond to inquiries concerning reverse mortgage loans. The lender must provide this information at least annually and whenever the information concerning the designated employee or agent changes.

5. Annually and when the loan becomes due, the lender must issue to the borrower, without charge, a statement of account regarding the activity of the mortgage for the preceding calendar year or for the period since the last statement of account was provided.

Mailing Instructions

***Please mail the completed application form and required fees made payable to:
Department of Commerce / Banking Commission.***

Office of the Commissioner of Banks
4309 Mail Service Center
Raleigh, North Carolina 27699-4309

Questions about application:

If you have questions about the application process or procedures, please call the Office of the Commissioner of banks at 919/733-3016.

The NC Commissioner of Banks will strive to approve or deny completed applications within 45 business days of receipt.



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**APPLICATION FOR AUTHORIZATION TO MAKE
REVERSE MORTGAGE LOANS**

Date:

Authorization No:
(Office Use Only) _____

1. Name of applicant: _____
(Full legal name)
2. Are you operating under an assumed name? Yes No
If so, list name here: _____
(Attach copy of assumed name certificate)
3. Lender # L _____ (License # as listed under the Mortgage Lending Act)
4. Organization type:
 Individual Partnership Corporation Association
5. State of incorporation: _____ Date of incorporation: _____
Date qualified in North Carolina, if foreign corporation: _____
6. Applicant's headquarters address:
City: _____ State: _____ Zip Code: _____
7. Mailing address, if different from above:
8. Address where books and records are kept:
City: _____ State: _____ Zip Code: _____
9. Business phone number: _____ Fax number: _____
10. Contact employee:
City: _____ State: _____ Zip Code: _____
Business phone number: _____ E-Mail _____
11. Contact employee to be noted on the NC Commissioner of Banks public website if different from # 10 above.
Employee name: _____ Title: _____

12. Provide complete details regarding the nature and kind of business to be conducted by the applicant. If more space is required, please use Schedule A.

13. Provide a detailed description of the applicant's experience in mortgage lending for the preceding five years. (Please use Schedule A)

14. Name of state(s) where the applicant and/or its affiliates are licensed or registered to make reverse mortgage loans, consumer loans, mortgage loans, or other similar type loans.

Licensing Agency	State	Date Licensed	Address/Phone
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15. If an individual, partnership, or association, please list all persons who hold an interest. If a corporation, list by group all principal officers, directors, and all shareholders (including corporations) owning five percent or more of the stock of the applicant corporation. If more space is needed, please use Schedule A.

Name and Title	Business Address	Residence Address	Percentage Ownership
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16. Does/will the applicant engage in any non-related mortgage banking activities at the location(s) to be approved in North Carolina. Yes No

If yes, please provide details on Schedule A.

17. If the applicant is an approved FHA/VA lender or servicer, please provide the approval date and lender identification number.

18. If 5% or more of the applicant's stock is owned by another corporation, and such corporation is affiliated with other corporations, list on Schedule A the names and addresses of these other corporations and percentage of stock-ownership each holds in the other.

This situation exists.

This situation does not exist.

A F F I D A V I T

STATE OF _____

COUNTY OF _____

being duly sworn, deposes and says that he signed the foregoing application and all attachments required herein, as _____ (title), of the above named applicant; and that he has full authority to sign such application in said capacity; that he has read said application and that the information contained therein is true and affirms that the foregoing applicant is financially solvent and that said applicant, or in the case of a corporation, partnership, association, or other form of business organization, each member, director, and principal officer, thereof, possesses the necessary educational background and general character and fitness to conduct the business of a Reverse Mortgage Lender properly, honestly, and fairly; affirms that said applicant has read and will comply with G.S. 53-255 in its entirety and will not:

- (1) Misrepresent the material facts, make false promises, or engage in a course of misrepresentation through agents or otherwise.
- (2) Fail to disburse funds in accordance with the terms of the reverse mortgage loan contract or other written commitment.
- (3) Improperly refuse to issue a satisfaction of a mortgage.
- (4) Engage in any action or practice that is unfair or deceptive, or that operates a fraud on any person.
- (5) Contract for or receive shared appreciation.
- (6) Close a reverse mortgage loan without receiving certification from a counselor that the borrower has received counseling on the advisability of a reverse mortgage loan and the appropriate reverse mortgage loan for the borrower.
- (7) Fail to comply with the provisions of Article 21 (Reverse Mortgage Lender Act).

_____ Date

_____ Signature

Subscribed and sworn to me this _____ day of _____, 20 _____

My Commission expires: _____

_____ Notary Public

C O R P O R A T E A T T E S T A T I O N

In witness whereof the applicant has caused the foregoing affidavit to be signed by its
and attested by its _____ all by due
authority of its Board of Directors this ____ day of _____ 20 ____.

Full Corporate Name

By: _____

ATTEST: _____

Title: _____

Title: _____

STATE OF _____

COUNTY OF _____

This is to certify that on this ____ day of _____ 20 ____ before me, a
notary public, personally appeared _____ and _____,
each of whom, being by me first duly sworn, declared that he signed the foregoing document in
the capacity indicated, that he was authorized so to sign, and that the statements therein
contained are true.

Witness my hand and official seal, this ____ day of _____ 20 ____.

Notary Public

(SEAL)

My Commission expires: _____

SCHEDULE A

CONTINUATION SHEET

Applicant Name:

Date:

Instructions: Schedule A should be used by the applicant as a continuation sheet or to report details of affirmative responses to questions on the application form.

Item No.	Response
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SCHEDULE B

BRANCH OFFICE LOCATIONS

Applicant Name:

Date:

Instructions: Schedule B should be used by the applicant to report all branches in which the applicant proposes to originate or offer reverse mortgage loans that will be secured by real estate located in North Carolina. Future filings should include only those branches to be added, deleted, or otherwise amended. When reporting a change of address, please list the old address followed immediately by the new address. Use the codes in the Code Column as follows:

To request registration of a new branch office, enter "A."

To report a branch office closing, enter "B."

To report a change of address, enter "C."

To report a change of Branch Manager, enter "D."

**Branch Office
Address**

**Branch Office
Manager**

Tel. No.

Code

SCHEDULE C EXECUTIVE OFFICES / PARTNERS / DIRECTORS

Applicant Name:

Date:

Instructions: Schedule C should be used by the applicant to report each executive officer, partner, or director if the applicant is organized as a partnership, corporation, association, or other form of business organization. Amendments should include only those individuals to be added or deleted. Use the codes in the Code Column as follows:

To report an addition, enter "A."

To report a deletion, enter "B."

Name / Title	Business Address	Residence Address	Code
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SCHEDULE D

SUBSIDIARIES AND AFFILIATES

Applicant Name:

Date:

Instructions: Schedule D should be used by the applicant to report each corporate subsidiary and/or affiliate. If the applicant is a subsidiary or affiliate of another corporation, the parent company must listed. Amendments should include only those entities to be added or deleted. Use the codes in the Code Column as follows:

To report an addition, enter "A."

To report a deletion, enter "B."

Company Name	Business Address	Code
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SCHEDULE E

DISCLOSURE OF LOAN TERMS

Instructions: Schedule E should be used by the applicant to provide information and facts regarding the terms and conditions of reverse mortgage loans made to borrowers. G.S. 53-264 requires all authorized lenders to provide this information to the Commissioner of Banks for dissemination to all counselors who provide counseling to prospective reverse mortgage borrowers.

(1) The borrower's rights, obligations, and remedies with respect to the borrower's temporary absence from the home, late payments by the lender, and payment default by the lender.

(2) Conditions or events that require the borrower to repay the loan obligation.

(3) The right of the borrower to mortgage less than the full value of the home, if permitted by the reverse mortgage loan contract.

SCHEDULE E

DISCLOSURE OF LOAN TERMS

(4) The projected total annual percentage rate applicable under various loan terms and appreciation rates and interest rates applicable at sample ages of borrowers.

(5) Standard closing costs.

(6) All service fees to be charged during the term of the loan.

2) In no event shall the aggregate liability of Surety exceed the principal sum specified herein. This bond shall continue in full force and effect indefinitely. However, Surety shall have the right to terminate its obligation under this bond by written notification of such cancellation by registered or certified mail, with return receipt requested, to Principal and the Commissioner at least ninety (90) days prior to the effective date of such termination. The filing of said notification shall not discharge Surety from any liability already accrued under this bond or which shall accrue herein before the effective date of termination or other applicable period. Surety shall remain liable for obligations arising during the term of this bond and prior to the date of cancellation.

IN WITNESS, whereof, Principal had duly executed this bond and Surety agrees to be bound by the terms hereof as of the _____ day of _____, 20____.

ATTEST: _____

Principal – Print Name
By: _____
Signature
Title _____

ATTEST: _____

Surety – Print Name
By: _____
TITLE _____

Persons executing for Surety,
other than corporate officers,
Must attach Power of Attorney
Authorizing them to execute
bonds for Surety.

NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON WITH SURETY TO BE CONTACTED IN THE EVENT A CLAIM MUST BE FILED:

Name: _____ Title: _____
Address: _____
City: _____ State: _____
Zip: _____ Telephone: () _____