



BUSINESS PURPOSE LENDING Broker & MLO License Requirements

Non-QM 1st Lien: Alt Doc & DSCR Loans | Closed-End 2nds: DSCR Only

ST	BROKER LIC REQUIRED?	LICENSE TYPE	RESEARCH NOTES
AL	No	N/A	Defines “borrower” as “natural person submits application for home to be occupied by borrower as primary residence.”
AK	Yes	AK Mortgage Broker/Lender License (through NMLS)	Defines “mortgage loan” as “a residential mortgage loan;” not restricted to only owner-occupied properties. Also confirmed via email from the AK State Regulator.
AZ	Yes	AZ Mortgage Broker (through NMLS)	Defines “mortgage loan” as “loan secured by mortgage/any lien interest on real estate.” Not restricted to owner-occupied properties. Confirmed 01/2023.
AR	No	N/A	Defines “mortgage loan: personal, family or household use.” Confirmed via email with AR State Regulator.
CA	Yes	CA Real Estate Broker (CA DRE) or CA CFL (NMLS)	MLO endorsement required on CA REB License if investment property is being purchased for a family member.
CO	No	N/A	Broker licensing under the Mortgage Company Act is related to consumer purpose loans. Unable to find RE stats related to Commercial M Broker licensing.
CT	No	N/A	
DC	No	N/A	Defines “mortgage loan: personal, family or household use.”
DE	No	N/A	
FL	No	N/A	
GA	No	N/A	Confirmed, based on definition of Mortgage Loan. Updated 10/2022.
HI	No	N/A	
ID	Yes	ID Mortgage Broker (through NMLS)	“Residential mortgage loan” not restricted to owner-occupied transactions. Confirmed 01/2023
IL	Yes	IL Loan Broker (through IL Secretary of State)	Based on definitions of “loan” & “loan broker,” IL Loan Brokers Act 1995 & email from IL State Regulator; <i>Legal/Compliance agrees. ONLY if the Broker is able to present an exemption an exception may be made.</i>
IN	No	N/A	
IA	No	N/A	
KS	No	N/A	Defines mortgage loan: “personal, family or household use;” dwelling “occupied or intended to be occupied for residential purposes by the owner.”
KY	No	N/A	
LA	No	N/A	
ME	No	N/A	
MD	No	N/A	
MA	No	N/A	Residential property defined as owner-occupied.
MI	Yes	MI Real Estate Broker License (under MI Board of RE Brokers/Salespersons)	NMLS Mortgage Broker license not required; “loan” is personal, family, household use only. RE Broker License 339.2501 Definitions: Negotiate the mortgage of real estate means engage in activity in connection with a mortgage that is not regulated under the mortgage brokers, lenders, and servicers licensing act; business purpose/investment not under broker, lender, servicing act, so falls under RE Broker License.
MN	Yes	MN Real Estate Broker (through MN Department of Commerce)	“Residential mortgage loan” not restricted to owner-occupied transactions, and “residential real estate” includes non-owner occupied
MS	No	N/A	Defines “mortgage loan: personal, family or household use.”

This Business Purpose Lending matrix relays licensing requirements for all Non-QM 1st Lien Alt Doc & DSCR loans and Closed-End 2nd DSCR loans that are specifically for business purpose. This matrix does not reflect licensing requirements for any other loan program. “Business Purpose” means mortgage loans made on residential 1-4 Unit SFR properties for investment purposes.



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MO	No	N/A	
MT	No	N/A	Confirmed via email with MT State Regulator.
NE	No (see Research Notes)	N/A	“Mortgage loan: personal, family or household use.” Yes for non-residential RE not 1-4 family dwelling (true commercial).
NV	Yes	NV Mortgage Company (through NMLS)	Research from the state of NV Dept of Business & Industry FAQ corroborates “real property” includes residential and commercial.
NH	No	N/A	
NJ	Yes	NJ Real Estate Broker (through NJ Real Estate Commission)	NJ website states, “Persons and firms who broker loans secured by mortgages on commercial real estate for compensation must be licensed as New Jersey real estate brokers;” <i>Per Compliance/Legal Opinion: All NOO properties are considered to be “Commercial Loans” by the state of New Jersey. ONLY if the Broker is able to present an exemption, there may be an exception made.</i>
NM	No	N/A	
NC	No	N/A	Defines “mortgage loan: personal, family or household use.”
ND	Yes	ND Money Broker License (through NMLS)	Authorized activities in NMLS include commercial.
OH	No	N/A	Confirmed via email with OH State Regulator.
OK	No	N/A	
OR	Yes	OR Mortgage Lender License (through NMLS)	Definition of “mortgage loan” is any 1-4 family property, NOT excluded for personal use; lender license authorizes banking and brokering activity.
PA	No	N/A	
RI	No	N/A	
SC	No	N/A	
SD	Yes	SD Mortgage Broker (through NMLS)	Authorized activity under the license includes “commercial mortgage brokering.”
TN	No	N/A	
TX	No	N/A	
UT	Yes	UT Mortgage Entity or Broker License (through NMLS)	Definition of “mortgage loan” is any 1-4 family property, NOT excluded for personal use; LO to have Real Estate Broker License or MLO License.
VT			OCMBC, Inc. not yet licensed in this state.
VA	Yes	VA Broker License (through NMLS)	VA Examiner stated broker license is required based on definition of “Residential property: improved real property used or occupied, or intended to be used or occupied, for residential purposes,” meaning investment home is still being occupied by natural person for residential purposes. Compliance/Legal have reviewed and agreed.
WA	No	N/A	
WV	No	N/A	Defines “mortgage loan: personal, family or household use.”
WI	No	N/A	Confirmed via email with WI State Regulator.
WY	No	N/A	Defines “Residential mtg loan: personal, family, household use.”

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