What are the capital requirements for a nondepository residential mortgage loan servicer applicant and licensee servicing loans guaranteed by one or more government sponsored entity (GSE) and/or government corporation?  

(1)(a) An applicant or licensee operating as an approved servicer by one or more government sponsored or government corporation entities must maintain liquidity (to include operating reserves) and tangible net worth that meet the standards set by the entity. If approved by more than one entity, the applicant or licensee must meet the highest standard of the entities for which they are approved. Tangible net worth does not include money held in borrower escrow accounts.

Examples of government sponsored entities are Freddie Mac, Fannie Mae, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation. Ginnie Mae is an example of a government corporation.

(b) Applicants or licensees with a combined portfolio will be subject to the standards in (a) of this subsection.

For example, if your portfolio contains loans from one or more GSE or government corporations and loans not insured by any GSE or government corporation, your capital requirements must meet the highest standard of the GSE or government corporations.

(c) An applicant or licensee with a portfolio of loans not subject to any government sponsored or government corporation entity must comply with WAC 208-620-322.

(2) The standards described in subsection (1)(a) of this section are set by the GSE and/or government corporation financial eligibility requirements for servicing residential mortgage loans.

[Statutory Authority: Chapter 43.320 RCW, RCW 31.04.165, and 31.04.300. WSR 17-01-124, § 208-620-321, filed 12/20/16, effective 1/1/18.]