

DEPARTMENT OF ADMINISTRATION  
DIVISION OF BANKING & FINANCIAL INSTITUTIONS



STEVE BULLOCK  
GOVERNOR

MELANIE G. HALL  
COMMISSIONER

STATE OF MONTANA

301 SOUTH PARK AVE, SUITE 316  
HELENA, MT 59601

PHONE: (406)841-2920 • FAX: (406)841-2930  
E-MAIL: [BANKING@MT.GOV](mailto:BANKING@MT.GOV)



TO: Montana Mortgage Lenders, Mortgage Brokers, Mortgage Loan Servicers and Mortgage Loan Originators

FROM: Department of Administration, Division of Banking and Financial Institutions

DATE: October 1, 2019

RE: Changes to the Montana Mortgage Act

House Bill 107 was passed during the 66<sup>th</sup> (2019) Regular Legislative Session. The Montana Division of Banking and Financial Institutions (Division) drafted this bill which contains amendments to the Montana Mortgage Act. The amendments became effective on October 1, 2019 and include:

- Establishing capital requirements for mortgage servicers and a minimum net worth of \$250,000 for mortgage lenders.
- Revising the surety bond requirement for mortgage servicers. The amount of the surety bond is now determined by the size (UPB) of a servicer's Montana portfolio from prior calendar year-end. That amount will range between \$75,000 to \$350,000. Previously, all servicers were required to maintain a \$100,000 surety bond.
- Modernizing the designated manager requirement to allow multiple mortgage broker and/or mortgage lender offices to be managed by one manager.
- Providing examination and enforcement authority over service providers who perform activities relating to the business of mortgage origination, lending, or servicing on behalf of a licensee.
- Authorizing rulemaking authority to the Division to define false, deceptive, or misleading advertising and to establish requirements for licensees advertising using the Internet or any electronic format.

The updated statutes can be viewed [here](#). Any questions about the Montana Mortgage Act can be emailed to [mortgagelicensing@mt.gov](mailto:mortgagelicensing@mt.gov).