

**535B.22 Definitions.**

As used in [this subchapter](#), unless the context otherwise provides:

1. “*Administrator*” means the superintendent of the division of banking of the department of insurance and financial services.
2. “*Allowable assets for liquidity*” means any of the following assets that may be used to satisfy the liquidity requirements under [section 535B.24](#):
  - a. Unrestricted cash and cash equivalents.
  - b. Unencumbered investment grade assets held for sale or trade, including agency mortgage-backed securities, obligations of government-sponsored enterprises, and United States treasury obligations.
3. “*Board of directors*” means the formal body established by a covered institution that is responsible for corporate governance and compliance with [sections 535B.24](#) and [535B.25](#).
4. “*Corporate governance*” means the structure of a covered institution and how the covered institution is managed, including but not limited to the corporate rules, policies, processes, and practices used to oversee and manage the covered institution.
5. “*Covered institution*” means a mortgage servicer that services, or subservices for others, two thousand or more residential mortgage loans, excluding whole loans owned and loans being interim serviced prior to sale, as of the most recent calendar year end as reported on the nationwide mortgage licensing system mortgage call report.
6. “*External audit*” means a formal report prepared by an independent certified public accountant expressing an opinion on whether a company’s financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework, and includes an evaluation of the company’s internal control structure.
7. “*Government-sponsored enterprise*” means the federal national mortgage association or the federal home loan mortgage corporation.
8. “*Interim serviced prior to sale*” means the activity of collecting a limited number of contractual mortgage payments immediately after origination on loans held for sale, but no longer than a period of ninety days prior to the loans being sold into the secondary market.
9. “*Internal audit*” means independent and objective assurance and consulting performed internally by a company to evaluate and improve the effectiveness of the company’s operations, risk management, internal controls, and governance processes.
10. “*Mortgage-backed security*” means a financial instrument, including but not limited to a debt security, collateralized by residential mortgages.
11. “*Mortgage call report*” means the quarterly or annual report of residential real estate loan origination, servicing, and financial information filed by companies licensed in the nationwide mortgage licensing system and registry.
12. “*Mortgage servicer*” or “*servicer*” means a person that performs, under the terms of a servicing contract, the routine administration of residential mortgage loans on behalf of the owner or owners of the related mortgages.
13. “*Mortgage servicing rights*” means the contractual right to service a residential mortgage loan on behalf of the owner of the associated mortgage in exchange for the compensation specified in the applicable servicing contract.
14. “*Mortgage servicing rights investor*” means a person that invests in and owns mortgage servicing rights and relies on subservicers to administer mortgage loans on behalf of the person.
15. “*Nationwide mortgage licensing system and registry*” means the same as defined in [section 535D.3](#).
16. “*Operating liquidity*” means the financial resources necessary for a person to perform the person’s normal business operations, including but not limited to payment of rent, salaries, interest expenses, and other typical expenses associated with operating the business.
17. “*Person*” means a natural person, an association, joint venture or joint stock company, partnership, limited partnership, business corporation, nonprofit corporation, or any other group of individuals however organized.
18. “*Reverse annuity mortgage loan*” means the same as defined in [section 528.2](#).
19. “*Risk management assessment*” means a functional evaluation performed under a risk

management program, and the report provided to the covered institution's board of directors under the relevant governance protocol.

20. "*Risk management program*" means written policies and procedures commensurate with a covered institution's size and complexity designed to identify, measure, monitor, and mitigate risk.

21. "*Servicing liquidity*" or "*liquidity*" means the financial resources necessary to manage the liquidity risk arising from servicing functions required in acquiring and financing mortgage servicing rights; hedging costs, including margin calls, associated with the mortgage servicing rights asset and financing facilities; and advances or costs of advance financing for principal, interest, taxes, insurance, and any other servicing related advances.

22. "*Subservicer*" means a person that performs, under the terms of a subservicing contract, routine administration of residential mortgage loans as the agent of a servicer or of a mortgage servicing rights investor.

23. "*Tangible net worth*" means total equity less the receivables due from related entities, and less goodwill and other intangibles, and less pledged assets.

24. "*Whole loan*" means a loan where a mortgage and the underlying credit risk is owned and held on a balance sheet of the person possessing all ownership rights of the mortgage.

[2024 Acts, ch 1038, §8](#)