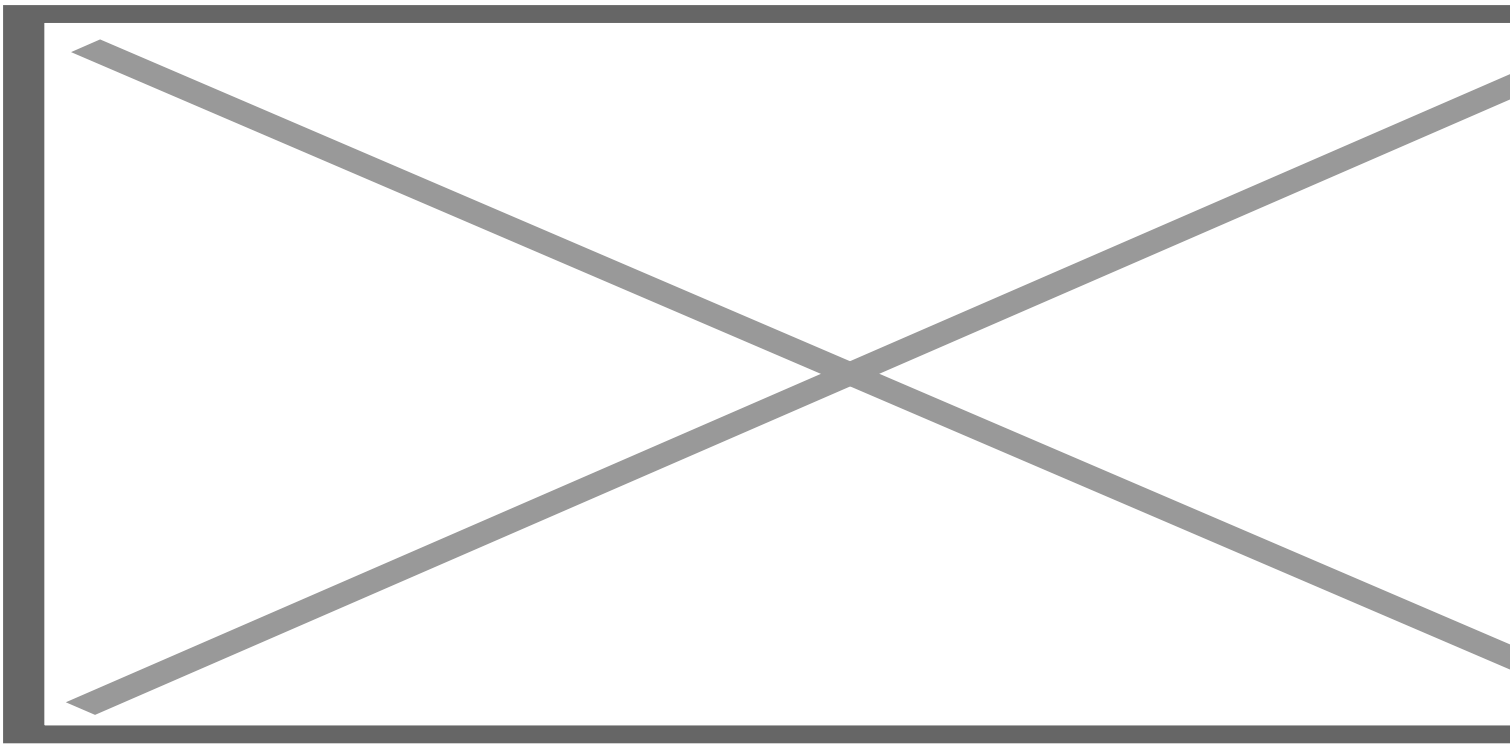
Nonbank Mortgage Servicer Prudential Standards

September 23, 2026
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The Nonbank Mortgage Servicer Prudential Standards establish requirements for capital, liquidity, and corporate governance (including audit, risk management, and board oversight), for nonbank mortgage servicers. The financial condition provisions align with the Federal Housing Finance Agency's Minimum Financial Eligibility Requirements for Seller/Servicers, providing state supervision and enforcement of these common requirements. Though state adoption of the standards is in its early stages, nonbank mortgage servicers licensed in at least one adopting state collectively service 99% of the nonbank mortgage market by loan count.

Prudential Standards for Nonbank Mortgage Servicers Adoption Status (As of 8/31/2026)



Current Prudential Standards Enactments

- State Enacted Prudential Standards Legislation

About the standards

As nonbank servicers became responsible for a?larger share of?consumer mortgages, state regulators grew concerned about?the absence of?a?common?set of state standards addressing?servicers' capital and liquidity requirements. State?examinations?of nonbank servicers?also identified inadequate corporate governance and board oversight.???

These?concerns led state regulators to?pursue –?and subsequently approve?–?new standards?that will require nonbank mortgage servicers to maintain the financial capacity, governance, and risk management?practices?to? adequately serve?consumers?and investors?and?simultaneously?enhance?market stability.???

The requirements contained in the standards are only effective through state implementation. State agencies may use the standards to formulate law, rule, guidance, or procedure under their individual jurisdictional authority or legislative process.?The standards specify the importance?of?consistent adoption?to regulate multistate entities and to?minimize regulatory burden. To that end,?CSBS is working with states to achieve consistent nationwide implementation.?

Key highlights of the standards include:??

- The standards focus on two?main?areas:?financial condition, i.e., capital and liquidity, and?corporate? governance, i.e., board of directors, internal and external audits.?
- The standards?align?with existing federal?minimum eligibility?requirements, wherever?practical, to minimize regulatory burden for servicers.??
- The?standards apply to?servicers that service at?least 2,000 loans?and?operate in?two or more states?and? cover?both agency?and?non-agency servicing.??
- The standards?do not?apply to:
    - small servicers that meet a de minimis cutoff
    - not-for-profit mortgage servicers
    - housing agencies?
- The standards provide state regulators with?flexibility to increase requirements?for high-risk servicers?or even suspend the requirements?in times of economic, societal, or environmental volatility.?

Documents

Model Language for Standards

- Model State Regulatory Prudential Standards for Nonbank Mortgage Servicers?
- Model State Regulatory Prudential Standards for Nonbank Mortgage Servicers - Explanatory Narrative
- Prudential Standards for Nonbank Mortgage Servicers - FHFA Comparison Chart

State Prudential Standards and Regulations

- Arkansas Prudential Standards Statute
- Colorado Prudential Standards Statute
- Connecticut Prudential Standards Statute
- Georgia Prudential Standards Statute
- Iowa Prudential Standards Statute

- Maryland Prudential Standards Regulation
- Minnesota Prudential Standards Statute
- Montana Prudential Standards Statute
- North Carolina Prudential Standards Statute
- North Dakota Prudential Standards Statute
- Nevada Prudential Standards Statute
- Wisconsin Prudential Standards Guidance

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