



## CSBS Releases Model State Regulatory Prudential Standards for Nonbank Mortgage Servicers

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**Washington, D.C.** – The Conference of State Bank Supervisors (CSBS) Board of Directors today released model state regulatory [prudential standards](#) for nonbank mortgage servicers.

“The standards provide states with uniform financial condition and corporate governance requirements for nonbank mortgage servicer regulation while preserving local accountability to consumers,” said **CSBS President and CEO John W. Ryan**.

By adopting the standards, states can provide a consistent framework that ensures covered nonbank servicers maintain the financial capacity to serve consumers and investors with heightened transparency, accountability and risk management standards.

“These prudential standards provide a roadmap to uniform and consistent supervision of nonbank mortgage servicers nationwide,” said **CSBS Board Chair and Montana Banking Commissioner Melanie Hall**. “Companies that operate in a safe and sound manner are much better positioned to fulfill the significant requirements associated with servicing mortgage loans and assisting customers with these important financial obligations.”

The prudential standards were created to meet the regulatory demands of the fast-growing nonbank mortgage servicer market, which has grown from 6% to 60% of the government agency mortgage market in the past 10 years and at least 45% of the servicing market overall. Nonbank mortgage servicers currently administer roughly three-quarters of the servicing for loans in Ginnie Mae mortgage backed-securities, which are loans to veterans, first-time homebuyers and low-to-moderate income borrowers.

The CSBS Board of Directors approved the standards for state implementation on July 23 after a process that included public comment. CSBS will work to ensure that implementation among states is as uniform as possible, as states may require legislation, regulation or guidance changes to adopt the prudential standards.

The prudential standards are one of [eight priorities](#) set for 2021 by state regulators to advance Networked Supervision, a strategy to streamline nonbank licensing and supervision and generate new data for risk analysis through expanded use of technology platforms.

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*The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise roughly three-quarters of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.*

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