

Survey of State Commercial Lending Requirements and Restrictions

March 2022

For information purpose only: do not rely on this Survey without confirmation.

State	License Required?	Licensing Requirements	Rate Limitations and Fee Caps	Comments/Cautions
Alabama	No	As a general rule, out-of-state commercial lenders and equipment lessors are not subject to licensing requirements.	No rate cap on loans \geq \$2,000. For smaller loans, a 6% rate cap applies; otherwise, the general AL usury cap is 8%.	ARS 5-19-16 allows courts to not enforce unconscionable contracts.
Alaska	No	As a general rule, out-of-state commercial lenders are not subject to licensing requirements.	<p>Loans > \$25,000 are exempt from rate caps. Otherwise, the legal rate is \leq the greater of 10% or 5% + 12th District advance rate. (Be aware of possible cap on profits interests)</p> <p>A bank, credit union, S&L pension fund, insurance company, or mortgage company may not require or accept any percent of ownership or profits above its interest rate. But that restriction does not apply to a loan \geq \$1 million with a term \geq 5 years, or to a negatively amortizing loan secured by owner-occupied real property originated under certain programs. Alaska Stat. 45.45.010(f). <i>The statute does not define "mortgage company" but it appears in context to not include a lender exempt from licensure in Alaska.</i></p>	A moneylender license is necessary to avoid rate caps on loans < \$25,000. Alaska Stat. 06.20.010, .230.
Arizona	No Assumes no real estate collateral	<p>Generally, a license is not required to make commercial loans.</p> <p>But, commercial mortgage bankers (originator or servicer of commercial mortgage loans) must be licensed.</p>	No rate cap on rate in written agreements.	

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Arkansas	No	As a general rule, out-of-state commercial lenders and equipment lessors are not subject to licensing requirements.	The parties may contract for any rate permitted by the Constitution (AR Code § 4-57-104, 105), but the Arkansas Constitution currently caps interest at 17% per annum on loans not made by an insured depository institution. Many fees may be classified as interest and would likely count towards rate cap. ACA 4-57-105.	Beware of computation complexity of 17% rate cap. Residential mortgage brokers, bankers and servicers must be licensed. (Ark. Code Ann. 23-39-503).
California	Yes	Generally, nonbank lenders must have a California Finance Lenders license to make commercial loans. Cal. Fin. Code 22000 et seq. There are several exemptions, including for loans made or arranged by a licensed real estate broker and secured by a lien on real property. Cal. Fin. Code 22057; loans made by insurance companies; etc.	Usury cap on written agreements is the greater of 10% or 5% plus Federal Reserve advance rate. Loans >\$10,000 made by California Finance Lenders are exempt from usury and other rate caps. Commercial loans are exempt from usury if (1) the loan is ≥ \$100,000 or (2) the borrower has assets ≥ \$2 million and (3) the loan is not guaranteed by an individual. Cal. Corp. Code 25118. Loans made by a licensed finance lender are also exempt.	California is aggressive in asserting its jurisdiction, even where there is not a clear statutory basis for doing so.

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Colorado	No 12% rate cap does not apply to commercial purpose loan if it is payable on demand or in one installment and the loan is > \$250,000	Generally no license required for commercial lenders and commercial equipment lessors. Appears commercial mortgage lending does not require a license.	45% rate cap on commercial loans, including up-front fees, exit fees or shares in value appreciation. By case law, the CO Supreme Court held that the cap is violated if it exceeds 45% at the time of default. Thus, high up-front fees, exit fees or shares in value appreciation or income risk exceeding the usury cap. (beware of exit fees and profit shares exceeding rate cap)	Prohibitions on deceptive trade practices apply to commercial lending. See CRS 6-1-101 <i>et seq.</i>
Connecticut	No	Generally no license required for out of state commercial lenders and commercial equipment lessors. Residential mortgage lenders and brokers must be licensed. CGSA 36a-485 <i>et seq</i> ; 36a-510 <i>et seq.</i>	The 12% rate cap under CGSA 37-4 does not apply to a commercial loan if: <ul style="list-style-type: none"> • A mortgage loan > \$5,000 • Commercial-purpose loan is payable on demand or in one installment and the loan is > \$250,000. • Certain loans \$10,000 - \$250K that are allowed a rate equal to the deposit index + 17%. Borrower may not be charged for expense of credit investigations or loan negotiations or be charged, at the time the loan is made, for collection expenses, unless the total is, for any 1 year, 12% of the loan amount. CGSA 37-6.	
District of Columbia	Yes, if secured and rates > 6%	Commercial lenders transacting business in D.C. are subject to licensing if (1) making secured loans and (2) charging more than 6% per annum.	Loans > \$2,500 for business or investment purposes are exempt from the usury statute unless secured by owner-occupied real estate.	

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Delaware	No	Generally, foreign entities do not have to qualify to do business in DE if the lender is only lending against collateral in DE and the loan is not consumer credit.	DE does not impose a usury cap if (1) the borrower is a corporation, LP, statutory trust, LLC, (2) the borrower is an association or joint stock company with any of the powers of corporations not possessed by individuals or partnerships, or (3) the loan > \$100,000 and repayment is not secured by a mortgage on the borrower's principal residence.	<p>A license to operate a "finance or small loan agency" under Title 30, Section 2301 is required to lend money with no stated exception for commercial loans. To date, there is no reported DE decision on whether mortgage lending secured by real estate in DE requires a Loan Agency License under 2301(a)(8).</p> <p>NMLS only refers to consumer loans or residential mortgage loans requiring a license in DE. The above requirement under Title 30 is in contrast to the Licensed Lender Act, which generally does <u>not</u> require a license for commercial lenders.</p> <p>Subject to certain limits, the Mortgage Loan Brokers Act requires certain referrers of loan applicants to obtain a mortgage loan broker's license (DE tit. 5, 2101).</p>

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Florida	No	F.S.A. § 494.001(22) -- “mortgage broker” means a person conducting loan originator activities through one or more licensed loan originators employed by the mortgage broker or as independent contractors to the mortgage broker.	For loans ≤ \$500,000 the maximum interest rate allowed is 18% per year. For loans > \$500,000 the cap is 25%. F.S.A. § 687.02. Licensure appears not to provide an exemption. (note rate cap of 18% unless loans > \$500K and rate is < 25%.	Generally, licensing is not necessary for a commercial lender and is not required under Chapter 687. The analysis may change if the lender establishes a representative office in Florida and otherwise on the extent of the lender’s contacts and activity in Florida. See Title 39, Ch. 655, Fla. Stat. Mortgage lenders and brokers who make only nonresidential mortgage loans and sell loans only to institutional investors need not be licensed. FSA 494.00611; 494.00321.
Georgia	No	Generally no license required for out of state commercial lenders and commercial equipment lessors.	Criminal usury cap is 5% per month on loans < \$250,000. <u>A loan ≥ \$250,000 is not subject to rate or fee caps.</u> Loans ≤ \$3,000 capped at 16% per annum simple interest.	
Hawaii	No	Appears that commercial lenders are neither expressly required to be licensed nor expressly exempt from licensure.	Hawaii does not cap interest rates on commercial loans with 2 exceptions: <ul style="list-style-type: none"> • 18% cap on credit cards • 24% cap on home business loans. 	The Financial Services Loan Companies (FSLC) law (HI Stat. 412:9-100 <u>et seq.</u>) is the general, overriding lending law in Hawaii, although it applies only to consumer loans.
Idaho	No	Generally no license required for out of state commercial lenders and commercial equipment lessors.	Usury is not a concern for commercial lenders in Idaho because Idaho does not have a usury law. See IC 28-42-201.	Loan brokers are regulated under title 26, Chapter 31.
Illinois	No	There are no licensing requirements for commercial lending in Illinois.	In general, Illinois usury law exempts most commercial lending transactions from interest rate caps. See e.g., 815 ILCS 205/4(1)(a).	But, residential mortgage-secured lending does require a mortgage loan originator license: even for business purposes.

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Indiana	No	Commercial lending does not require a specific license.	For non-consumer loans, the parties may agree on any rate of interest. Ind. Code 24-4.5-3-605.	Two statutes make loans over 45% or 72% usurious if unlawful force is used to collect or if the creditor has a reputation for using violence.
Iowa	No	In general, non-Iowa based lenders and equipment lessors are not required to obtain licenses to engage in permissible commercial lending / leasing in Iowa.	No rate cap for: <ul style="list-style-type: none"> Borrowings to purchase real property Borrowings to construct real property improvements if the loan > \$25,000 <u>Borrowings for business or agricultural purposes</u> 	But, see licensure required under chapter 536 (Regulated Loan Act), industrial loan companies and residential mortgage lenders. Per the Iowa Division of Banking, lending authority is required to make or service at least 4 mortgage loans in a calendar year secured by a lien on owner-occupied residential real property in Iowa (537.2301(2))
Kansas	No	Generally, no license is required to make commercial loans in Kansas.	KSA 16-207(a) —parties to written instruments may charge up to 15% per annum, but that <u>cap does not apply to business purpose loans</u> (KSA 16-207(e)).	Residential mortgage lending regulated under Chapter 9, Article 22 (Mortgage Business). <u>Loan brokering</u> 50-1001(c): Loan broker” means any person who, in return for a fee from any person, promises to procure a loan for any person or assist any person in procuring a loan from any third party, or who promises to consider whether or not to make a loan to any person. Loan broker does not include any state or federally-chartered bank “or any other financial institution regulated by any agency of the US or any state.” 50-1001(b): “Loan” is defined as any agreement to advance money or property in return for the promise to make payments for the loan or property. 50-1002:unlawful to act as loan broker unless registered with the Kansas securities commissioner.

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Kentucky	No	Commercial lenders transacting business in KY are not subject to licensing.	Rate caps apply to loans ≤ \$15,000 under KRS 360.010. No rate cap on loans > \$15,000.	Residential mortgage lenders and brokers regulated under KRS 286.8-010.
Louisiana	No	Generally, non-Louisiana-based commercial lenders and equipment lessors are not required to be licensed.	Generally, business, commercial and agricultural purpose loans are exempt from rate caps and usury. La. R.S. 9:3509(A). But see caps on post-default interest.	<p>Loan brokering: LaRS 9:357: “Loan broker” is any person who, for compensation or the expectation of compensation, obtains or offers to obtain a consumer loan from a 3rd party either for another person domiciled in Louisiana, or for another person wherever domiciled, if the broker is operating in Louisiana.</p> <p>10 LA ADC Pt XV, 1503(A)— No person <i>having an office in Louisiana</i> shall broker a loan in Louisiana unless exempt by statute, without first being licensed and complying with the provisions of the Louisiana Loan Brokers Act. <i>Indicates loan brokers without an office in LA are not subject to licensure.</i></p> <p>LaRS 9:3572.3: loan broker must be licensed to engage in permissible lending and leasing in Louisiana unless exempt.</p>
Maine	No	Generally, out-of-state commercial lenders and lessors transacting business in Maine are not subject to licensing.	Statutory caps in the Maine Consumer Credit Code do not apply to non-consumer loans. Me. Rev. Stat. Ann. Tit. 9-A 1-201(1). Non-written transactions capped at 6%. Me. Rev. Stat. Ann. Tit. 9-B, 432.	Post-judgment interest is capped. Me. Rev. Stat. Ann. Tit. 14 1602-C.

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Maryland	No	<p>Out-of-state commercial lenders transacting business in MD are not subject to licensing.</p> <p>Lenders obtaining a lien on residential real property must be licensed as a mortgage lender unless the transaction is exempt, such as transactions “for a legitimate commercial purpose”. Md. Code Ann. Fin. Inst. Title 11, Subtitle 5.</p>	<p>In MD, loans to corporations and other commercial loans > \$15,000 (\$75,000 if secured by residential real property) are exempt from statutory rate caps.</p> <p>Reasonable late fees may be charged. Late fees are permissible.</p>	
Massachusetts	No	<p>Commercial lenders do not need a license unless:</p> <ul style="list-style-type: none"> • Mortgage broker (broker of loans to natural persons for consumer purposes secured by residential property (MGLA 255E, 1)) • Small loan business (loans ≤ \$6,000 with > 12% interest) 	<p>Criminal usury under MGL 271, 49 is if the aggregate of interest and expenses > 20% on the sum loaned. The criminal usury statute does not apply if the lender notifies the Mass. Attorney General in writing of its intent to engage in transactions that would otherwise be proscribed by the statute; this is to be done prior to the first loan and is valid for 2 years. MGL 271, 49(d).</p>	<p>Consider making AG notification if loans are > \$6k</p>

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Michigan		Generally, commercial lenders not required to be licensed in Michigan.	Criminal usury under MCLA 438.41 to charge > 25% simple interest per annum.	
Minnesota	Only for loans < \$100,000	<p>Minnesota Regulated Loan Act. Except as authorized by this chapter [Regulated Loans] and without first obtaining a license from the commissioner, no person shall engage in the business of making loans of money, credit, goods, or things in action, in an amount or of a value not exceeding that specified in section 56.131, subdivision 1 [any loan in a principal amount ≤ \$100,000 or 15% of a MN corporate licensee's capital stock and surplus as defined in section 53.015, if greater], and charge, contract for, or receive on the loan a greater rate of interest, discount, or consideration than the lender would be permitted by law to charge if not a licensee under this chapter. Minn. Rev. Stat. § 56.01(a).</p> <p>The term "loan" does not appear to be defined under applicable Minnesota laws.</p>	<p>The general usury cap is 8% but that does not apply to written loan contracts for over \$100,000. Minn. Stat. 334.01, subd. 2; see e.g. Minn. Stat. 47.59.</p> <p>Also, most entities (corporations, trusts, partnerships, LLCs, etc.) cannot take advantage of usury laws. See Minn. Stat. 334.022</p>	

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Mississippi	No	Generally, lenders and lessors with no office or employees in Miss. are not required to be licensed.	<p>The legal rate of interest is 8% per annum but contracts may provide for other finance charges as authorized by law. Miss. Code. Ann. 75-17-1(1).</p> <p>Business entities (partnerships, corporations, joint ventures, associations) may contract for a rate \leq 15% per annum on loans > \$2,500. Miss. Code Ann. 75-17-1(3).</p> <p>Finance charges include interest, loan fees, points, service charges and any cost or expense to the borrower for the lender's services.</p> <p>Late payment fees on loans > \$100,000 capped at \$50 (Miss. Code Ann. 75-17-27).</p>	Only lend to entities and observe 15% rate cap
Missouri	No	<p>Missouri does not have statutes requiring licensing of business purpose loans, particularly if they are greater than \$500 in amount.</p> <p>The licensing provisions for making consumer credit loans that were traditionally referred to as "small loans" are found in MO Stat. §§367.100-367.215. A certificate of registration is required to make "consumer credit loans," meaning loans > \$500 for consumer purposes. Mo. Rev. Stat. 367.110.</p>	<p>The general usury rate cap is 10% or the "market rate" tied to US government bonds. But exemptions for:</p> <ul style="list-style-type: none"> ➤ loans to a corporation, GP, LP or LLC ➤ business-purpose loans \geq \$5,000 ➤ non-residential real estate loans. Mo. Rev. Stat 408.035. 	Loan broker statute may apply

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Montana	No	Montana does not have statutes requiring licensing of business purpose loans.	<p>Usury cap is the greater of 15% or 6% plus the Fed's prime rate (Mont. Code Ann. 31-1-107(1)). Interest includes fees, points and prepaid finance charges.</p> <p>Regulated lenders (a bank, building and loan association, S&L, trust company, credit union, credit association, consumer loan licensee, deferred deposit loan licensee, residential mortgage lender licensee, development corporation, bank holding company, or mutual or stock insurance company organized pursuant to state or federal statutory authority and subject to supervision, control, or regulation by a MT agency or Federal agency) are exempt but there is <u>no apparent general exemption for business purpose loans</u>. Mont. Stat. 31-1-107; 31-1-111-112.</p>	<p>Loan brokering Mont Stat 367.300(4): (4) "Loan broker", any person; except any bank, retail installment sales company, installment loan licensee, who: (a) For or in expectation of consideration arranges or attempts to arrange or offers to fund a loan of money, a credit card, or a line of credit; (b) For or in expectation of consideration assists or advises a borrower in obtaining or attempting to obtain a loan of money, a credit card, a line of credit, or related guarantee, enhancement, or collateral of any kind or nature; (c) Acts for or on behalf of a loan broker for the purpose of soliciting borrowers; or (d) Holds himself out as a loan broker</p> <p>Observe 15% rate cap</p>
Nebraska	No	Nebraska does not have statutes requiring licensing of business purpose loans generally.	<p>The general usury cap is 16% per annum (NE Stat. § 45-101.03). But, per 45-101.04, the cap does not apply to:</p> <ul style="list-style-type: none"> • Loans to a corporation, partnership, LLC or trust • Loans made when the aggregate principal amount of the indebtedness is ≥ \$25,000 of the borrower to any one financial institution, licensee, or permittee. 	<p>Loan brokering (NE Stat. §§ 45-189 to 45-193 (Loan Broker Act)) -- does not impose a licensing requirement other than in connection with mortgage brokerage.</p>

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Nevada	Yes	Separate licenses required for general lending (NRS 675.060), internet-based lending for out-of-state lenders (NRS 604A.010 and 675.060 3.(a), and high-interest loans (NRS 675.035(1)). License applies to any person engaged in the business of soliciting loans or making loans in the State. (NRS 675.060).	Nevada does not cap the interest rate on which parties may agree. NRS 99.050.	Any company that holds itself out as being able to make residential or commercial mortgage loans hold a mortgage banker license. NRS 645E.290, 645E.900 and 645B.405. "Mortgage banker" is a person who, directly or indirectly negotiates, originates or makes or offers to negotiate, originate or make commercial mortgage loans as an agent for or on behalf of an institutional investor. NRS 645E.100. "Commercial mortgage loan" is a loan that is secured by a lien on commercial property and is created with the consent of the owner. NRS 645E.030.
New Hampshire	No	New Hampshire does not have statutes requiring licensing of business purpose loans generally.	There is no usury law in NH for commercial loans. <i>Smith v. Smith</i> , 82 N.H 399, 402 (1926).	
New Jersey	No	Licenses not expressly required for a purely commercial lender.	No usury cap on interest rate for loans > \$50,000 (excluding loans securing residential real estate with up to six units). NJSA 31:1-1(e). A corporation, LLC or LLP may not use usury as a defense. Criminal usury caps are 30% for individual borrowers and 50% for entity borrowers. NJSA 2C:21-9. (if loans to entities)	<i>Caution on lending on < 6 unit residential buildings.</i> Assumes loans > \$50,000 and advise only lending to entities

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New Mexico	No	Generally, out-of-state commercial lenders and lessors are not required to obtain licenses to engage in commercial lending and leasing in NM.	Generally no usury cap for commercial lenders in written agreements; without an agreement it is 15%. NMSA 56-8-3. Corporations, partnerships cannot assert usury. NMSA 56-8-21.	But maximum commission chargeable for negotiating or securing any loan is capped at 6% for loans > \$50,000 and lesser rates for smaller amounts. NMSA 56-8-7. No more than 3% premium for an interim construction loan. NMSA 56-8-9(D).
New York	No	No general NY licensing requirements exist for out-of-state commercial lenders and lessors. But, licenses required for: <ul style="list-style-type: none"> • Small business investment companies • Consumer purpose loans < \$25,000 and commercial loans < \$50,000 (NY Banking Law 340-342) • Residential mortgage bankers and brokers (NY Banking Law 590). A “mortgage loan” is a consumer purpose loan secured by a mortgage on residential real property. 	General usury cap is 16% for non-corporate borrowers. NY General Obligations Law 5-501 and NY Banking Law 14a(1). Exceptions: <ul style="list-style-type: none"> • 25% for loans ≥ \$250,000 not secured by a 1-2 family residence. NYGOL 5-501(6)(a). • No rate cap on loans ≥ \$2.5 million. NYGOL 5-501(6)(b). • UCC-secured loans ≥ \$100K to corporations subject to cap of prime + 8%. NYGOL 5-526. <p>Corporate and LLC borrowers cannot use usury as a defense under the General Obligations Law (NY General Obligations Law 5-521(1)). But criminal usury (NY Penal Law 190.40) may be raised as a defense. NY General Obligations Law 5-521(3); NY Limited Liability Company Law 1104.</p> <p>NY law is not clear as to the ability of LPs, LLPs and other hybrid entities to use usury as a defense.</p>	Keep loans > \$50,000 to avoid licensing requirement. Keep loans > \$2.5MM to avoid rate cap.

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North Carolina	No	Generally, commercial lenders not based in NC do not need a license to make commercial loans.	No interest caps on "exempt loans" which are (1) \geq \$300,000, (2) non-natural person borrower or (3) non-consumer. NC Gen. Stat. 24-9.	Keep loans > \$300K to avoid rate cap purpose
North Dakota	X	Non-ND-based commercial lenders and lessors often need a money broker license. N.D. Cent. Code §13-04.1	ND has a restrictive usury statute at ND Cent. Code 47-14-09: T-Bill rate + 5% But, the usury statute does not apply to loans > \$35K or to loans made to a corporation, LLC, trust, partnership, LP or association that files a tax return.	Money broker license likely required: "Money Broker" means a person or entity who, in the ordinary course of business, engages in money brokering. "Money Brokering" means the act of arranging or providing loans or leases as a form of financing ,or advertising or soliciting either in print, by letter, in person, or otherwise the right to find lenders or provide loans or leases for persons or business desirous of obtaining funds for any purposes. ND Cent. Code 13-04.1-01.1. Keep loans > \$35,000 and only lend to business entities
Ohio	No Assumes no mortgage brokering	Generally, out-of-state commercial lenders and lessors are not subject to special licensing requirements.	Parties to a written instrument may contract for > 8% per annum if: <ul style="list-style-type: none"> Debt is > \$100,000 Debt is secured by a real estate mortgage and the rate \leq Fed's commercial paper rate + 8% Business loan to a business association or partnership, sole proprietor, persons owning and operating a business as JV, joint tenants or TiCs, any LP or trustee owning a business. 	Licenses required for: <ul style="list-style-type: none"> Small loan company making loans \leq \$5,000 (ORC 1321.01-20) Mortgage originator, broker or loan officer (ORC 1322.02; 1321.52) 1322.01(F) -- "mortgage" means any indebtedness secured by a deed of trust, security deed, or other lien on real property. 1322.01(E) -- "loan originator" means a person that processes <u>residential</u> mortgage applications or helps buyers obtain a residential mortgage. Avoid rate cap by keeping loans > \$100,000

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Oklahoma	No	Generally, out-of-state commercial lenders and lessors are not subject to special licensing requirements.	Usury cap on commercial loans is 45% per year calculated according to the actuarial method. Op. Atty. Gen. No. 80-119.	
Oregon	No	<p>Generally, commercial lenders and lessors are not subject to special licensing requirements.</p> <p>License is required for commercial or consumer loans ≤ \$50,000 with a term > 60 days. Or. Rev. Stat. 725.045(1).</p>	X	<p>(if loan > \$50K and, if lending on residential buildings, lend on > 4 unit buildings)</p> <p>O.R.S. § 86A.100(8) -- “residential mortgage transaction” means a mortgage on a building with 4 or fewer units.</p> <p>O.R.S. § 86A.100(3)(a) --“mortgage banker” means a person that for compensation or in the expectation of compensation: (A) either directly or indirectly makes, negotiates or offers to make or negotiate a mortgage banking loan or a mortgage loan; and (B) services or sells a mortgage banking loan.</p> <p>O.R.S. § 86A.100(4) -- “mortgage banking loan” means a loan, extension of credit or a retail sales contract that is funded exclusively from the mortgage banker's own resources, that is directly or indirectly secured by a mortgage or deed of trust or any lien interest on real estate and that is created with the consent of the owner of the real property.</p> <p>O.R.S. § 86A.100(6) -- “mortgage loan” means a loan, extension of credit or retail sales contract, other than a mortgage banking loan, secured by a mortgage or deed of trust or a lien interest on real estate that is created with the consent of the owner of the real estate.</p>

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Pennsylvania	No Assumes loans > \$50k	Out-of-state commercial lenders and lessors transacting business in PA are not subject to any special licensing requirements.	The statutory cap in PA is 6% (41 PS 201-202) - Loans over \$50,000 (\$10,000 if an unsecured business loan) are exempt from statutory limits. 41 PS 201. - Business loans (defined in 10 Pa. Code. 7.2) in any amount are exempt from rate caps (41 PS 201) - Corporations cannot impose the defense of usury. 15 Pa. CS 1510(a).	Make loans only to corporate entities.
Rhode Island	No Assumes loans to business entities, >\$1mm, ATR	Generally, a RI license is required to make, fund or broker commercial or consumer loans. RI Gen. Laws 19-14-2. But, no license is required for specific types of transactions: <ul style="list-style-type: none"> Loans to a corporation, joint venture, partnership, LLC or other business entity. R.I. Gen. Laws § 19-14.1-10(b)(1) (2015). Loan > \$25,000 to an individual for business purposes. Loans secured principally by accounts receivable or business inventory. R. I. Gen. Laws § 19-14.1-10(b)(3) (2015) 	RI Gen. Laws 6-26-2 imposes interest rate cap of the greater of (x) 21% or (y) WSJ prime + 9%. But, there is no rate cap on loans > \$1 million to a commercial entity if (1) loan is not secured by any borrower's principal residence, and (2) the borrower obtains an analysis by a CPA that the loan is capable of being repaid. RI Gen. Laws 6-26-2(e).	(if loans only to business entities and the loan is > \$1 million and ability-to pay process followed)

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South Carolina	No	Generally, no special licensing is required for commercial lenders in South Carolina.	<p>Generally, no usury issues with commercial loans because parties to an express agreement may agree to any interest rate. Absent an express agreement, the cap on a non-consumer loan is 6%. SC Code Ann. 37-10-106.</p> <p>Agricultural loans under \$25,000 are capped at 18%, calculated based on the actuarial method.</p> <p>No restrictions on other fees and charges on commercial loans.</p>	Loan brokers are governed by the statutory loan broker scheme at SC Code Ann. 34-36-10 et seq.
South Dakota	X (Commercial mortgage lender license)	<p>No person may engage in the business of lending money without a license. 54-4-52. No stated exemption for commercial purpose lending.</p> <p>54-4-36(2) -- "business of lending money" includes originating, selling, servicing, acquiring, or purchasing loans, or servicing, acquiring, or purchasing retail installment contracts.</p> <p>54-4-36(12) -- "loan" means any installment loan, single pay loan, or open-end loan which may be unsecured or secured by real or personal property.</p>	<p>Generally, there is no usury cap if the parties agree in writing on the rate. SDCL 54-3-1 and 54-3-1.1.</p> <p>However, no [money lender] licensee may contract for or receive finance charges in excess of an annual rate of 36%, including all charges for any ancillary product or service and any other charge or fee incident to the extension of credit. SDCL § 54-4-44.</p>	<p>Mortgage lenders, mortgage brokers and mortgage originators must be licensed. SDCL 54-14-13. The statute is worded broadly and not limited to residential mortgages.</p> <p>Any company who, for valuable consideration, originates, sells, or services nonresidential mortgage loans, must have a <u>mortgage lending license</u> and is subject to the tax as provided in § 54-14-30 but is exempt from using NMLS and need not have a surety bond. SDCL § 54-14-13.5</p> <p>But, a person who offers or negotiates ≤ 3 nonresidential mortgage loans in a 12-month period is exempt from mortgage loan originator license requirement. SDCL 54-14-20.1.</p> <p>The terms "mortgage lender", "mortgage broker", "mortgage loan originator" and "mortgage lending activities" are not limited to residential / consumer mortgages.</p>

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Tennessee	No	Generally, out-of-state commercial lenders and lessors are not subject to licensing or required to register with the TN Dept. of Financial Institutions.	Tenn. Code Ann. 47-14-101 et seq governs interest, loan charges, commitment fees and brokerage commissions which generally may be charged in commercial loans. The “formula rate” cap in Tenn. Code Ann. 47-14-102(7) is prime + 4%, as published monthly by the Tenn DFI.	
Texas	No	In general, non-Texas based lenders are not required to obtain a special license to engage in permissible lending and leasing activities in the state.	<p>V.T.C.A., Finance Code §303.009 – Maximum per annum interest rate is 18% for all transactions governed by written agreement, subject to exceptions:</p> <ul style="list-style-type: none"> • Rates can be adjusted for inflation up to 24%. <ul style="list-style-type: none"> • 21% rate cap for credit card transactions. • 28% rate cap for business, commercial, or investment loans of \$250,000 or more. <p>V.T.C.A., Finance Code §306 - Parties may agree to certain charges which will not be considered interest:</p> <ul style="list-style-type: none"> • Prepayment penalties (§306.005) • Delinquency charges, not to exceed 5% of the amount in default plus up to \$25 in returned check fees (§306.006) • For qualified commercial loans, charges relating to conversion of debt into equity (§306.101) • Amounts paid in connection with asset-backed securities transactions (§306.102) <p>(18% rate cap unless loan > \$250K; then 28%)</p>	
Utah	No	Generally, commercial lenders are not required to be licensed in Utah.	Parties may contract for any rate of interest. Utah Code Ann. 15-1-1(1). But no compounding of interest. Utah Code Ann. 15-1-1.	

State	License Required?	Licensing Requirements	Rate Limitations and Fee Caps	Comments/Cautions
Vermont	Yes, for commercial loan <\$1mm or unsec'd and subordinate	<p>Generally, a license is required to solicit and make loans, including by electronic means, to VT residents unless licensed.</p> <p>But, no license required to make only commercial loans > \$1 million (Vermont Statutes Title 8 §2201) or unsecured commercial loans that are expressly subordinate to all senior debt, regardless of when the senior debt arises. Vt. Stat. Ann. Tit.8, 2201(d).</p>	<p>The following are exempt from VT's comprehensive usury statute (Vt. Stat. Ann. Tit. 9, 46):</p> <ul style="list-style-type: none"> • Obligations of all corporations • Obligations incurred to finance income producing business or activity • Obligations to finance the purchase, construction or improvement of property for non-residential occupancy 	Lend only to corporations, or unsecured, or > \$1mm
Virginia	No		Generally, commercial lenders are exempt from VA usury laws and any law relating to compounding of interest, late fee caps and acceleration restrictions. Va. Code Ann. 6.2-308, -317. Agricultural loans are business loans for purposes of this rule.	
Washington	No		<p>The defense of usury may not be pled if the transaction was primarily for business purposes. Wash. Rev. Code 19.52.080. A lender is entitled to rely on the borrower's statement of purpose unless the lender knows the representation is false. 79 Wash. App. 747.</p> <p>No statutory cap on fees and charges on a business purpose loan.</p>	Residential mortgage brokers licensed under Wash Rev. Code 19.146. There is no clear statutory requirement that commercial loan brokers be licensed, but 702 P.2d 1240 can be interpreted to mean that a commercial loan broker must be licensed as a real estate broker under Wash Rev. Code 18.85.

State	License Required?	Licensing Requirements	Rate Limitations and Fee Caps	Comments/Cautions
West Virginia	No	Licenses required for loans to individuals for consumer or agricultural purposes, per the WV Consumer Credit and Protection Act (W. Va. Code 46A-4-101; 46A-61-1).	Loans to corporations, partnerships, LPs or LLCs are not subject to usury laws. W. Va. Code 47-6-10. Business purpose loans to an individual are exempt if > \$20,000 . W. Va. Code 47-6-11. Agricultural loans are subject to usury caps. W. Va. Code 47-6-11.	
Wisconsin	No		Commercial loans and loans to entities are exempt from statutory usury caps.	
Wyoming	No		Business, commercial and agricultural purpose loans are not subject to any interest rate caps or usury laws.	