

HB 139 -- Residential Mortgage Brokers

Sponsor: Portwood

This bill changes the laws regarding residential mortgage brokers. The bill:

(1) Defines "continuing education" and establishes standards to comply with the continuing education requirements;

(2) Adds to the definition of "exempt entity" any authorized licensed insurance agent, broker, or producer in any state and any loan originator under exclusive contract with a licensee who has a net worth on file with the Director of the Division of Finance in the Department of Economic Development that exceeds \$25 million who only offers loan products of affiliated lenders wholly owned by the same publicly traded company as the licensee;

(3) Adds any mortgage banker as specified in the bill to the definition of "exempt entity" for the purpose of mortgage broker licensure;

(4) Removes from the definition of "exempt entity" any person employed or contracted by a licensee who assists in brokerage activities;

(5) Defines "loan originator" and "residential loan originator license certification course";

(6) Exempts certain financial institutions from the loan originator licensing requirements;

(7) Exempts from the licensing requirements those persons holding mortgage broker or loan originator licenses prior to the effective date of the bill;

(8) Requires the director to consider advice from the Residential Mortgage Board on the promulgation of any rule and on the decision to deny or revoke a license. The director will provide relevant documents to the board;

(9) Requires all license applications to include evidence of the satisfactory completion of the residential loan originator license certification course and examination;

(10) Requires loan originator licensees to deliver their licenses to their current employer and notify the director. In the case where employment is terminated, the licensee will return his or her license to the director with a written explanation of the reasons for termination; and

(11) Requires all license renewal applications to include evidence of the completion of all continuing education requirements.