



FS 494 Proposed Revisions (SPB 7058)

- 1) Loan originator definition expanded to include all originators (excluding those employed by an exempt depository institution), in-house processors, contract processors, underwriters, loss mitigation specialists, HUD counselors, attorneys whose primary practice includes loan originations including loan modifications
- 2) Mortgage brokers, now refers to the business, will be allowed to table fund
- 3) Administrative fines imposed are increased to \$25,000 per violation
- 4) All loan originators, mortgage brokers, mortgage lenders and branches will be required to pay into a Guaranty Trust Fund
 - a) \$20 annually for originators
 - b) \$100 annually for all other licensure types
 - c) Borrower can only seek recovery if a recorded final judgment has been issued by a state court against a licensee
 - i) Act must have occurred after January 1, 2010
- 5) Effective July 1, 2009, the exemption allowing originators working under correspondent lender licenses or mortgage lender licenses to be unlicensed will be deleted
- 6) Loan Originator License Application/Renewal Requirements
 - a) \$285 application fee; \$20 guaranty fund fee; \$50 one-time NMLS fee
 - b) 20 hours of pre-licensure education
 - c) Complete Set of fingerprints
 - d) State and federal background checks
 - e) State and federal testing (must pass both)
 - f) Independent credit report (at expense of applicant/licensee)
 - i) Must demonstrate financial responsibility
 - (1) No judgments (except medical); no tax liens; no foreclosures within last 3 years; no serious pattern of delinquency over past 3 years
 - g) Renew annually on December 31
- 7) Mortgage Broker License Application/Renewal Requirements
 - a) \$625 application fee; \$100 guaranty fund fee; \$50 one-time NMLS fee
 - b) Designate Principal Loan Originator
 - c) Same requirements as 6 c, d, f
- 8) Loan originator may work for only one broker or lender
- 9) All fees received must be identified as a loan origination fee

- a) Disclosed in \$ amount format
- b) Paid directly to business

10) Required 3 day redisclosure

- a) All field auditors will be notified that GFE will be an acceptable document for redisclosure for files prior to February 1, 2009
- b) After 2/1/09, an addendum to the Mortgage Brokerage Agreement will be accepted

11) Loan Modifications

- a) Now included in loan originator definition
- b) Fees may not be paid except pursuant to a written agreement
- c) Borrower must be made aware of modified terms
- d) Fees may only be received after the loan modification is complete and only if the modification results in a material benefit for borrower

12) Mortgage Brokers/Lenders must submit to the registry a mortgage call record

13) May not request a specific value from an appraiser for a particular property

14) Mortgage Lender

- a) Correspondent Lender License and Mortgage Lender with Savings Clause License is eliminated
- b) \$625 application fee; \$100 guaranty fund fee; \$50 one-time NMLS fee
- c) Audited financial statements reflecting a net worth of \$250,000
- d) Same requirements as 6 c, d, f
- e) Renew annually on December 31
- f) License suspended due to the arrest of a control person for any felony or crime involving fraud, dishonesty, breach of trust, etc.

15) Branch Offices of a Mortgage Lender

- a) \$350 application fee; \$100 guaranty fund fee; \$50 one-time NMLS fee
- b) Must be operated by a branch manager with full control and supervision
- c) License suspended due to the arrest of a control person for any felony or crime involving fraud, dishonesty, breach of trust, etc.

16) All mortgage business school permits expire on December 31, 2009

17) All mortgage brokerage business licenses issued before January 1, 2010 expire on March 31, 2010

18) All mortgage broker licenses issued before January 1, 2010 expire on March 31, 2010

19) Persons holding active mortgage lender license on January 1, 2010 must file transition request with the registry by March 31, 2010

20) All mortgage lender licenses issued before January 1, 2010 expire on March 31, 2010

21) All correspondent mortgage lender licenses issued before January 1, 2010 expire on March 31, 2010