



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2013 Wisconsin Act 360
[2013 Senate Bill 534]

**Mortgage Bankers,
Mortgage Brokers, and
Mortgage Loan Originators**

2013 Wisconsin Act 360 makes numerous changes to the regulation of mortgage bankers, mortgage brokers, and mortgage loan originators in the state. Generally, a mortgage banker is a person who sells or services residential mortgage loans (loans); a mortgage broker is a person who finds or negotiates loans on behalf of others; and a mortgage loan originator is a person who processes loan applications or offers or negotiates terms of a loan. The changes under the Act include the following:

- Modifications to the definitions of mortgage bankers, mortgage brokers, and mortgage loan originators, and the creation of exemptions from regulation, in certain cases. The Act creates exemptions for government or nonprofit agencies, and for individuals with limited transactions per year. The Act leaves in place certain other exceptions from regulation, such as for depository institutions, which are not required to be licensed as mortgage bankers or mortgage brokers.
- Authorization for depository institutions to sponsor mortgage loan originators, with notice to the Department of Financial Institutions (DFI), and in accordance with certain procedures specified in the Act.
- Modification of certain annual financial reporting requirements, through the Nationwide Mortgage Licensing System and Registry, applicable to mortgage bankers, mortgage brokers, and mortgage loan originators.
- Creation of certain geographic restrictions applicable to principal and branch offices of mortgage bankers, mortgage brokers, and mortgage loan originators, and an exemption to the prohibition on home offices as principal offices for mortgage bankers and mortgage brokers.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

- Creation of restrictions related to solicitation and advertising by mortgage bankers, mortgage brokers, and mortgage loan originators.

Effective date: April 25, 2014.

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