

2005 ASSEMBLY BILL 160

March 3, 2005 – Introduced by Representatives JESKEWITZ, HINES, GRONEMUS, RICHARDS, FREESE, KESTELL, VOS, OTT and MOLEPSKE, cosponsored by Senators LASSA, KEDZIE, DARLING and STEPP. Referred to Committee on Financial Institutions.

1 **AN ACT relating to:** examination required for registration as a loan originator.

Analysis by the Legislative Reference Bureau

Under current law, a person may not act as a loan originator unless he or she is registered with the Division of Banking (division) and he or she complies with requirements for renewing the registration that are specified in rules promulgated by the division. The rules specify renewal dates for registrations that are based on the month that a registration was originally issued to a person. Before the passage of 2003 Wisconsin Act 260 (act), a person did not have to pass a competency examination in order to register with the division. The act requires a person to pass such an examination, but only if he or she is not employed by an affiliate of any of the following: credit unions; banks; trust companies; savings banks; savings and loan associations; insurance companies; and land mortgage or farm loan associations. In addition, the act does not require a person to pass an examination if he or she was registered as a loan originator before July 2, 2005.

This bill requires a person who was registered as loan originator before July 2, 2005, to pass the competency examination, but only if he or she is not employed by an affiliate of any of the entities specified above. When the division renews the registration of such a person for the first renewal date that occurs after the bill's effective date, the division must notify the person that, if the person does not, within 90 days after the renewal date, provide evidence that he or she has passed the

