

2007 DRAFTING REQUEST

Bill

Received: 02/19/2008

Received By: agary

Wanted: As time permits

Identical to LRB:

For: Jim Sullivan (608) 266-2512

By/Representing: Matthew Swentkofske

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject: Fin. Inst. - int. rates/loans

Extra Copies:

Submit via email: YES

Requester's email: Sen.Sullivan@legis.wisconsin.gov

Carbon copy (CC:) to: aaron.gary@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Redefining loan under mortgage banking law and limiting applicability to commercial loans

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 02/19/2008	wjackson 02/19/2008		_____			State
/1			pgreensl 02/19/2008	_____	sbasford 02/19/2008	cduerst 02/19/2008	

FE Sent For:

at
intro

<END>

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/?	agary	1 WJ 2/19	2/19 P8	2/19 JEP			

FE Sent For:

<END>

Gary, Aaron

From: Knight, Eric
Sent: Monday, February 18, 2008 10:54 AM
To: Gary, Aaron
Cc: Swenkofske, Matthew

Aaron: I give permission for a companion to the Mortgage Banking Act, LRB- 3646. Thanks

Eric Knight
Office of Rep. Scott Newcomer
608-266-3007
888-529-0033
Eric.Knight@legis.wi.gov

Gary, Aaron

From: Swentkofske, Matthew
Sent: Tuesday, February 19, 2008 7:19 AM
To: Gary, Aaron
Subject: LRB number

Aaron,

Can you send me the LRB number for the Senate Version the Mortgage Bankers Bill? The Assembly LRB is 3646. I need it so I can post it by 10 AM today so we can have a hearing on it tomorrow. Thanks.

Matt Swentkofske
Office of Senator Jim Sullivan
5th Senate District
matthew.swentkofske@legis.wisconsin.gov
608-266-2512

TODAY

- 4121/1

LRB-36464

ARG:wlj:jf

stays

R M N R

2007 BILL

No changes

Regen

1 AN ACT ~~to amend~~ 224.71 (1g) and 224.75 (3) (b) of the statutes; relating to:
2 mortgage bankers, mortgage brokers, and loan originators.

Analysis by the Legislative Reference Bureau

Under current law, a person may not act as a mortgage banker, mortgage broker, or loan originator unless the person is registered as such with the Division of Banking in the Department of Financial Institutions (division). A mortgage banker is, with certain exceptions, a person who originates loans for itself, as payee on the note evidencing the loan, or for another person; sells loans or interests in loans to another person; or services loans or land contracts or provides escrow services. A mortgage broker is, with certain exceptions, a person who, on behalf of a loan applicant or an investor and for commission or other compensation, finds a loan or negotiates a land contract, loan, or commitment for a loan. A loan originator is a person who, on behalf of a mortgage banker or mortgage broker, finds a loan or negotiates a land contract, loan, or commitment for a loan. State and federally chartered financial institutions are excluded from the definitions of mortgage banker and mortgage broker. For purposes of the statutes regulating mortgage bankers, mortgage brokers, and loan originators, "loan" is defined as a loan secured by a lien or mortgage, or equivalent security interest, on real property.

This bill changes this definition of "loan," altering the scope of the persons and transactions that are subject to the statutes regulating mortgage bankers, mortgage brokers, and loan originators. Under the bill, a "loan" is defined as a loan for personal, family, or household purposes that is secured by a lien or mortgage, or equivalent security interest, on real property located in this state. The definition of

BILL

“loan” also specifies that a loan secured by real property consisting of one to four dwelling units, including individual condominium units, is a loan for household purposes, but a loan made by a landlord to a tenant secured by leasehold improvements is not.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 224.71 (1g) of the statutes is amended to read:

2 224.71 **(1g)** “Loan” means a loan for personal, family, or household purposes
3 that is secured by a lien or mortgage, or equivalent security interest, on real property
4 located in this state. For purposes of this subsection, a loan secured by real property
5 consisting of 1 to 4 dwelling units, including individual condominium units, is a loan
6 for household purposes, but a loan made by a landlord to a tenant as described in sub.
7 (3) (b) 4. is not a loan for household purposes.

8 **SECTION 2.** 224.75 (3) (b) of the statutes is amended to read:

9 224.75 **(3) (b)** *Appraisal report.* If a mortgage banker or mortgage broker
10 charges a loan applicant a separate fee for an appraisal report, the appraisal report
11 shall consist, at a minimum, of a written statement indicating the appraiser’s
12 opinion of the value of the property appraised for mortgage loan purposes, the basis
13 for that opinion and the name of the person who conducted the appraisal. If
14 requested by a loan applicant, a mortgage banker or mortgage broker shall provide
15 the loan applicant with a copy of any written appraisal report held by the mortgage
16 banker or mortgage broker, if the loan applicant paid a fee for the report ~~and the~~
17 ~~report relates to residential real estate that the loan applicant owns or has agreed~~
18 ~~to purchase.~~

19 **SECTION 3. Initial applicability.**

Duerst, Christina

From: Swentkofske, Matthew
Sent: Tuesday, February 19, 2008 12:00 PM
To: LRB.Legal
Subject: RUSH RUSH Draft Review: LRB 07-4121/1 Topic: Redefining loan under mortgage banking law and limiting applicability to commercial loans

Please Jacket LRB 07-4121/1 for the SENATE.