

2009 DRAFTING REQUEST

Bill

Received: 03/20/2009

Received By: agary

Wanted: As time permits

Identical to LRB:

For: Jon Richards (608) 266-0650

By/Representing: self

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

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

Extra Copies: MDK

Submit via email: YES

Requester's email: Rep.Richards@legis.wisconsin.gov

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

Pre Topic:

No specific pre topic given

Topic:

Criminal history of mortgage loan originators

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>
/?							
/P1	agary 03/24/2009	jdyer 03/25/2009	jfrantze 03/25/2009	_____	mbarman 03/25/2009		
/1	agary 06/16/2009	jdyer 06/16/2009	phenry 06/16/2009	_____	mbarman 06/16/2009	lparisi 06/16/2009	

FE Sent For: NONE

<END>

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/1	agary 06/16/2009	jdye 06/16/2009	phenry 06/16/2009	_____	mbarman 06/16/2009		

Jacketed (circled)
→ for Assembly
per ARG

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6/16 ph
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/?	agary	A1 3/25 jld	Jo 3/25	Jo/md 3/25			

FE Sent For:

<END>

3/20/09

T/c with Rep. Jon Richards
414-416-1695

Re article in Journal Sentinal, looking at mortgage loan originators/mortgage brokers. Wants DFI to deny or revoke a license if person is convicted of drug trafficking, embezzlement, or fraud. Any crime of dishonesty. Conviction anywhere in the world for crime of fraud, embezzlement, or drug trafficking.

Discussed Act 2 language – crimes of fraud, dishonesty, breach of trust, money laundering. Act 2 language seems to meet intent, but wants to add other crimes to make them specific. Discussed possibilities. Draft bill to add drug trafficking, theft, deceit, perjury, forgery, embezzlement, extortion to “permanent DQ” list. Doesn’t want to expand provision to cover misdemeanors in addition to felonies.



500m

in 3/24

JLd

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-Note

✓

Gen

1 AN ACT ...; **relating to:** convictions disqualifying a person from holding a
2 mortgage loan originator license.✓

Analysis by the Legislative Reference Bureau

In 2009 Wisconsin Act 2, provisions of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 were adopted into state law, including provisions establishing standards for the licensing of mortgage loan originators. A mortgage loan originator is, with specified exceptions, an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan for compensation or gain. Beginning on January 1, 2010, the division of banking in the Department of Financial Institutions (division) may issue a mortgage loan originator license to an applicant only if the applicant satisfies certain criteria. The applicant must provide: fingerprints for submission to the Federal Bureau of Investigation for a state, national, and international criminal history background check; personal history information; and authorization for the release of information related to any administrative, civil, or criminal findings against the applicant. The division may not issue a mortgage loan originator license to an applicant if the applicant has previously had a mortgage loan originator license revoked. The division also may not issue a mortgage loan originator license to an applicant if the applicant has been convicted of a felony in a domestic, foreign, or military court as follows: 1) If the felony involved an act of fraud, dishonesty, breach of trust, or money laundering, the felony disqualifies the applicant from holding a mortgage loan originator's license regardless of when the felony conviction occurred; or 2) If the felony is not one described in 1), the felony disqualifies the applicant from holding

*

*

*

item above,

a mortgage loan originator's license only if the felony conviction occurred within seven years prior to the license application. The division may only renew a mortgage loan originator license if the mortgage loan originator continues to meet the minimum standards for license issuance.

This bill specifies that an applicant convicted of a felony involving an act of theft, embezzlement, forgery, perjury, deceit, extortion, or manufacturing, distribution, or delivery of a controlled substance or controlled substance analog is disqualified from holding a mortgage loan originator license regardless of when the felony conviction occurred.

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

SECTION 1. 224.725 (3) (b) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

224.725 (3) (b) The applicant has not been convicted of, or pled guilty or no contest to, a felony in a domestic, foreign, or military court during the 7-year period preceding the date of the application or, for a felony involving an act of fraud or deceit, dishonesty, breach of trust, theft, embezzlement, forgery, perjury, extortion, manufacturing, distribution, or delivery of a controlled substance or controlled substance analog, or money laundering, at any time preceding the date of the application. This paragraph does not apply with respect to any conviction for which the applicant has received a pardon.



History: 2009 a. 2 ss. 607, 621, 634.

SECTION 2. Effective date.

(1) This act takes effect on January 1, 2010, or on the day after publication, whichever is later.

(END)



DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2419/P1dn

ARG: :...

date

JG

Representative Richards:

As discussed, regarding s. 224.725 (3) (b) created in 2009 Act 2, the term "dishonesty" could be viewed to encompass the other terms referenced in Act 2 ("fraud," "breach of trust," and "money laundering") as well as most of the terms added in this bill. I believe there is no clear line between what might be useful specificity and what would simply be redundant.

Wisconsin

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "1" draft.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2419/P1dn
ARG:jld:jf

March 25, 2009

Representative Richards:

As discussed, regarding s. 224.725 (3) (b) created in 2009 Wisconsin Act 2, the term "dishonesty" could be viewed to encompass the other terms referenced in Act 2 ("fraud," "breach of trust," and "money laundering") as well as most of the terms added in this bill. I believe there is no clear line between what might be useful specificity and what would simply be redundant.

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Gary, Aaron

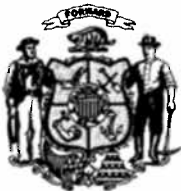
From: Barman, Mike
Sent: Tuesday, June 16, 2009 2:05 PM
To: Gary, Aaron
Subject: FW: Draft review: LRB 09-2419/P1 Topic: Criminal history of mortgage loan originators

From: Kostelic, Jeff
Sent: Tuesday, June 16, 2009 2:05 PM
To: Barman, Mike
Subject: RE: Draft review: LRB 09-2419/P1 Topic: Criminal history of mortgage loan originators

Please have Aaron convert this to a /1 to be prepared for jacketing. Thank you.

From: Barman, Mike
Sent: Wednesday, March 25, 2009 9:41 AM
To: Rep.Richards
Subject: Draft review: LRB 09-2419/P1 Topic: Criminal history of mortgage loan originators

Following is the PDF version of draft LRB 09-2419/P1 and drafter's note.



State of Wisconsin
2009 - 2010 LEGISLATURE

Wanted
by 6/17

LRB-2419/1

ARG:jld:jf

Keep

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

No changes

Regen

- 1 AN ACT *to amend* 224.725 (3) (b) of the statutes; **relating to:** convictions
- 2 disqualifying a person from holding a mortgage loan originator license.

Analysis by the Legislative Reference Bureau

In 2009 Wisconsin Act 2, provisions of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 were adopted into state law, including provisions establishing standards for the licensing of mortgage loan originators. A mortgage loan originator is, with specified exceptions, an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan for compensation or gain. Beginning on January 1, 2010, the Division of Banking in the Department of Financial Institutions (division) may issue a mortgage loan originator license to an applicant only if the applicant satisfies certain criteria. The applicant must provide: fingerprints for submission to the Federal Bureau of Investigation for a state, national, and international criminal history background check; personal history information; and authorization for the release of information related to any administrative, civil, or criminal findings against the applicant. The division may not issue a mortgage loan originator license to an applicant if the applicant has previously had a mortgage loan originator license revoked. The division also may not issue a mortgage loan originator license to an applicant if the applicant has been convicted of a felony in a domestic, foreign, or military court as follows: 1) if the felony involved an act of fraud, dishonesty, breach of trust, or money laundering, the felony disqualifies the applicant from holding a mortgage loan originator's license regardless of when the felony conviction occurred; or 2) if the felony is not one described in item 1), above, the felony disqualifies the applicant from

Parisi, Lori

From: Kostelic, Jeff
Sent: Tuesday, June 16, 2009 3:24 PM
To: LRB.Legal
Subject: Draft Review: LRB 09-2419/1 Topic: Criminal history of mortgage loan originators

Please Jacket LRB 09-2419/1 for the ASSEMBLY.