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DOA:.....Dombrowski, BAB0025 - SAFE Act; regulation of mortgage loan originators, mortgage brokers, and mortgage bankers

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Do Not Gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**COMMERCE AND ECONOMIC DEVELOPMENT**

**BUSINESS ORGANIZATIONS AND FINANCIAL INSTITUTIONS**

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) establishes certain nationwide standards for mortgage loan originators. Under the SAFE Act, a mortgage loan originator is, with specified exceptions, an individual who takes a residential mortgage loan application and offers or negotiates terms of a residential mortgage loan for compensation or gain. If a state does not meet a certain level of compliance with the federal standards established under the SAFE Act, the federal Department of Housing and Urban Development must undertake the licensing and registration of mortgage loan originators operating within that state. One required component under the SAFE Act is that states must license and register mortgage loan originators through the Nationwide Mortgage Licensing System and Registry (NMLSR) developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

This bill makes numerous changes, both substantive and stylistic, in the statutes relating to the regulation of mortgage loan originators, mortgage brokers, and mortgage bankers (mortgage regulatory provisions). Among these changes,

“loan originators” under current law are referred to as “mortgage loan originators” under the bill and, under the bill, mortgage loan originators, mortgage brokers, and mortgage bankers are licensed by the division of banking in DFI (division) instead of being registered as under current law. The bill requires the division to participate in NMLSR and authorizes the division to process and maintain mortgage loan originator licenses through, and register mortgage loan originators with, NMLSR.

The bill modifies various definitions applicable to all mortgage regulatory provisions, thereby changing the scope of regulation. The bill slightly modifies the types of loans to which these mortgage regulatory provisions apply by redefining “loan” as “residential mortgage loan.” Under the bill, a “residential mortgage loan” is any loan primarily for personal, family, or household use that is secured by a lien or mortgage, or equivalent security interest, on a dwelling or residential real property located in this state. With certain exceptions, a “mortgage loan originator” under the bill is an individual who, for compensation or gain, takes a residential mortgage loan application and offers or negotiates terms of a residential mortgage loan. However, certain persons are exempt from all mortgage regulatory provisions, including a mortgage loan originator who is an employee of a depository institution or its regulated subsidiary and who is registered with NMLSR. A “depository institution” is a federally chartered or state-chartered bank, savings association, or credit union. The bill essentially maintains the current law definitions of “mortgage banker” and “mortgage broker,” but eliminates the exceptions under current law to these definitions and replaces them with new exceptions. Under the bill, a “mortgage banker” is a person who does any of the following: originates residential mortgage loans for itself or for another person; sells residential mortgage loans or interests in residential mortgage loans to another person; or services residential mortgage loans or provides escrow services. Under the bill, a “mortgage broker” is a person who, on behalf of a residential mortgage loan applicant or an investor and for commission or fee, finds a residential mortgage loan, negotiates a residential mortgage loan or loan commitment, or engages in table funding. Among the exceptions under the bill to the definitions of “mortgage banker” and “mortgage broker” are depository institutions and regulated subsidiaries of depository institutions.

The bill includes a number of changes to current law with respect to the regulation of mortgage loan originators, including the following:

1. The bill requires that the division’s licensing of mortgage loan originators be processed through NMLSR and that all mortgage loan originator licensees be registered with NMLSR.

2. The bill requires each applicant for a mortgage loan originator license to furnish to NMLSR specified information concerning the applicant’s identity, including the applicant’s fingerprints, personal history, and authorization for credit and criminal history checks.

3. The bill specifies certain disqualifying factors preventing the issuance of a mortgage loan originator license, including that the applicant has had a mortgage loan originator license revoked or has been convicted of a felony within a specified period. As derived from the SAFE Act, an applicant may be issued a mortgage loan originator license only if the applicant has demonstrated financial responsibility,

character, and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently under applicable law.

4. The bill modifies current law requirements related to professional education and testing for mortgage loan originators. The bill modifies education and testing requirements, requires each education course to be reviewed and approved by NMLSR, and requires each test to be developed by NMLSR and administered by a test provider approved by NMLSR.

5. The bill requires each mortgage loan originator to be covered by a surety bond in an amount, as determined by the division, reflecting the dollar amount of residential mortgage loans originated by the mortgage loan originator.

6. The bill requires each mortgage loan originator, after submitting an application for initial issuance or renewal of a license, to provide notice to the division within ten days of the occurrence of certain events, including the following: any material change in information included in the application; the applicant's filing for bankruptcy; the applicant's conviction of a felony or other crime related to dishonesty; or the applicant's receipt of notice of a disciplinary action against the applicant as a mortgage loan originator in another state.

6. The bill requires each mortgage loan originator to submit to NMLSR an annual report of condition.

7. Under the bill, each mortgage loan originator must be issued a unique number or other identifier (unique identifier). The bill requires any person originating a residential mortgage loan to place the person's unique identifier on all residential mortgage loan application forms, solicitations, and advertisements.

8. The bill contains provisions relating to confidentiality of information provided by the division to NMLSR, but allows NMLSR to provide public access to information relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators. The division must regularly report to NMLSR violations and enforcement actions involving mortgage loan originators.

The bill also includes <sup>some</sup> changes to current law relating to the regulation of mortgage bankers and mortgage brokers, including the following:

1. The bill modifies current law requirements relating to surety bonds covering, and net worth of, mortgage bankers and mortgage brokers. The bill requires that mortgage bankers and mortgage brokers maintain surety bonds in the amount of \$250,000 or \$100,000, respectively, and maintain a minimum net worth of \$100,000 or \$50,000, respectively.

2. The bill requires mortgage bankers and mortgage brokers to submit to NMLSR annual reports of condition and to submit to the division audits of their operations. The bill also expands record-keeping requirements for mortgage bankers and mortgage brokers and requires them to retain records for a longer period.

3. The bill requires each mortgage banker and mortgage broker, after submitting an application for initial issuance or renewal of a license, to provide notice to the division within ten days of the occurrence of certain events, including

the following: any material change in information included in the application; the applicant's filing for bankruptcy or the filing for bankruptcy of an officer or director of a corporate applicant; the applicant's conviction of a felony or other crime related to dishonesty, or such a conviction of an officer or director of a corporate applicant; the applicant's receipt of notice of a disciplinary action against the applicant as a mortgage banker or mortgage broker in another state; the suspension or termination of the applicant's status as an approved seller or servicer by certain mortgage-related-government-sponsored enterprises or government corporations; or any material change in control in the ownership of a corporate applicant or among its officers, directors, members, or partners.

4. The bill prohibits mortgage bankers and mortgage brokers from charging a nonrefundable fee prior to the closing of a residential mortgage loan unless there is a written agreement for the nonrefundable fee and the written agreement meets certain requirements.

5. The bill requires each mortgage banker to adopt and maintain a residential mortgage loan policy relating to subprime mortgage loans and nontraditional mortgage loans. This policy must be consistent with certain guidelines, and the mortgage banker must implement internal controls reasonably designed to ensure compliance with this policy.

The bill creates a number of violations, and modifies certain current-law violations, relating to prohibited acts and practices of mortgage bankers, mortgage brokers, mortgage loan originators, and officers and directors of corporate mortgage bankers and mortgage brokers, including the following:

1. The bill modifies and expands current law provisions to prohibit materially false or deceptive statements or representations or knowing omissions of material facts.

2. The bill prohibits the use of documents known to contain erroneous or false information concerning a person's eligibility for a loan.

3. The bill prohibits mortgage bankers and mortgage brokers from paying commissions to unassociated or unlicensed mortgage loan originators.

4. The bill prohibits mortgage brokers from entering into agreements under which a person pays the mortgage broker a fee in order for the person to be able to prepay the principal of a residential mortgage loan.

5. The bill prohibits mortgage bankers and mortgage brokers from conducting business at an unlicensed office or under any trade name not designated in a license application.

6. The bill prohibits mortgage brokers from failing to do any of the following: use reasonable care, skill, and diligence in performing their duties; act in good faith; make reasonable good faith efforts to secure a mortgage that is in the reasonable interests of the borrower; or ensure that the cost of credit is reasonably appropriate for the borrower.

7. The bill prohibits mortgage brokers from advertising residential mortgage loans unless the advertisement includes the phrase "MORTGAGE BROKER ONLY, NOT A MORTGAGE LENDER."

8. The bill prohibits mortgage brokers from doing any of the following in connection with an advertisement: using a simulated check; comparing loan payments under a residential mortgage loan being offered with loan payments under a hypothetical loan unless certain information is included in the advertisement; using certain representations such as "preapproved" or "prequalified" unless certain disclosures are included in the advertisement; or giving the appearance in a mailed advertisement that the mailing was sent by a governmental agency.

4 ~~10~~ The bill prohibits the impeding of an investigation or examination or the denial of access to or destruction of books, records, or other information that the division is authorized to obtain.

5 ~~10~~ The bill prohibits contracts with borrowers that provide in substance that the mortgage banker, mortgage broker, or mortgage loan originator may earn a fee through "best efforts" to obtain a residential mortgage loan even if no loan is actually obtained for the borrower.

6 ~~10~~ The bill prohibits the solicitation or advertisement of interest rates, points, or other financing terms unless the terms are actually available at the time of the solicitation or advertisement.

7 ~~10~~ The bill prohibits assisting, aiding, or abetting any person in unlawfully conducting mortgage-related business without a valid license.

8 ~~10~~ The bill prohibits withholding payments or making payments, threats, or promises for the purpose of influencing a person's independent judgment in connection with a residential mortgage loan or withholding payments or making payments, threats, or promises to a property appraiser for the purpose of influencing the appraiser's independent judgment with respect to the value of the property.

9 ~~10~~ The bill prohibits requiring a borrower to obtain property insurance coverage in an amount exceeding the replacement cost of improvements on the property.

15. The bill prohibits mortgage bankers that service residential mortgage loans from failing to do any of the following: promptly deliver to the mortgagor a release of the mortgage upon repayment of the outstanding balance of the loan secured by the mortgage; or identify for the borrower, upon request by the borrower, the amount of the outstanding balance of the loan secured by the mortgage within two business days of the request.

The bill increases the penalty for violations from a maximum of \$2,000 to a maximum of \$25,000. This increase applies both to civil forfeitures imposed by the division as administrative assessments and to criminal fines imposed by a court. The bill does not change any term of incarceration for a violation. The bill expands the number of violations for which these penalties are applicable. Under current law, these penalties apply only to specified violations. Under the bill, these penalties may be applied to any violation of a mortgage regulatory provision or of any rule promulgated by the division under a mortgage regulatory provision. The bill allows the division to order restitution in connection with a violation in the same manner in which the division may impose an administrative assessment for the violation. The bill expands the number of violations for which a civil cause of action may be brought to correspond to the expansion of violations for which penalties are

applicable. The bill increases the maximum limit for recovery of certain damages in civil actions from \$2,000 to \$25,000.

The bill requires the division to promulgate emergency rules for the orderly and efficient transition from the registration system under current law to the licensing system required under the bill.

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

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

1           **SECTION 1.** 15.09 (6) of the statutes is amended to read:

2           **15.09 (6) REIMBURSEMENT FOR EXPENSES.** Members of a council shall not be  
3 compensated for their services, but, except as otherwise provided in this subsection,  
4 members of councils created by statute shall be reimbursed for their actual and  
5 necessary expenses incurred in the performance of their duties, such reimbursement  
6 in the case of an elective or appointive officer or employee of this state who represents  
7 an agency as a member of a council to be paid by the agency which pays his or her  
8 salary. Members of the mortgage loan originator council under s. 15.187 (1) may not  
9 be reimbursed for their actual and necessary expenses incurred in the performance  
10 of their duties. Members of the agricultural education and workforce development  
11 council may not be reimbursed for their actual and necessary expenses incurred in  
12 the performance of their duties.

13           **SECTION 2.** 15.187 (1) (intro.), (a), (b) and (c) of the statutes are amended to  
14 read:

15           **15.187 (1) LOAN MORTGAGE LOAN ORIGINATOR ~~REVIEW~~ COUNCIL.** (intro.) There is  
16 created in the department of financial institutions a mortgage loan originator  
17 council. The council shall consist of the following members, appointed by the  
18 secretary of financial institutions for 4-year terms:

1 (a) ~~Three~~ Four persons who are mortgage loan originators ~~registered~~ licensed  
2 under s. ~~224.72 (1m)~~ 224.725.

3 (b) One person who is an agent of a mortgage broker ~~registered~~ licensed under  
4 s. 224.72 (1m).

5 (c) One person who is an agent of a mortgage banker ~~registered~~ licensed under  
6 s. 224.72 (1m).

7 **SECTION 3.** 15.187 (1) (d) of the statutes is repealed.

8 **SECTION 4.** 49.857 (1) (d) 12. of the statutes is amended to read:

9 49.857 (1) (d) 12. A license or certificate of registration issued under ss. 138.09,  
10 138.12, 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725,  
11 224.93 or subch. IV of ch. 551.

12 **SECTION 5.** 73.0301 (1) (d) 6. of the statutes is amended to read:

13 73.0301 (1) (d) 6. A license or certificate of registration issued by the  
14 department of financial institutions, or a division of it, under ss. 138.09, 138.12,  
15 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725, 224.93 or  
16 under subch. IV of ch. 551.

17 **SECTION 6.** 100.55 (1) (d) 3. of the statutes is amended to read:

18 100.55 (1) (d) 3. A mortgage banker, ~~loan originator,~~ or mortgage broker  
19 ~~registered~~ licensed under s. 224.72 or a mortgage loan originator licensed under s.  
20 224.725.

21 **SECTION 7.** 220.02 (2) (g) of the statutes is amended to read:

22 220.02 (2) (g) Mortgage bankers, mortgage loan originators, and mortgage  
23 brokers under subch. III of ch. 224.

24 **SECTION 8.** 220.02 (3) of the statutes is amended to read:

1           220.02 (3) It is the intent of sub. (2) to give the division jurisdiction to enforce  
2 and carry out all laws relating to banks or banking in this state, including those  
3 relating to state banks, savings banks, savings and loan associations, and trust  
4 company banks, and also all laws relating to small loan companies or other loan  
5 companies or agencies, finance companies, insurance premium finance companies,  
6 motor vehicle dealers, adjustment service companies, community currency  
7 exchanges, mortgage bankers, mortgage loan originators, mortgage brokers, and  
8 collection agencies and those relating to sellers of checks under ch. 217, whether  
9 doing business as corporations, individuals, or otherwise, but to exclude laws  
10 relating to credit unions.

11           **SECTION 9.** 220.06 (1) of the statutes is amended to read:

12           220.06 (1) In this section, "licensee" means a person licensed by the division  
13 under ch. 138, 217 or 218 or under s. 224.72, 224.725, or 224.92 ~~or registered by the~~  
14 ~~division under s. 224.72.~~

15           **SECTION 10.** 220.285 (1) of the statutes is amended to read:

16           220.285 (1) Any state bank, trust company bank, licensee under ss. 138.09,  
17 138.12, 218.0101 to 218.0163, 218.02, 218.04 ~~or~~, 218.05, 224.72, or 224.725 or ch. 217,  
18 ~~or person registered under s. 224.72~~ may cause any or all records kept by such bank,  
19 licensee, or registered person to be recorded, copied or reproduced by any photostatic,  
20 photographic or miniature photographic process or by optical imaging if the process  
21 employed correctly, accurately and permanently copies, reproduces or forms a  
22 medium for copying, reproducing or recording the original record on a film or other  
23 durable material. A bank, licensee, or registered person may thereafter dispose of  
24 the original record after first obtaining the written consent of the division. This  
25 section, excepting that part of it which requires written consent of the division, is



1 applicable to national banking associations insofar as it does not contravene federal  
2 law.

3 **SECTION 11.** 221.0402 (2) (b) of the statutes is amended to read:

4 221.0402 (2) (b) Mortgage bankers ~~registered~~ licensed under s. 224.72 may use  
5 the designation "mortgage banker".

6 **SECTION 12.** 224.71 (1ag) of the statutes is repealed.

7 **SECTION 13.** 224.71 (1am) of the statutes is created to read:

8 224.71 (1am) "Advertisement" or "advertise" means any, or to make any,  
9 announcement, statement, assertion, or representation that is placed before the  
10 public in a newspaper, magazine, or other publication, in the form of a notice,  
11 circular, pamphlet, letter, or poster, through any radio, television, cable, or satellite  
12 broadcast, by means of the Internet or other electronic means of distributing  
13 information, by personal contact, or in any other way.

14 **SECTION 14.** 224.71 (1b) of the statutes is repealed.

15 **SECTION 15.** 224.71 (1bm) of the statutes is created to read:

16 224.71 (1bm) "Another state" means any state of the United States other than  
17 Wisconsin; the District of Columbia; any territory of the United States; Puerto Rico;  
18 Guam; American Samoa; the Trust Territory of the Pacific Islands; the Virgin  
19 Islands; or the Northern Mariana Islands.

20 **SECTION 16.** 224.71 (1c) of the statutes is created to read:

21 224.71 (1c) "Branch office" means an office or place of business, other than the  
22 principal office, located in this state or another state, where a mortgage banker or  
23 mortgage broker conducts business with residents of this state.

24 **SECTION 17.** 224.71 (1d) of the statutes is repealed.

25 **SECTION 18.** 224.71 (1dm) of the statutes is created to read:

1           224.71 (1dm) "Depository institution" has the meaning given in 12 USC 1813  
2 (c) (1), but also includes any state or federal credit union.

3           **SECTION 19.** 224.71 (1f) of the statutes is created to read:

4           224.71 (1f) "Dwelling" has the meaning given in 15 USC 1602 (v).

5           **SECTION 20.** 224.71 (1g) of the statutes is renumbered 224.71 (14) and amended  
6 to read:

7           224.71 (14) "~~Loan~~ Residential mortgage loan" means ~~a~~ any loan primarily for  
8 personal, family, or household purposes use that is secured by a lien or mortgage, or  
9 equivalent security interest, on a dwelling or residential real property located in this  
10 state. ~~For purposes of this subsection, a loan secured by real property consisting of~~  
11 ~~1 to 4 dwelling units, including individual condominium units, is a loan for household~~  
12 ~~purposes, but a loan made by a landlord to a tenant as described in sub. (3) (b) 4. is~~  
13 ~~not a loan for household purposes.~~

14           **SECTION 21.** 224.71 (1h) of the statutes is created to read:

15           224.71 (1h) "Federal banking agency" means the board of governors of the  
16 federal reserve system, the U.S. office of the comptroller of the currency, the U.S.  
17 office of thrift supervision, the national credit union administration, or the federal  
18 deposit insurance corporation.

19           **SECTION 22.** 224.71 (1m) of the statutes is created to read:

20           224.71 (1m) "Finds," with respect to a residential mortgage loan, means to  
21 assist a residential mortgage loan applicant in locating a lender for the purpose of  
22 obtaining a residential mortgage loan and to make arrangements for a residential  
23 mortgage loan applicant to obtain a residential mortgage loan, including collecting  
24 information on behalf of an applicant and preparing a loan package.

1           **SECTION 23.** 224.71 (1r) of the statutes is renumbered 224.71 (6) (a) (intro.) and  
2 amended to read:

3           224.71 (6) (a) (intro.) "Loan Mortgage loan originator" means ~~a person who, on~~  
4 ~~behalf of a mortgage banker or mortgage broker, finds a loan or negotiates a land~~  
5 ~~contract, loan or commitment for a loan.~~ an individual who is not excluded by par.  
6 (b) and who, for compensation or gain or in the expectation of compensation or gain,  
7 does all of the following:

8           **SECTION 24.** 224.71 (1u) of the statutes is repealed.

9           **SECTION 25.** 224.71 (2) of the statutes is created to read:

10          224.71 (2) "Loan processor or underwriter" means an individual who, as an  
11 employee, performs clerical or support duties at the direction of and subject to the  
12 supervision and instruction of a mortgage loan originator licensed under s. 224.725  
13 or exempt from licensing under s. 224.726 (1), which clerical or support duties may  
14 include any of the following occurring subsequent to the receipt of a residential  
15 mortgage loan application:

16          (a) The receipt, collection, distribution, and analysis of information common for  
17 the processing or underwriting of a residential mortgage loan.

18          (b) Communicating with a residential mortgage loan applicant to obtain the  
19 information necessary for the processing or underwriting of a residential mortgage  
20 loan, to the extent that the communication does not include offering or negotiating  
21 loan rates or terms or providing counseling related to loan rates or terms.

22          **SECTION 26.** 224.71 (3) (a) 1. to 3. of the statutes are amended to read:

23          224.71 (3) (a) 1. Originates residential mortgage loans for itself, as payee on  
24 the note evidencing the residential mortgage loan, or for another person.

1           2. Sells residential mortgage loans or interests in residential mortgage loans  
2 to another person.

3           3. Services residential mortgage loans ~~or land contracts~~ or provides escrow  
4 services.

5           **SECTION 27.** 224.71 (3) (b) 1. to 7. of the statutes are repealed.

6           **SECTION 28.** 224.71 (3) (b) 8., 9., 10., 11. and 12. of the statutes are created to  
7 read:

8           224.71 (3) (b) 8. A depository institution.

9           9. A subsidiary that is owned and controlled by a depository institution and  
10 regulated by a federal banking agency.

11          10. An institution regulated by the farm credit administration.

12          11. A person that only performs real estate brokerage activities and is licensed  
13 under s. 452.03, unless the person is compensated by a lender, mortgage broker, or  
14 mortgage loan originator or by any agent of a lender, mortgage broker, or mortgage  
15 loan originator.

16          12. A person solely involved in extensions of credit relating to time-share  
17 plans, as defined in 11 USC 101 (53D).

18          **SECTION 29.** 224.71 (4) (a) of the statutes is amended to read:

19          224.71 (4) (a) "Mortgage broker" means a person who is not excluded by par.  
20 (b) and who, on behalf of a residential mortgage loan applicant or an investor and for  
21 commission, money, or other thing of value, finds a residential mortgage loan or  
22 negotiates a ~~land contract~~, residential mortgage loan or commitment for a  
23 residential mortgage loan or engages in table funding.

24          **SECTION 30.** 224.71 (4) (b) 1. to 3. of the statutes are repealed.

25          **SECTION 31.** 224.71 (4) (b) 4., 5., 6., 7. and 8. of the statutes are created to read:

1           224.71 (4) (b) 4. A depository institution.

2           5. A subsidiary that is owned and controlled by a depository institution and  
3 regulated by a federal banking agency.

4           6. An institution regulated by the farm credit administration.

5           7. A person that performs real estate brokerage activities only and is licensed  
6 under s. 452.03, unless the person is compensated by a lender, mortgage broker, or  
7 mortgage loan originator or by any agent of a lender, mortgage broker, or mortgage  
8 loan originator.

9           8. A person solely involved in extensions of credit relating to time-share plans,  
10 as defined in 11 USC 101 (53D).

11           **SECTION 32.** 224.71 (5) of the statutes is renumbered 224.71 (17) and amended  
12 to read:

13           224.71 (17) "Table funding" means a transaction in which a person conducts  
14 a residential mortgage loan closing in the person's name with funds provided by a 3rd  
15 party and the person assigns the residential mortgage loan to the 3rd party within  
16 24 hours of the residential mortgage loan closing.

17           **SECTION 33.** 224.71 (6) (a) 1. and 2. and (b) of the statutes are created to read:

18           224.71 (6) (a) 1. Takes a residential mortgage loan application.

19           2. Offers or negotiates terms of a residential mortgage loan.

20           (b) "Mortgage loan originator" does not include any of the following:

21           1. An individual engaged solely as a loan processor or underwriter, unless the  
22 individual represents to the public, through advertising or another means of  
23 communication such as the use of business cards, stationery, brochures, signs, rate  
24 lists, or other promotional items, that the individual can or will perform any of the  
25 activities of a mortgage loan originator.

1           2. An individual who performs real estate brokerage activities only and is  
2 licensed under s. 452.03, unless the individual is compensated by a lender, mortgage  
3 broker, or another mortgage loan originator or by any agent of a lender, mortgage  
4 broker, or another mortgage loan originator.

5           3. An individual solely involved in extensions of credit relating to time-share  
6 plans, as defined in 11 USC 101 (53D).

7           **SECTION 34.** 224.71 (7) of the statutes is created to read:

8           224.71 (7) "Nationwide mortgage licensing system and registry" means the  
9 licensing and registration system developed and maintained by the Conference of  
10 State Bank Supervisors and the American Association of Residential Mortgage  
11 Regulators for licensed mortgage loan originators and mortgage loan originators  
12 exempt from licensing under s. 224.726 (1) or, if this system is no longer maintained,  
13 any system established by the secretary of the federal department of housing and  
14 urban development under P.L. 110-289, Title V, section 1509.

15          **SECTION 35.** 224.71 (8) of the statutes is created to read:

16          224.71 (8) "Negotiate," with respect to a residential mortgage loan, means to  
17 discuss, explain, or present the terms and conditions, including rates, fees, and other  
18 costs, of a residential mortgage loan with or to a residential mortgage loan applicant,  
19 but does not include making an underwriting decision on a residential mortgage loan  
20 or closing a residential mortgage loan.

21          **SECTION 36.** 224.71 (10) of the statutes is created to read:

22          224.71 (10) "Nontraditional mortgage product" means any mortgage product  
23 other than a 30-year fixed rate mortgage.

24          **SECTION 37.** 224.71 (11) of the statutes is created to read:

1           224.71 (11) "Originate," with respect to a residential mortgage loan, means to  
2           make an underwriting decision on the residential mortgage loan and close the loan.

3           **SECTION 38.** 224.71 (12) of the statutes is created to read:

4           224.71 (12) "Principal office," with respect to a mortgage banker or mortgage  
5           broker, means the place of business designated by the mortgage banker or mortgage  
6           broker as its principal place of business, as identified in the records of the division.

7           **SECTION 39.** 224.71 (13) of the statutes is created to read:

8           224.71 (13) "Real estate brokerage activity" means any activity that involves  
9           offering or providing to the public real estate brokerage services involving  
10          residential real property in this state, including all of the following:

11          (a) Acting as a real estate agent or real estate broker for a buyer, seller, lessor,  
12          or lessee of real property.

13          (b) Bringing together parties interested in the sale, purchase, lease, rental, or  
14          exchange of real property.

15          (c) Negotiating, on behalf of any party, any portion of a contract relating to the  
16          sale, purchase, lease, rental, or exchange of real property, other than in connection  
17          with providing financing for the transaction.

18          (d) Engaging in any activity for which a person engaged in the activity is  
19          required to be licensed under s. 452.03.

20          (e) Offering to engage in any activity, or act in any capacity, described in pars.

21          (a) to (d).

22          **SECTION 40.** 224.71 (15) of the statutes is created to read:

23          224.71 (15) "Residential real property" means real property on which a  
24          dwelling is constructed or intended to be constructed.

25          **SECTION 41.** 224.71 (16) of the statutes is created to read:

1           224.71 (16) "Services," with respect to a residential mortgage loan, means to  
2 receive payments on a note from the borrower and distribute these payments in  
3 accordance with the terms of the note or servicing agreement.

4           **SECTION 42.** 224.71 (18) of the statutes is created to read:

5           224.71 (18) "Unique identifier" means a number or other identifier assigned  
6 by protocols established by the nationwide mortgage licensing system and registry.

7           **SECTION 43.** 224.72 (title) of the statutes is amended to read:

8           **224.72 (title) Registration Licensing of mortgage bankers, loan**  
9 **originators and mortgage brokers.**

10          **SECTION 44.** 224.72 (1) (intro.) of the statutes is repealed.

11          **SECTION 45.** 224.72 (1) (a) of the statutes is renumbered 224.71 (9) and  
12 amended to read:

13          224.71 (9) "Net worth" means total tangible assets less total liabilities of a  
14 person, or, if the person is ~~a natural person~~ an individual, total tangible assets less  
15 total liabilities exclusive of the person's principal residence and its furnishings and  
16 personal use vehicles.

17          **SECTION 46.** 224.72 (1) (b) of the statutes is repealed.

18          **SECTION 47.** 224.72 (1m) of the statutes is amended to read:

19          224.72 (1m) REGISTRATION LICENSE REQUIRED. A person may not conduct  
20 business or act as a mortgage banker, ~~loan originator~~ or mortgage broker, use the title  
21 "mortgage banker", ~~"loan originator"~~ or "mortgage broker", or advertise or  
22 otherwise portray himself or, herself, or itself as a mortgage banker, ~~loan originator~~  
23 or mortgage broker, unless the person has been issued a ~~certificate of registration~~  
24 from mortgage banker or mortgage broker license by the division.

25          **SECTION 48.** 224.72 (2) (title) of the statutes is repealed and recreated to read:



1           224.72 (2) (title) LICENSE APPLICATIONS.

2           **SECTION 49.** 224.72 (2) (intro.) of the statutes is renumbered 224.72 (2) (am)  
3 and amended to read:

4           224.72 (2) (am) ~~A person desiring to act as~~ Applicants for a mortgage banker,  
5 ~~loan originator or mortgage broker~~ license shall apply for a certificate of registration  
6 to the division, on forms and in the manner prescribed by the division, and shall pay  
7 the fee specified in rules promulgated under sub. (8). ~~An application shall satisfy all~~  
8 ~~of the following:~~ Forms prescribed by the division under this paragraph may contain  
9 any content or requirement that the division, in its discretion, determines necessary  
10 and these forms may be modified or updated as necessary by the division to carry out  
11 the purposes of this subchapter.

12           **SECTION 50.** 224.72 (2) (a) and (b) of the statutes are repealed.

13           **SECTION 51.** 224.72 (2) (c) (title) of the statutes is repealed.

14           **SECTION 52.** 224.72 (2) (d) of the statutes is amended to read:

15           224.72 (2) (d) ~~Social security number exceptions.~~ 1. If an applicant who is an  
16 individual does not have a social security number, the applicant, as a condition of  
17 applying for or applying to renew a ~~registration~~ license under this section, shall  
18 submit a statement made or subscribed under oath or affirmation to the division that  
19 the applicant does not have a social security number. The form of the statement shall  
20 be prescribed by the department of children and families.

21           2. Any ~~certificate of registration~~ license issued or renewed in reliance upon a  
22 false statement submitted by an applicant under subd. 1. is invalid.

23           **SECTION 53.** 224.72 (2m) of the statutes is created to read:

1           224.72 (2m) LICENSED OFFICES. (a) Each mortgage banker or mortgage broker  
2 shall obtain and maintain a license for its principal office and a separate license for  
3 each branch office.

4           (b) A mortgage banker or mortgage broker shall have at its principal office and  
5 at each branch office, during hours when the office is open for business, a qualified  
6 individual with supervisory authority over all mortgage banking or mortgage  
7 brokerage activities who has at least 3 years of paid experience in, respectively, the  
8 mortgage banking or mortgage brokerage business.

9           **SECTION 54.** 224.72 (3) (title) of the statutes is repealed.

10           **SECTION 55.** 224.72 (3) (a) of the statutes is renumbered 224.725 (2) (d) and  
11 amended to read:

12           224.725 (2) (d) ~~In addition to the requirements of sub. (2), an~~ Any applicant for  
13 ~~registration as a residential mortgage loan originator license~~ shall include in the  
14 application the name of the mortgage banker or mortgage broker who will employ  
15 the residential mortgage loan originator.

16           **SECTION 56.** 224.72 (3) (b) and (c) of the statutes are repealed.

17           **SECTION 57.** 224.72 (4) (title) of the statutes is amended to read:

18           224.72 (4) (title) ~~ADDITIONAL REQUIREMENT FOR MORTGAGE BANKER APPLICANT~~  
19 REQUIREMENTS.

20           **SECTION 58.** 224.72 (4) (a) (intro.) of the statutes is amended to read:

21           224.72 (4) (a) ~~With a bona fide office.~~ (intro.) In addition to the requirements  
22 of sub. (2), an applicant for ~~registration as a mortgage banker who maintains a bona~~  
23 ~~fid~~ office or mortgage broker license shall do ~~at least one~~ all of the following:

24           **SECTION 59.** 224.72 (4) (a) 1. of the statutes is repealed.

25           **SECTION 60.** 224.72 (4) (a) 2. of the statutes is amended to read:

1           224.72 (4) (a) 2. ~~'File a bond.'~~ <sup>plain</sup> File with the division a commercial surety bond  
2 which is in the amount of ~~\$25,000~~, ~~\$250,000~~ for a mortgage banker or ~~\$100,000~~ <sup>\$10,000</sup> for  
3 a mortgage broker, is issued by a surety company authorized to do business in this  
4 state, secures the applicant's faithful performance of all duties and obligations of a  
5 mortgage banker or mortgage broker, is payable to the division for the benefit of  
6 persons to whom the mortgage banker or mortgage broker provided services as a  
7 mortgage banker or mortgage broker, is issued on a form that is acceptable to the  
8 division and provides that the bond may not be terminated without at least 30 days'  
9 written notice to the division.

10           **SECTION 61.** 224.72 (4) (a) 3. of the statutes is repealed.

11           **SECTION 62.** 224.72 (4) (a) 4. of the statutes is amended to read:

12           224.72 (4) (a) 4. ~~'Minimum net worth.'~~ Submit evidence that establishes, to the  
13 division's satisfaction, a minimum net worth of \$25,000 ~~and a warehouse line of~~  
14 ~~credit of not less than \$250,000 or a minimum net worth of \$100,000~~ for a mortgage  
15 banker or ~~\$50,000~~ <sup>\$250,000</sup> for a mortgage broker. Evidence of net worth shall include the  
16 submission of a ~~balance sheet that is~~ recent financial statements accompanied by a  
17 written statement by an independent certified public accountant attesting that he  
18 or she has reviewed the ~~balance sheet~~ financial statements in accordance with  
19 generally accepted accounting principles.

20           **SECTION 63.** 224.72 (4) (d) of the statutes is repealed.

21           **SECTION 64.** 224.72 (4m) of the statutes is repealed.

22           **SECTION 65.** 224.72 (4n) (intro.) of the statutes is amended to read:

23           224.72 (4n) SECURITY HELD BY THE DIVISION; RELEASE. (intro.) The division or its  
24 agent shall hold security filed under subs. (4) (a) 3. ~~and (4m) (a) 2.~~ s. 224.72 (4) (a)

1 3., 2007 stats., and s. 224.72 (4m) (a) 2., 2007 stats. The security shall remain in  
2 effect, and the division may not release it, until all of the following conditions are met:

3 **SECTION 66.** 224.72 (4n) (a) 2. of the statutes is amended to read:

4 224.72 (4n) (a) 2. The date on which the mortgage banker's or mortgage  
5 broker's registration license expires or is revoked.

6 **SECTION 67.** 224.72 (4r) of the statutes is repealed.

7 **SECTION 68.** 224.72 (5) (title) of the statutes is renumbered 224.72 (5m) (title)  
8 and amended to read:

9 224.72 (5m) (title) COMPLETION OF REGISTRATION LICENSING PROCESS.

10 **SECTION 69.** 224.72 (5) (a) of the statutes is renumbered 224.725 (3) (intro.) and  
11 amended to read:

12 224.725 (3) LOAN-ORIGINATOR ISSUANCE OF LICENSE. (intro.) Except as provided  
13 in sub. (7m) (6), upon receiving a properly completed the filing of an application for  
14 registration as a mortgage loan originator and license and the payment of the fee  
15 specified in rules promulgated under sub. (8) and upon an applicant's compliance  
16 with sub. (3) (a) and, if required, sub. (3) (b), the division may issue to the applicant  
17 a certificate of registration as a mortgage loan originator. license if the division finds  
18 that all of the following apply:

19 **SECTION 70.** 224.72 (5) (b) of the statutes is renumbered 224.72 (5m) and  
20 amended to read:

21 224.72 (5m) *Mortgage banker and mortgage broker.* Except as provided in sub.  
22 (7m), upon receiving a properly completed the filing of an application for registration  
23 as a mortgage banker or ~~a~~ mortgage broker, license and the payment of the fee  
24 specified in rules promulgated under sub. (8) and ~~satisfactory evidence of compliance~~  
25 with subs. (4) and (4m), the division ~~may~~ shall make an investigation of the applicant

1 including, if the applicant is a partnership, limited liability company, association, or  
2 corporation, the members or officers and directors, respectively, of the applicant. If  
3 the division finds that the character, general fitness, and financial responsibility of  
4 the applicant, including its members or officers and directors if the applicant is a  
5 partnership, limited liability company, association, or corporation, warrant the  
6 belief that the business will be operated in compliance with this subchapter, the  
7 division shall issue to the applicant a certificate of registration as a mortgage banker  
8 or mortgage broker license. A mortgage banker or mortgage broker license is not  
9 assignable or transferable.

10 **SECTION 71.** 224.72 (6) of the statutes is created to read:

11 224.72 (6) UPDATED INFORMATION. After submitting an application for initial  
12 issuance or renewal of a license under this section, the applicant shall, on forms and  
13 in the manner prescribed by the division, provide notice within 10 days of the  
14 occurrence of any of the following:

15 (a) Any material change in information included in the application, including  
16 any name change or change of address.

17 (b) The applicant's filing for bankruptcy or consummating a corporate  
18 restructuring, including, if the applicant is not an individual, any bankruptcy filing  
19 by a member, officer, director, principal, partner, trustee, or other agent of the  
20 applicant.

21 (c) The filing of a criminal complaint or indictment against, or the conviction  
22 of, the applicant for a felony crime or any crime related to the applicant's mortgage  
23 banking or mortgage brokerage activities, fraud, theft, misappropriation of funds, or  
24 dishonesty or, if the applicant is not an individual, the filing of such a criminal

1 complaint or indictment against, or conviction of, a member, officer, director,  
2 principal, partner, trustee, or other agent of the applicant.

3 (d) The applicant's receipt of notice of any of the following as it relates to the  
4 applicant's license or other authorization to engage in mortgage banking or mortgage  
5 brokerage activities in another state:

6 1. That proceedings have been instituted in another state to suspend or revoke  
7 the applicant's license or authorization to engage in these activities in that state.

8 2. That the applicant has been denied a license or authorization to engage in  
9 these activities in another state.

10 3. That the applicant is subject to an order to cease any of these activities in  
11 another state.

12 4. That the applicant is subject to any other disciplinary proceeding or  
13 regulatory action in another state related to these activities.

14 (e) The applicant's receipt of notice that any state or federal department of  
15 justice or attorney general has instituted an action against the applicant.

16 (f) The applicant's receipt of notice of a material adverse action with respect to  
17 an existing line of credit of the applicant.

18 (g) The suspension or termination of the applicant's status as an approved  
19 seller or servicer by the federal national mortgage association, federal home loan  
20 mortgage corporation, or government national mortgage association.

21 (h) The exercise of recourse rights by investors or subsequent assignees of  
22 mortgage loans if the loans for which the recourse rights are being exercised, in the  
23 aggregate, exceed the applicant's net worth exclusive of real property and fixed  
24 assets.

1 (i) If the applicant is not an individual, any material change in control in the  
2 ownership of the applicant or among the officers, directors, members, or partners of  
3 the applicant.

4 **SECTION 72.** 224.72 (7) (title) of the statutes is repealed and recreated to read:

5 224.72 (7) (title) LICENSE RENEWAL.

6 **SECTION 73.** 224.72 (7) (a) of the statutes is renumbered 224.72 (7) (am) and  
7 amended to read:

8 224.72 (7) (am) A ~~loan originator~~, mortgage broker or mortgage banker shall  
9 may apply to renew a certificate of registration license issued under this section by  
10 timely submitting to, on forms and in the manner prescribed by the division, a  
11 completed renewal application and the all required renewal fee specified in rules  
12 promulgated under sub. (8) on or before the renewal date specified in rules  
13 promulgated under sub. (8) fees. The division may not renew a license issued under  
14 this section unless the division finds that the mortgage broker or mortgage banker  
15 continues to meet the minimum standards for license issuance under this section.

16 **SECTION 74.** 224.72 (7) (b) of the statutes is repealed.

17 **SECTION 75.** 224.72 (7) (bm) of the statutes is created to read:

18 224.72 (7) (bm) The license of a mortgage broker or mortgage banker who fails  
19 to satisfy the minimum standards for license renewal shall expire. The division may,  
20 by rule, provide for the reinstatement of expired licenses consistent with the  
21 standards established by the nationwide mortgage licensing system and registry.

22 **SECTION 76.** 224.72 (7) (c), (d) and (e) of the statutes are repealed.

23 **SECTION 77.** 224.72 (7m) (intro.) of the statutes is amended to read:

1           224.72 (7m) DENIAL OF APPLICATION FOR ISSUANCE OR RENEWAL OF REGISTRATION  
2           CERTAIN REASONS. (intro.) The division may not issue or renew a ~~certificate of~~  
3           ~~registration~~ license under this section if any of the following applies:

4           **SECTION 78.** 224.72 (7m) (am) of the statutes is repealed.

5           **SECTION 79.** 224.72 (7m) (b) of the statutes is amended to read:

6           224.72 (7m) (b) The department of revenue has certified under s. 73.0301 that  
7           the applicant is liable for delinquent taxes. An applicant whose application for  
8           issuance or renewal of a ~~certificate of registration~~ license is denied under this  
9           paragraph for delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and  
10          hearing under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing  
11          under this section.

12          **SECTION 80.** 224.72 (7m) (c) of the statutes is amended to read:

13          224.72 (7m) (c) The applicant for the issuance or renewal is an individual who  
14          fails to comply, after appropriate notice, with a subpoena or warrant issued by the  
15          department of children and families or a county child support agency under s. 59.53  
16          (5) and related to paternity or child support proceedings or who is delinquent in  
17          making court-ordered payments of child or family support, maintenance, birth  
18          expenses, medical expenses or other expenses related to the support of a child or  
19          former spouse, as provided in a memorandum of understanding entered into under  
20          s. 49.857. An applicant whose ~~registration~~ license is not issued or renewed under this  
21          paragraph for delinquent payments is entitled to a notice and hearing under s.  
22          49.857 but is not entitled to any other notice or hearing under this section.

23          **SECTION 81.** 224.72 (7p) of the statutes is repealed.

24          **SECTION 82.** 224.72 (8) of the statutes is amended to read:



1           224.72 (8) ~~REGISTRATION~~ LICENSE PERIOD; FEES. The division shall promulgate  
2 rules establishing the ~~registration~~ license period and the ~~registration~~ license fees for  
3 ~~loan originators~~, mortgage bankers and mortgage brokers.

4           **SECTION 83.** 224.725 of the statutes is created to read:

5           **224.725 Licensing of mortgage loan originators. (1) LICENSE REQUIRED.**  
6 Except as provided in s. 224.726, an individual may not engage in the business of a  
7 mortgage loan originator with respect to a residential mortgage loan, or use the title  
8 “mortgage loan originator,” advertise, or otherwise portray himself or herself as a  
9 mortgage loan originator in this state, unless the individual has been issued by the  
10 division, and thereafter maintains, a license under this section. Each licensed  
11 mortgage loan originator shall register with, and maintain a valid unique identifier  
12 issued by, the nationwide mortgage licensing system and registry.

13           **(2) LICENSE APPLICATIONS.** (a) Applicants for a mortgage loan originator license  
14 shall apply to the division, on forms and in the manner prescribed by the division,  
15 and shall pay the fee specified in rules promulgated under sub. (8). The division shall  
16 require mortgage loan originators to be licensed and registered through the  
17 nationwide mortgage licensing system and registry. Forms prescribed by the  
18 division under this paragraph may contain any content or requirement that the  
19 division, in its discretion, determines necessary and these forms may be modified or  
20 updated as necessary by the division to carry out the purposes of this subchapter.

21           (b) 1. Except as provided in subd. 2., an application shall include the  
22 individual’s social security number. The division may not disclose the individual’s  
23 social security number to any person except as follows:

24           a. The division may disclose the social security number to the department of  
25 revenue for the sole purpose of requesting certifications under s. 73.0301.

1           b. The division may disclose the social security number to the department of  
2 children and families in accordance with a memorandum of understanding under s.  
3 49.857.

4           2. If an individual does not have a social security number, the individual, as a  
5 condition of applying for, or applying to renew, a license under this section, shall  
6 submit a statement made or subscribed under oath or affirmation to the division that  
7 the individual does not have a social security number. The form of the statement  
8 shall be prescribed by the department of children and families. Any license issued  
9 or renewed in reliance upon a false statement submitted by an applicant under this  
10 subdivision is invalid.

11           (c) Any applicant for a license under this section shall furnish to the nationwide  
12 mortgage licensing system and registry information concerning the applicant's  
13 identity, including all of the following:

14           1. Fingerprints for submission to the federal bureau of investigation and to any  
15 governmental agency or entity authorized to receive this information, for purposes  
16 of a state, national, and international criminal history background check.

17           2. Personal history and experience in a form prescribed by the nationwide  
18 mortgage licensing system and registry, including the submission of authorization  
19 for the nationwide mortgage licensing system and registry and the division to obtain  
20 all of the following:

21           a. An independent credit report from a consumer reporting agency, as defined  
22 in s. 100.54 (1) (c).

23           b. Any information related to any administrative, civil, or criminal findings by  
24 any governmental jurisdiction.

1           **(3)** (a) The applicant has never had a mortgage loan originator license revoked  
2 in any governmental jurisdiction, unless the revocation was subsequently and  
3 formally vacated.

4           (b) The applicant has not been convicted of, or pled guilty or no contest to, a  
5 felony in a domestic, foreign, or military court during the 7-year period preceding the  
6 date of the application or, for a felony involving an act of fraud, dishonesty, breach  
7 of trust, or money laundering, at any time preceding the date of the application. This  
8 paragraph does not apply with respect to any conviction for which the applicant has  
9 received a pardon.

10          (c) The applicant has demonstrated financial responsibility, character, and  
11 general fitness such as to command the confidence of the community and to warrant  
12 a determination that the mortgage loan originator will operate honestly, fairly, and  
13 efficiently within the purposes of this subchapter. For purposes of this paragraph,  
14 an individual has shown that he or she is not financially responsible if he or she has  
15 shown a disregard in the management of his or her own financial condition, including  
16 having current outstanding judgments other than those resulting from medical  
17 expenses, having current outstanding tax liens or other government liens and  
18 filings, or having, within the past 3 years, foreclosures or any pattern of seriously  
19 delinquent accounts.

20          (d) The applicant has satisfied the education requirements under s. 224.755 (1).

21          (e) The applicant has passed a written test that meets the requirements under  
22 s. 224.755 (4).

23          (f) The applicant has met the surety bond requirement under sub. (4).

24          **(4) SURETY BOND.** (a) Each mortgage loan originator shall be covered by a surety  
25 bond in accordance with this subsection. A surety bond of a mortgage banker or

1 mortgage broker meeting the requirements of par. (b) and s. 224.72 (4) (a) 2. may  
2 satisfy the requirement under this paragraph for a mortgage loan originator who,  
3 under sub. (2) (d), identifies himself or herself as employed by the mortgage banker  
4 or mortgage broker.

5 (b) The penal sum of the surety bond shall provide coverage for each mortgage  
6 loan originator in an amount that reflects the dollar amount of residential mortgage  
7 loans originated by the mortgage loan originator, as determined by the division.

8 (c) The surety bond shall be in a form prescribed, and satisfy all requirements  
9 established, by rule of the division.

10 (d) When an action is commenced on a mortgage loan originator's surety bond,  
11 the division may require the filing of a new surety bond. If an action results in  
12 recovery on a mortgage loan originator's surety bond, the mortgage loan originator  
13 shall immediately file a new surety bond.

14 **(5) LICENSE RENEWAL.** (a) A mortgage loan originator may apply to renew a  
15 license issued under this section by timely submitting, on forms and in the manner  
16 prescribed by the division, a completed renewal application and all required renewal  
17 fees. The division may not renew a license issued under this section unless the  
18 division finds that all of the following apply:

19 1. The mortgage loan originator continues to meet the minimum standards for  
20 license issuance under sub. (3).

21 2. The mortgage loan originator has satisfied the annual continuing education  
22 requirements under s. 224.755 (2).

23 (b) The license of a mortgage loan originator who fails to satisfy the minimum  
24 standards for license renewal shall expire. The division may, by rule, provide for the

1 reinstatement of expired licenses consistent with the standards established by the  
2 nationwide mortgage licensing system and registry.

3 (6) DENIAL OF APPLICATION FOR CERTAIN REASONS. The division may not issue or  
4 renew a license under this section if any of the following applies:

5 (a) The applicant for the issuance or renewal has failed to provide the  
6 information required under sub. (2) (b).

7 (b) The department of revenue has certified under s. 73.0301 that the applicant  
8 is liable for delinquent taxes. An applicant whose application for issuance or renewal  
9 of a license is denied under this paragraph for delinquent taxes is entitled to a notice  
10 under s. 73.0301 (2) (b) 1. b. and hearing under s. 73.0301 (5) (a) but is not entitled  
11 to any other notice or hearing under this section.

12 (c) The applicant for the issuance or renewal has failed to comply, after  
13 appropriate notice, with a subpoena or warrant issued by the department of children  
14 and families or a county child support agency under s. 59.53 (5) and related to  
15 paternity or child support proceedings or who is delinquent in making court-ordered  
16 payments of child or family support, maintenance, birth expenses, medical expenses  
17 or other expenses related to the support of a child or former spouse, as provided in  
18 a memorandum of understanding entered into under s. 49.857. An applicant whose  
19 license is not issued or renewed under this paragraph for delinquent payments is  
20 entitled to a notice and hearing under s. 49.857 but is not entitled to any other notice  
21 or hearing under this section.

22 (7) UPDATED INFORMATION. After submitting an application for initial issuance  
23 or renewal of a license under this section, the applicant shall, on forms and in the  
24 manner prescribed by the division, provide notice within 10 days of the occurrence  
25 of any of the following:

1 (a) Any material change in information included in the application, including  
2 any name change or change of address.

3 (b) The applicant's filing for bankruptcy.

4 (c) The filing of a criminal complaint or indictment against, or the conviction  
5 of, the applicant for a felony crime or any crime related to the applicant's mortgage  
6 loan origination activities, fraud, theft, misappropriation of funds, or dishonesty.

7 (d) The applicant's receipt of notice of any of the following as it relates to the  
8 applicant's license or other authorization to engage in mortgage loan origination  
9 activities in another state:

10 1. That proceedings have been instituted in another state to suspend or revoke  
11 the applicant's license or authorization to engage in these activities in that state.

12 2. That the applicant has been denied a license or other authorization to engage  
13 in these activities in another state.

14 3. That the applicant is subject to an order to cease any of these activities in  
15 another state.

16 4. That the applicant is subject to any other disciplinary proceeding or  
17 regulatory action in another state related to these activities.

18 (e) The applicant's receipt of notice that any state or federal department of  
19 justice or attorney general has instituted an action against the applicant.

20 (8) LICENSE PERIOD; FEES. The division shall promulgate rules establishing the  
21 license period and the license fees for mortgage loan originators.

22 SECTION 84. 224.726 of the statutes is created to read:

23 **224.726 Persons exempt from mortgage loan originator provisions.**

24 The provisions of this subchapter relating to mortgage loan originators do not apply  
25 to any of the following:

1           (1) Any individual who meets the definition of mortgage loan originator and  
2 who is all of the following:

3           (a) An employee of, and acting for, a depository institution, a subsidiary owned  
4 and controlled by a depository institution and regulated by a federal banking agency,  
5 or an institution regulated by the farm credit administration.

6           (b) Registered with, and who maintains a unique identifier through, the  
7 nationwide mortgage licensing system and registry.

8           (2) Any individual who offers or negotiates terms of a residential mortgage loan  
9 with or on behalf of the individual's spouse, child, sibling, parent, grandparent, or  
10 grandchild, including any stepparent, stepchild, stepsibling, or adoptive  
11 relationship.

12           (3) Any person who offers or negotiates terms of a residential mortgage loan  
13 secured by a dwelling that served as the individual's residence.

14           (4) A licensed attorney who negotiates the terms of a residential mortgage loan  
15 on behalf of a client as an ancillary matter to the attorney's representation of the  
16 client, unless the attorney is compensated by a lender, mortgage broker, or mortgage  
17 loan originator or by any agent of a lender, mortgage broker, or mortgage loan  
18 originator.

19           **SECTION 85.** 224.728 of the statutes is created to read:

20           **224.728 Nationwide mortgage licensing system and registry and**  
21 **cooperative arrangements.** (1) PARTICIPATION. (a) The division shall participate  
22 in the nationwide mortgage licensing system and registry. The division may  
23 establish relationships or contracts with the nationwide mortgage licensing system  
24 and registry or other entities designated by the nationwide mortgage licensing  
25 system and registry to collect and maintain records and process transaction fees or

1 other fees related to licensees under this subchapter. With respect to any form, fee,  
2 or other information related to the initial issuance or renewal of a mortgage loan  
3 originator license under this subchapter, the division may require that any applicant  
4 submit such form, fee, or other information directly to the nationwide mortgage  
5 licensing system and registry and may authorize the nationwide mortgage licensing  
6 system and registry to perform any function under this subchapter related to the  
7 licensing of mortgage loan originators in this state.

8 (b) The division may provide to the nationwide mortgage licensing system and  
9 registry any information relating to an applicant for initial issuance or renewal of a  
10 mortgage loan originator license that the division and the nationwide mortgage  
11 licensing system and registry determine to be relevant to the application or to any  
12 mortgage loan originator responsibility administered or conducted through the  
13 nationwide mortgage licensing system and registry.

14 (c) The division may rely on the nationwide mortgage licensing system and  
15 registry to establish any dates relating to application or reporting deadlines for  
16 mortgage loan originators, to establish requirements for amending or surrendering  
17 mortgage loan originator licenses, or to establish any other requirements applicable  
18 to mortgage loan originators licensed under this subchapter to the extent the  
19 requirements are a condition of the state's participation in the nationwide mortgage  
20 licensing system and registry.

21 **(2) CHANNELING INFORMATION.** To reduce the points of contact that the division  
22 may have to maintain, and to facilitate compliance with the requirements under s.  
23 224.725 (2) (c), the division may use the nationwide mortgage licensing system and  
24 registry as a channeling agent for requesting and distributing information to and  
25 from any source so directed by the division, including the federal bureau of



1 investigation, any state or federal department of justice, or any other governmental  
2 agency.

3 (3) CHALLENGE PROCESS. The division shall establish a process whereby  
4 mortgage loan originators may challenge information maintained by the nationwide  
5 mortgage licensing system and registry on behalf of the division.

6 (4) CONFIDENTIAL INFORMATION. (a) If any information or material is considered  
7 confidential or privileged under federal or state law before it is provided or disclosed  
8 to the nationwide mortgage licensing system and registry, it shall continue to be  
9 confidential or privileged after it is provided or disclosed to, and while maintained  
10 by, the nationwide mortgage licensing system and registry, except to the extent  
11 federal or state law expressly provides otherwise and except as provided in par. (c).  
12 Confidential or privileged information or material under this paragraph is not  
13 subject to any of the following:

14 1. Disclosure under any federal or state law governing the disclosure to the  
15 public of information held by an officer or an agency of federal or state government.

16 2. Subpoena or discovery, or admission into evidence, in any private civil action  
17 or administrative proceeding, unless the person to whom the information or material  
18 pertains waives any right or protection of confidentiality or privilege in the  
19 information or material.

20 (b) Confidential or privileged information or material under par. (a) may be  
21 shared with any state or federal regulatory agency having supervisory authority  
22 over mortgage lending without losing any right or protection of confidentiality or  
23 privilege under federal or state law.

24 (c) This subsection does not prohibit the nationwide mortgage licensing system  
25 and registry from providing public access to information or material relating to the

1 employment history of, and publicly adjudicated disciplinary and enforcement  
2 actions against, mortgage loan originators.

3 (5) COOPERATIVE ARRANGEMENTS. The division may enter into cooperative,  
4 coordinating, or information-sharing arrangements or agreements with other  
5 governmental agencies or with associations representing other governmental  
6 agencies, including the Conference of State Bank Supervisors and the American  
7 Association of Residential Mortgage Regulators.

8 SECTION 86. 224.73 (title) of the statutes is amended to read:

9 224.73 (title) Relationship between mortgage loan originator and  
10 either a mortgage banker or a mortgage broker.

11 SECTION 87. 224.73 (1) of the statutes is amended to read:

12 224.73 (1) RESPONSIBILITY FOR MORTGAGE LOAN ORIGINATOR. ~~A mortgage banker~~  
13 ~~or a mortgage broker is responsible for, and shall supervise the acts of, a loan~~  
14 ~~originator who registers under s. 224.72 (3) as an employee of the mortgage banker~~  
15 ~~or mortgage broker. A mortgage banker or mortgage broker is also responsible for,~~  
16 and shall supervise the acts of, a mortgage loan originator or any other person who  
17 otherwise acts on behalf of the mortgage banker or the mortgage broker.

18 SECTION 88. 224.73 (2) (title) of the statutes is amended to read:

19 224.73 (2) (title) RESTRICTION ON MORTGAGE LOAN ORIGINATOR.

20 SECTION 89. 224.73 (2) of the statutes is renumbered 224.73 (2) (a) and  
21 amended to read:

22 224.73 (2) (a) If the division suspends or revokes a mortgage banker's or ~~a~~  
23 mortgage broker's ~~certificate of registration~~ license, a mortgage loan originator may  
24 not act on behalf of that mortgage banker or mortgage broker during the period of  
25 suspension or revocation.

1           **SECTION 90.** 224.73 (2) (b) of the statutes is created to read:

2           224.73 (2) (b) A mortgage loan originator may act on behalf of only the  
3 mortgage banker or mortgage broker with which that mortgage loan originator's  
4 license is associated in the records of the division, as designated under s. 224.725 (2)  
5 (d). A mortgage loan originator's license may only be associated with one mortgage  
6 banker or mortgage broker at a time.

7           **SECTION 91.** 224.73 (3) (title) of the statutes is amended to read:

8           224.73 (3) (title) TRANSFER BY MORTGAGE LOAN ORIGINATOR.

9           **SECTION 92.** 224.73 (3) of the statutes is renumbered 224.73 (3) (a) and  
10 amended to read:

11           224.73 (3) (a) A ~~registered~~ licensed mortgage loan originator may at any time  
12 apply, on forms and in the manner prescribed and ~~provided~~ by the division, to  
13 transfer ~~employment association~~ to another registered licensed mortgage banker or  
14 mortgage broker. The division shall promulgate rules establishing a fee for a  
15 transfer application under this subsection.

16           **SECTION 93.** 224.73 (3) (b) of the statutes is created to read:

17           224.73 (3) (b) A mortgage loan originator may not act on behalf of a mortgage  
18 banker or mortgage broker until the mortgage loan originator's license association  
19 has been transferred to that mortgage banker or mortgage broker in the records of  
20 the division.

21           **SECTION 94.** 224.73 (4) (title) of the statutes is amended to read:

22           224.73 (4) (title) ~~SIGNATURE BY~~ MORTGAGE LOAN ORIGINATOR SIGNATURES AND  
23 UNIQUE IDENTIFIERS.

24           **SECTION 95.** 224.73 (4) of the statutes is renumbered 224.73 (4) (a) and  
25 amended to read:

1           224.73 (4) (a) Every residential mortgage loan application shall be signed by  
2 a registered licensed mortgage loan originator or by a mortgage loan originator  
3 exempt from licensing under s. 224.726 (1).

4           **SECTION 96.** 224.73 (4) (b) of the statutes is created to read:

5           224.73 (4) (b) Any person originating a residential mortgage loan shall clearly  
6 place the person's unique identifier on all residential mortgage loan application  
7 forms, solicitations, and advertisements, including business cards or Web sites, and  
8 on all other documents specified by rule of the division.

9           **SECTION 97.** 224.74 (title) of the statutes is amended to read:

10           **224.74 (title) Division's review of the operations of a mortgage loan**  
11 **originator, mortgage broker, or mortgage banker.**

12           **SECTION 98.** 224.74 (1) of the statutes is amended to read:

13           224.74 (1) ANNUAL CALL REPORTS; AUDITS. (a) *Annual call report.* ~~Except as~~  
14 ~~provided in par. (b), each~~ Each year, on a by the date specified by the division and in  
15 ~~a the form required by the division, a~~ nationwide mortgage licensing system and  
16 registry, each mortgage banker or, mortgage broker, and mortgage loan originator  
17 licensed under this subchapter shall submit to the division nationwide mortgage  
18 licensing system and registry an annual report relating to the mortgage banker's or  
19 mortgage broker's operations during its most recently completed fiscal year of  
20 condition, which shall contain such information as the nationwide mortgage  
21 licensing system and registry may require.

22           (b) *Audit requirement.* Each year, no later than 6 months following the end of  
23 its most recently completed fiscal year, ~~a each~~ mortgage banker or mortgage broker  
24 that qualified for registration under s. 224.72 (4) (a) 4. or (d) or (4m) (a) 3. or (b), shall  
25 submit a copy of an audit of the mortgage banker's or mortgage broker's operations

1 during that fiscal year. An audit under this paragraph shall be conducted by an  
2 independent certified public accountant in accordance with generally accepted  
3 auditing standards. The financial statements in the audit report shall be prepared  
4 in accordance with generally accepted accounting principles.

5 (c) *Audits requested by the division.* The division may request that a mortgage  
6 banker or mortgage broker obtain an audit of the mortgage banker's or mortgage  
7 broker's operations if the division has reason to believe that the mortgage banker or  
8 mortgage broker may not have sufficient financial resources to meet its obligations  
9 to its clients or investors or to other persons directly affected by the activities  
10 conducted by the mortgage banker or mortgage broker under the ~~certificate of~~  
11 ~~registration granted~~ license issued by the division. If the division requests an audit  
12 under this paragraph, the mortgage banker or mortgage broker shall have the audit  
13 completed no later than 90 days after the date of the division's request. The mortgage  
14 banker or mortgage broker shall submit the audit report to the division no later than  
15 5 days after the date on which the audit is completed. An audit under this paragraph  
16 shall be conducted by an independent certified public accountant in accordance with  
17 generally accepted auditing standards. The financial statements in the audit report  
18 shall be prepared in accordance with generally accepted accounting principles.

19 **SECTION 99.** 224.74 (2) (title) of the statutes is amended to read:

20 224.74 (2) (title) EXAMINATION AND INVESTIGATION.

21 **SECTION 100.** 224.74 (2) (a) (title) of the statutes is repealed.

22 **SECTION 101.** 224.74 (2) (a) of the statutes is renumbered 224.74 (2) (ag) (intro.)  
23 and amended to read:

24 224.74 (2) (ag) (intro.) The division may at any time, on its own motion or upon  
25 complaint, ~~examine the~~ conduct inquiries, investigations, and examinations of

1 licensees under this subchapter, or of persons required to be licensed under or  
2 otherwise subject to the provisions of this subchapter, including doing any of the  
3 following:

4 1. Examining, accessing, receiving, or using any books of account, accounts,  
5 records, files, documents, or other information relating to the condition and or affairs  
6 of a mortgage banker, mortgage loan originator, or mortgage broker registered under  
7 this subchapter. The division shall prepare a report of each examination conducted  
8 under this section. As part of the examination or preparation of the report, the  
9 division may examine.

10 2. Interviewing or examining under oath any mortgage banker, mortgage loan  
11 originator, or mortgage broker, any of the members, officers, directors, agents,  
12 employees, contractors, or customers of the mortgage banker, mortgage loan  
13 originator, or mortgage broker. The division may require a mortgage banker, loan  
14 originator or mortgage broker who is examined under this paragraph to pay to the  
15 division a reasonable fee for the costs of conducting the examination., or any other  
16 person whose testimony the division deems to be relevant. The division may direct,  
17 subpoena, or order the attendance of a person to provide testimony under this  
18 subdivision and may direct, subpoena, or order the person to produce books,  
19 accounts, records, files, and any other document the division deems relevant to the  
20 inquiry, investigation, or examination.

21 **SECTION 102.** 224.74 (2) (ag) 3. and 4. of the statutes are created to read:

22 224.74 (2) (ag) 3. Direct or order any licensee under this subchapter to make  
23 or compile reports or other information, in a format directed by the division, that the  
24 division considers necessary to carry out any investigation or examination under this

1 subchapter, including any accounting compilation or other loan transaction data,  
2 list, or information.

3 4. Examine, access, receive, and use any other records, documents, or other  
4 information that the division deems relevant to the inquiry, investigation, or  
5 examination, regardless of the location, possession, control, or custody of the records,  
6 documents, or information, including any of the following:

7 a. Criminal, civil, and administrative history information, including conviction  
8 information and nonconviction information to the extent permitted by law.

9 b. Personal history and experience information, including credit reports  
10 obtained from a consumer reporting agency, as defined in s. 100.54 (1) (c).

11 **SECTION 103.** 224.74 (2) (ar) of the statutes is created to read:

12 224.74 (2) (ar) In making any investigation or examination authorized under  
13 this subchapter, the division may control access to any documents and records of the  
14 licensee or of any other person under investigation or examination. The division may  
15 take possession of the documents and records or place a person in exclusive charge  
16 of the documents and records in the place where they are usually kept. During the  
17 period of control, no person may remove or attempt to remove any of the documents  
18 and records except with the consent of the division or by court order. Unless the  
19 division has reasonable grounds to believe the documents and records have been or  
20 are at risk of being altered or destroyed for purposes of concealing a violation of this  
21 subchapter, the licensee or owner or custodian of the documents and records shall  
22 have access to the documents and records as necessary to conduct its ordinary  
23 business affairs.

24 **SECTION 104.** 224.74 (2) (b) of the statutes is amended to read:

1           224.74 (2) (b) ~~Confidentiality. Examination~~ The division shall prepare a report  
2 for each investigation or examination conducted under this subsection. These  
3 reports, and correspondence regarding the these reports, are confidential, except  
4 that the division may release examination these reports and correspondence in  
5 connection with a disciplinary proceeding conducted by the division, a liquidation  
6 proceeding, or a criminal investigation or proceeding. In addition, any information  
7 from these reports or correspondence may be provided to the nationwide mortgage  
8 licensing system and registry and is not confidential to the extent specified in s.  
9 224.728 (4) (b) and (c).

10           **SECTION 105.** 224.74 (2) (c) of the statutes is created to read:

11           224.74 (2) (c) The division may require a mortgage banker, mortgage loan  
12 originator, or mortgage broker who is investigated or examined under this subsection  
13 to pay to the division a reasonable fee for the costs of conducting the investigation  
14 or examination. A mortgage banker, mortgage loan originator, or mortgage broker  
15 shall pay these costs to the division within 30 days after the division demands  
16 payment of these costs.

17           **SECTION 106.** 224.74 (3) of the statutes is created to read:

18           224.74 (3) **ADDITIONAL DIVISION AUTHORITY.** To carry out the purposes of this  
19 section, the division may do any of the following:

20           (a) Retain attorneys, accountants, and other professionals and specialists as  
21 examiners, auditors, or investigators to conduct or assist in the conduct of  
22 investigations or examinations.

23           (b) Enter into agreements or relationships with other government officials or  
24 regulatory associations to improve efficiencies and reduce regulatory burden by



1 sharing resources, standardized or uniform methods or procedures, and documents,  
2 records, or information obtained under this section.

3 (c) Use, hire, contract, or employ public or privately available analytical  
4 systems, methods, or software to examine or investigate any licensee or other person  
5 subject to investigation or examination.

6 (d) Accept and rely on investigation or examination reports made by other  
7 government officials, in this state or elsewhere.

8 (e) Accept audit reports made by an independent certified public accountant for  
9 the licensee or another person relevant to the investigation or examination and  
10 incorporate any such audit report into any report of the division.

11 **SECTION 107.** 224.75 (title) of the statutes is amended to read:

12 **224.75 (title) Record-keeping requirements for mortgage bankers and**  
13 **mortgage brokers licensees.**

14 **SECTION 108.** 224.75 (1) (a) of the statutes is amended to read:

15 224.75 (1) (a) *Fee record system.* A mortgage banker or mortgage broker shall  
16 establish and maintain a record system which shows all fees which a mortgage  
17 banker or mortgage broker charged a residential mortgage loan applicant or a  
18 mortgagor in connection with a residential mortgage loan. The record shall show the  
19 application or disposition of those fees.

20 **SECTION 109.** 224.75 (1) (b) (intro.) of the statutes is amended to read:

21 224.75 (1) (b) *Loan application record system.* (intro.) A mortgage banker or  
22 mortgage broker shall establish and maintain a record system containing all of the  
23 following information for each residential mortgage loan application:

24 **SECTION 110.** 224.75 (1) (b) 6. and 7. of the statutes are created to read:

25 224.75 (1) (b) 6. The name of the mortgage loan originator.

1           7. The loan amount.

2           **SECTION 111.** 224.75 (1) (c) (intro.) of the statutes is amended to read:

3           224.75 (1) (c) *Loan application documents.* (intro.) A mortgage banker or  
4 mortgage broker shall maintain for each residential mortgage loan application all of  
5 the following documents, if used by the mortgage banker or mortgage broker in  
6 connection with the residential mortgage loan application file:

7           **SECTION 112.** 224.75 (1) (c) 1. of the statutes is amended to read:

8           224.75 (1) (c) 1. The completed loan application and any prior version of that  
9 loan application submitted by the borrower to the mortgage banker or mortgage  
10 broker.

11           **SECTION 113.** 224.75 (1) (c) 10. of the statutes is created to read:

12           224.75 (1) (c) 10. A copy of all information used in evaluating the loan  
13 application.

14           **SECTION 114.** 224.75 (1) (d) of the statutes is renumbered 224.75 (1) (d) (intro.)  
15 and amended to read:

16           224.75 (1) (d) *Loan servicing records and documents.* (intro.) A mortgage  
17 banker shall maintain for each residential mortgage loan serviced by the mortgage  
18 banker a copy of or a record of all of the following:

19           1. All correspondence relating to the loan.

20           **SECTION 115.** 224.75 (1) (d) 2., 3., 4. and 5. of the statutes are created to read:

21           224.75 (1) (d) 2. All payments received from the borrower.

22           3. All charges assessed to the borrower's account.

23           4. All payments made by the mortgage banker on behalf of the borrower.

24           5. The unpaid balance on the borrower's account.

25           **SECTION 116.** 224.75 (2) of the statutes is amended to read:

1           224.75 (2) PERIOD OF RECORD RETENTION. A mortgage banker or mortgage broker  
2 shall keep for at least ~~25~~ 36 months, in an office of the mortgage banker or mortgage  
3 broker licensed under this subchapter, all books and records that, in the opinion of  
4 the division, will enable the division to determine whether the mortgage banker or  
5 mortgage broker is in compliance with the provisions of this subchapter. These books  
6 and records include copies of all deposit receipts, canceled checks, trust account  
7 records, the records which a mortgage banker or mortgage broker maintains under  
8 sub. (1) (c) or (d), and other relevant documents or correspondence received or  
9 prepared by the mortgage banker or mortgage broker in connection with a  
10 residential mortgage loan or residential mortgage loan application. The retention  
11 period begins on the date the residential mortgage loan is closed or, if the loan is not  
12 closed, the date of loan application. If the residential mortgage loan is serviced by  
13 a mortgage banker, the retention period commences on the date that the loan is paid  
14 in full. ~~The mortgage banker or mortgage broker shall make the records available~~  
15 ~~for inspection and copying by the division. If the records are not kept within this~~  
16 ~~state, the mortgage banker or mortgage broker shall, upon request of the division,~~  
17 ~~promptly send exact and complete copies of requested records to the division.~~

18           **SECTION 117.** 224.75 (3) of the statutes is amended to read:

19           224.75 (3) CONTENTS OF CREDIT AND APPRAISAL REPORTS. (a) *Credit report.* If a  
20 mortgage banker or mortgage broker charges a residential mortgage loan applicant  
21 a separate fee for a credit report, the credit report shall consist, at a minimum, of a  
22 written statement indicating the name of the credit reporting agency which  
23 investigated the credit history of the applicant.

24           (b) *Appraisal report.* If a mortgage banker or mortgage broker charges a  
25 residential mortgage loan applicant a separate fee for an appraisal report, the

1 appraisal report shall consist, at a minimum, of a written statement indicating the  
2 appraiser's opinion of the value of the property appraised for residential mortgage  
3 loan purposes, the basis for that opinion and the name of the person who conducted  
4 the appraisal. If requested by a residential mortgage loan applicant, a mortgage  
5 banker or mortgage broker shall provide the loan applicant with a copy of any written  
6 appraisal report held by the mortgage banker or mortgage broker, if the loan  
7 applicant paid a fee for the report.

8 **SECTION 118.** 224.75 (4) of the statutes is amended to read:

9 224.75 (4) RESPONSIBILITY FOR FORMS. A mortgage banker or mortgage broker  
10 is responsible for the preparation and correctness of all entries on forms, documents  
11 and records which are under the mortgage banker's or mortgage broker's control and  
12 which are not dependent on information provided by the residential mortgage loan  
13 applicant or a 3rd party.

14 **SECTION 119.** 224.75 (6) of the statutes is created to read:

15 224.75 (6) FURNISHING BOOKS AND RECORDS. Upon request by the division, any  
16 licensee under this subchapter, and any other person whom the division has  
17 authority to investigate and examine under s. 224.74 (2), shall make any books and  
18 records requested by the division available for inspection and copying by the division.  
19 If any records are kept at a licensed office not located within this state, the mortgage  
20 banker or mortgage broker shall, upon request of the division, promptly deliver such  
21 documents to any location within this state specified by the division.

22 **SECTION 120.** 224.755 (title) of the statutes is repealed and recreated to read:

23 **224.755 (title) Education and testing requirements for mortgage loan**  
24 **originators.**