

1 ***-0377/P10.335*** ***-4294/P1.315*** SECTION 535. 77.99 of the statutes is
2 amended to read:

3 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may
4 impose a tax at the rate of 3% of the ~~gross receipts~~ sales price on the rental, but not
5 for rental and not for rental as a service or repair replacement vehicle, within the
6 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01
7 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
8 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
9 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under
10 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's
11 authorized board of directors may vote to increase the tax rate under this subchapter
12 to 4%. A resolution to adopt the taxes imposed under this section, or an increase in
13 the tax rate, shall be effective on the first January 1, April 1, July 1, or October 1
14 following the adoption of the resolution or tax increase.

15 ***-0377/P10.336*** ***-4294/P1.317d*** SECTION 536. 77.991 (2) of the statutes is
16 repealed and recreated to read:

17 77.991 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4),
18 (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2),
19 (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch.
20 III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes
21 under subch. V, applies to the tax under this subchapter. The renter shall collect the
22 tax under this subchapter from the person to whom the passenger car is rented.

23 ***-0377/P10.337*** ***-4294/P1.316*** SECTION 537. 77.994 (1) (intro.) of the
24 statutes is amended to read:

1 77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all
2 of which is included in a premier resort area under s. 66.1113 may, by ordinance,
3 impose a tax at a rate of 0.5% of the ~~gross receipts~~ sales price from the sale, license,
4 lease, or rental in the municipality or county of goods or services that are taxable
5 under subch. III made by businesses that are classified in the standard industrial
6 classification manual, 1987 edition, published by the U.S. office of management and
7 budget, under the following industry numbers:

8 *~~-0377/P10.338~~* *~~-4294/P1.317~~* SECTION 538. 77.9941 (4) of the statutes is
9 amended to read:

10 77.9941 (4) Sections 77.72 (1), (2) (a) and (3) (a), 77.73, 77.74, 77.75, 77.76 (1),
11 (2), and (4), 77.77 (1) and (2), 77.785 (1), and 77.79, as they apply to the taxes under
12 subch. V, apply to the tax under this subchapter.

13 *~~-0377/P10.339~~* *~~-4294/P1.318~~* SECTION 539. 77.995 (2) of the statutes is
14 amended to read:

15 77.995 (2) There is imposed a fee at the rate of 5 percent of the ~~gross receipts~~
16 sales price on the rental, but not for rental and not for rental as a service or repair
17 replacement vehicle of Type 1 automobiles, as defined in s. 340.01 (4) (a); of
18 recreational vehicles, as defined in s. 340.01 (48r); of motor homes, as defined in s.
19 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by establishments
20 primarily engaged in short-term rental of vehicles without drivers, for a period of 30
21 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7)
22 (a), (7m) or (9a). There is also imposed a fee at the rate of 5 percent of the ~~gross~~
23 ~~receipts~~ sales price on the rental of limousines.

24 *~~-0377/P10.340~~* *~~-4294/P1.319~~* SECTION 540. 77.9951 (2) of the statutes is
25 repealed and recreated to read:

1 77.9951 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
2 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
3 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
4 subch. III, apply to the fee under this subchapter. The renter shall collect the fee
5 under this subchapter from the person to whom the vehicle is rented.

6 ***-0377/P10.341* *-4294/P1.320* SECTION 541.** 77.996 (6) of the statutes is
7 amended to read:

8 77.996 (6) “Gross receipts” ~~has the meaning given in s. 77.51 (4) (a), (b) 1. and~~
9 ~~5., (c) 1. to 4., and (d) means the sales price, as defined in s. 77.51 (15b), of tangible~~
10 personal property and taxable services sold by a dry cleaning facility. “Gross
11 receipts” does not include the license fee imposed under s. 77.9961 (1m) that is passed
12 on to customers.

13 ***-0377/P10.342* *-4294/P1.321* SECTION 542.** 77.9972 (2) of the statutes is
14 repealed and recreated to read:

15 77.9972 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
16 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
17 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
18 subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the
19 taxes under subch. V, applies to the fee under this subchapter. The renter shall
20 collect the fee under this subchapter from the person to whom the passenger car is
21 rented.

22 ***-2008/P1.1* SECTION 543.** 84.03 (2) (a) 1. of the statutes is amended to read:

23 84.03 (2) (a) 1. “Amount of federal funds” means the sum of federal revenues
24 received under the federal Intermodal Surface Transportation Efficiency Act of 1991,
25 as amended, or under a substantially similar federal legislative act. “Amount of

1 federal funds” does not include the first \$300,000,000 of federal moneys received by
2 the state, pursuant to federal legislation enacted during the 111th Congress, for the
3 purpose of reviving the economy of the United States, which moneys are intended to
4 be used for transportation purposes.

5 ***-0377/P10.343* *-4294/P1.322* SECTION 544.** 86.195 (3) (b) 3. of the statutes
6 is amended to read:

7 86.195 (3) (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s.
8 77.51 (15b), of the business are is from meal, food, the sale of food product and
9 beverage sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under
10 s. 77.54 (20) (e) subch. III of ch. 77; and

11 ***-1896/1.6* SECTION 545.** 100.55 (1) (d) 3. of the statutes is amended to read:

12 100.55 (1) (d) 3. A mortgage banker, ~~loan originator~~, or mortgage broker
13 registered licensed under s. 224.72 or a mortgage loan originator licensed under s.
14 224.725.

15 ***-1152/P8.42* SECTION 546.** 146.99 of the statutes is repealed.

16 ***-1152/P8.43* SECTION 547.** 149.10 (3m) (intro.) of the statutes is amended to
17 read:

18 149.10 (3m) (intro.) “Health care coverage revenue” means any of the
19 following, but does not include payments to health maintenance organizations under
20 s. 49.45 (59) (a):

21 ***-1890/1.1* SECTION 548.** 165.25 (4) (ar) of the statutes is amended to read:

22 165.25 (4) (ar) The department of justice shall furnish all legal services
23 required by the department of agriculture, trade and consumer protection relating
24 to the enforcement of ss. 100.171, 100.173, 100.174, 100.175, 100.177, 100.18,
25 100.182, 100.195, 100.20, 100.205, 100.207, 100.209, 100.21, 100.28, 100.37, 100.42,

1 100.50, and 100.51, and 100.55, and 846.45 and chs. 126, 136, 344, 704, 707, and 779,
2 together with any other services as are necessarily connected to the legal services.

3 ***-0377/P10.344* *-4294/P1.323* SECTION 549.** 218.0171 (2) (cq) of the
4 statutes is amended to read:

5 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
6 the manufacturer shall provide to the consumer a written statement that specifies
7 the trade-in amount previously applied under s. 77.51 (4) (b) 3. ~~or 3m. or (15) (b) 4.~~
8 ~~or 4m. (12m) (b) 5. or 6. or (15b) (b) 5. or 6.~~ toward the sales price of the motor vehicle
9 having the nonconformity and the date on which the manufacturer provided the
10 refund.

11 ***-1896/1.7* SECTION 550.** 220.02 (2) (g) of the statutes is amended to read:

12 220.02 (2) (g) Mortgage bankers, mortgage loan originators, and mortgage
13 brokers under subch. III of ch. 224.

14 ***-1896/1.8* SECTION 551.** 220.02 (3) of the statutes is amended to read:

15 220.02 (3) It is the intent of sub. (2) to give the division jurisdiction to enforce
16 and carry out all laws relating to banks or banking in this state, including those
17 relating to state banks, savings banks, savings and loan associations, and trust
18 company banks, and also all laws relating to small loan companies or other loan
19 companies or agencies, finance companies, insurance premium finance companies,
20 motor vehicle dealers, adjustment service companies, community currency
21 exchanges, mortgage bankers, mortgage loan originators, mortgage brokers, and
22 collection agencies and those relating to sellers of checks under ch. 217, whether
23 doing business as corporations, individuals, or otherwise, but to exclude laws
24 relating to credit unions.

25 ***-1896/1.9* SECTION 552.** 220.06 (1) of the statutes is amended to read:

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

4 ***-1896/1.10*** SECTION 553. 220.285 (1) of the statutes is amended to read:

5 220.285 (1) Any state bank, trust company bank, licensee under ss. 138.09,
6 138.12, 218.0101 to 218.0163, 218.02, 218.04 ~~or~~, 218.05, 224.72, or 224.725 or ch. 217,
7 ~~or person registered under s. 224.72~~ may cause any or all records kept by such bank,
8 licensee, or registered person to be recorded, copied or reproduced by any photostatic,
9 photographic or miniature photographic process or by optical imaging if the process
10 employed correctly, accurately and permanently copies, reproduces or forms a
11 medium for copying, reproducing or recording the original record on a film or other
12 durable material. A bank, licensee, or registered person may thereafter dispose of
13 the original record after first obtaining the written consent of the division. This
14 section, excepting that part of it which requires written consent of the division, is
15 applicable to national banking associations insofar as it does not contravene federal
16 law.

17 ***-1896/1.11*** SECTION 554. 221.0402 (2) (b) of the statutes is amended to read:

18 221.0402 (2) (b) Mortgage bankers ~~registered~~ licensed under s. 224.72 may use
19 the designation "mortgage banker".

20 ***-1896/1.12*** SECTION 555. 224.71 (1ag) of the statutes is repealed.

21 ***-1896/1.14*** SECTION 556. 224.71 (1b) of the statutes is repealed.

22 ***-1896/1.15*** SECTION 557. 224.71 (1bm) of the statutes is created to read:

23 224.71 (1bm) "Another state" means any state of the United States other than
24 Wisconsin; the District of Columbia; any territory of the United States; Puerto Rico;

1 Guam; American Samoa; the Trust Territory of the Pacific Islands; the Virgin
2 Islands; or the Northern Mariana Islands.

3 *-1896/1.16* SECTION 558. 224.71 (1c) of the statutes is created to read:

4 224.71 (1c) "Branch office" means an office or place of business, other than the
5 principal office, located in this state or another state, where a mortgage banker or
6 mortgage broker conducts business with residents of this state.

7 *-1896/1.17* SECTION 559. 224.71 (1d) of the statutes is repealed.

8 *-1896/1.18* SECTION 560. 224.71 (1dm) of the statutes is created to read:

9 224.71 (1dm) "Depository institution" has the meaning given in 12 USC 1813
10 (c) (1), but also includes any state or federal credit union.

11 *-1896/1.19* SECTION 561. 224.71 (1f) of the statutes is created to read:

12 224.71 (1f) "Dwelling" has the meaning given in 15 USC 1602 (v).

13 *-1896/1.20* SECTION 562. 224.71 (1g) of the statutes is renumbered 224.71
14 (14) and amended to read:

15 224.71 (14) "Loan Residential mortgage loan" means ~~a~~ any loan primarily for
16 personal, family, or household purposes use that is secured by a lien or mortgage, or
17 equivalent security interest, on a dwelling or residential real property located in this
18 state. ~~For purposes of this subsection, a loan secured by real property consisting of~~
19 ~~1 to 4 dwelling units, including individual condominium units, is a loan for household~~
20 ~~purposes, but a loan made by a landlord to a tenant as described in sub. (3) (b) 4. is~~
21 ~~not a loan for household purposes.~~

22 *-1896/1.21* SECTION 563. 224.71 (1h) of the statutes is created to read:

23 224.71 (1h) "Federal banking agency" means the board of governors of the
24 federal reserve system, the U.S. office of the comptroller of the currency, the U.S.

1 office of thrift supervision, the national credit union administration, or the federal
2 deposit insurance corporation.

3 ***-1896/1.22* SECTION 564.** 224.71 (1m) of the statutes is created to read:

4 224.71 (1m) "Finds," with respect to a residential mortgage loan, means to
5 assist a residential mortgage loan applicant in locating a lender for the purpose of
6 obtaining a residential mortgage loan and to make arrangements for a residential
7 mortgage loan applicant to obtain a residential mortgage loan, including collecting
8 information on behalf of an applicant and preparing a loan package.

9 ***-1896/1.23* SECTION 565.** 224.71 (1r) of the statutes is renumbered 224.71
10 (6) (a) (intro.) and amended to read:

11 224.71 (6) (a) (intro.) "Loan Mortgage loan originator" means ~~a person who, on~~
12 ~~behalf of a mortgage banker or mortgage broker, finds a loan or negotiates a land~~
13 ~~contract, loan or commitment for a loan. an individual who is not excluded by par.~~
14 ~~(b) and who, for compensation or gain or in the expectation of compensation or gain,~~
15 does any of the following:

16 ***-1896/1.24* SECTION 566.** 224.71 (1u) of the statutes is repealed.

17 ***-1896/1.25* SECTION 567.** 224.71 (2) of the statutes is created to read:

18 224.71 (2) "Loan processor or underwriter" means an individual who, as an
19 employee, performs clerical or support duties at the direction of and subject to the
20 supervision and instruction of a mortgage loan originator licensed under s. 224.725
21 or exempt from licensing under s. 224.726 (1), which clerical or support duties may
22 include any of the following occurring subsequent to the receipt of a residential
23 mortgage loan application:

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

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

5 *-1896/1.26* SECTION 568. 224.71 (3) (a) 1. to 3. of the statutes are amended
6 to read:

7 224.71 (3) (a) 1. Originates residential mortgage loans for itself, as payee on
8 the note evidencing the residential mortgage loan, or for another person.

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

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

13 *-1896/1.27* SECTION 569. 224.71 (3) (b) 1. to 7. of the statutes are repealed.

14 *-1896/1.28* SECTION 570. 224.71 (3) (b) 8., 9., 10., 11. and 12. of the statutes
15 are created to read:

16 224.71 (3) (b) 8. A depository institution.

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

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

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

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

1 ***-1896/1.29* SECTION 571.** 224.71 (4) (a) of the statutes is amended to read:

2 224.71 (4) (a) "Mortgage broker" means a person who is not excluded by par.
3 (b) and who, on behalf of a residential mortgage loan applicant or an investor and for
4 commission, money, or other thing of value, finds a residential mortgage loan or
5 negotiates a ~~land contract~~, residential mortgage loan or commitment for a
6 residential mortgage loan or engages in table funding.

7 ***-1896/1.30* SECTION 572.** 224.71 (4) (b) 1. to 3. of the statutes are repealed.

8 ***-1896/1.31* SECTION 573.** 224.71 (4) (b) 4., 5., 6., 7. and 8. of the statutes are
9 created to read:

10 224.71 (4) (b) 4. A depository institution.

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

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

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

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

20 ***-1896/1.32* SECTION 574.** 224.71 (5) of the statutes is renumbered 224.71 (17)
21 and amended to read:

22 224.71 (17) "Table funding" means a transaction in which a person conducts
23 a residential mortgage loan closing in the person's name with funds provided by a 3rd
24 party and the person assigns the residential mortgage loan to the 3rd party within
25 24 hours of the residential mortgage loan closing.

1 ***-1896/1.33* SECTION 575.** 224.71 (6) (a) 1. and 2. and (b) of the statutes are
2 created to read:

3 224.71 (6) (a) 1. Takes a residential mortgage loan application.

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

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

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

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

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

17 ***-1896/1.34* SECTION 576.** 224.71 (7) of the statutes is created to read:

18 224.71 (7) "Nationwide mortgage licensing system and registry" means the
19 licensing and registration system developed and maintained by the Conference of
20 State Bank Supervisors and the American Association of Residential Mortgage
21 Regulators for licensed mortgage loan originators and mortgage loan originators
22 exempt from licensing under s. 224.726 (1) or, if this system is no longer maintained,
23 any system established by the secretary of the federal department of housing and
24 urban development under P.L. 110-289, Title V, section 1509.

25 ***-1896/1.35* SECTION 577.** 224.71 (8) of the statutes is created to read:

1 224.71 (8) "Negotiate," with respect to a residential mortgage loan, means to
2 discuss, explain, or present the terms and conditions, including rates, fees, and other
3 costs, of a residential mortgage loan with or to a residential mortgage loan applicant,
4 but does not include making an underwriting decision on a residential mortgage loan
5 or closing a residential mortgage loan.

6 *-1896/1.36* SECTION 578. 224.71 (10) of the statutes is created to read:

7 224.71 (10) "Nontraditional mortgage product" means any mortgage product
8 other than a 30-year fixed rate mortgage.

9 *-1896/1.37* SECTION 579. 224.71 (11) of the statutes is created to read:

10 224.71 (11) "Originate," with respect to a residential mortgage loan, means to
11 make an underwriting decision on the residential mortgage loan and close the loan.

12 *-1896/1.38* SECTION 580. 224.71 (12) of the statutes is created to read:

13 224.71 (12) "Principal office," with respect to a mortgage banker or mortgage
14 broker, means the place of business designated by the mortgage banker or mortgage
15 broker as its principal place of business, as identified in the records of the division.

16 *-1896/1.39* SECTION 581. 224.71 (13) of the statutes is created to read:

17 224.71 (13) "Real estate brokerage activity" means any activity that involves
18 offering or providing to the public real estate brokerage services involving
19 residential real property in this state, including all of the following:

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

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

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

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

6 (e) Offering to engage in any activity, or act in any capacity, described in pars.
7 (a) to (d).

8 ***-1896/1.40* SECTION 582.** 224.71 (15) of the statutes is created to read:

9 224.71 (15) "Residential real property" means real property on which a
10 dwelling is constructed or intended to be constructed.

11 ***-1896/1.41* SECTION 583.** 224.71 (16) of the statutes is created to read:

12 224.71 (16) "Services," with respect to a residential mortgage loan, means to
13 receive payments on a note from the borrower and distribute these payments in
14 accordance with the terms of the note or servicing agreement.

15 ***-1896/1.42* SECTION 584.** 224.71 (18) of the statutes is created to read:

16 224.71 (18) "Unique identifier" means a number or other identifier assigned
17 by protocols established by the nationwide mortgage licensing system and registry.

18 ***-1896/1.43* SECTION 585.** 224.72 (title) of the statutes is amended to read:

19 **224.72 (title) Registration Licensing of mortgage bankers, loan**
20 **originators and mortgage brokers.**

21 ***-1896/1.44* SECTION 586.** 224.72 (1) (intro.) of the statutes is repealed.

22 ***-1896/1.45* SECTION 587.** 224.72 (1) (a) of the statutes is renumbered 224.71
23 (9) and amended to read:

24 224.71 (9) "Net worth" means total tangible assets less total liabilities of a
25 person, or, if the person is ~~a natural person~~ an individual, total tangible assets less

1 total liabilities exclusive of the person's principal residence and its furnishings and
2 personal use vehicles.

3 *-1896/1.46* SECTION 588. 224.72 (1) (b) of the statutes is repealed.

4 *-1896/1.47* SECTION 589. 224.72 (1m) of the statutes is amended to read:

5 224.72 (1m) REGISTRATION LICENSE REQUIRED. A person may not conduct
6 business or act as a mortgage banker, loan originator or mortgage broker, use the title
7 "mortgage banker", "loan originator" or "mortgage broker", or advertise or
8 otherwise portray himself or, herself, or itself as a mortgage banker, loan originator
9 or mortgage broker, unless the person has been issued a certificate of registration
10 from mortgage banker or mortgage broker license by the division.

11 *-1896/1.48* SECTION 590. 224.72 (2) (title) of the statutes is repealed and
12 recreated to read:

13 224.72 (2) (title) LICENSE APPLICATIONS.

14 *-1896/1.49* SECTION 591. 224.72 (2) (intro.) of the statutes is renumbered
15 224.72 (2) (am) and amended to read:

16 224.72 (2) (am) ~~A person desiring to act as~~ Applicants for a mortgage banker,
17 loan originator or mortgage broker license shall apply for a certificate of registration
18 to the division, on forms and in the manner prescribed by the division, and shall pay
19 the fee specified in rules promulgated under sub. (8). An application shall satisfy all
20 of the following: Forms prescribed by the division under this paragraph may contain
21 any content or requirement that the division, in its discretion, determines necessary
22 and these forms may be modified or updated as necessary by the division to carry out
23 the purposes of this subchapter.

24 *-1896/1.50* SECTION 592. 224.72 (2) (a) and (b) of the statutes are repealed.

25 *-1896/1.51* SECTION 593. 224.72 (2) (c) (title) of the statutes is repealed.

1 ***-1896/1.52*** **SECTION 594.** 224.72 (2) (d) of the statutes is amended to read:
2 224.72 (2) (d) ~~Social security number exceptions.~~ 1. If an applicant who is an
3 individual does not have a social security number, the applicant, as a condition of
4 applying for or applying to renew a registration license under this section, shall
5 submit a statement made or subscribed under oath or affirmation to the division that
6 the applicant does not have a social security number. The form of the statement shall
7 be prescribed by the department of children and families.

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

10 ***-1896/1.53*** **SECTION 595.** 224.72 (2m) of the statutes is created to read:

11 224.72 (2m) LICENSED OFFICES. Each mortgage banker or mortgage broker shall
12 obtain and maintain a license for its principal office and a separate license for each
13 branch office.

14 ***-1896/1.54*** **SECTION 596.** 224.72 (3) (title) of the statutes is repealed.

15 ***-1896/1.55*** **SECTION 597.** 224.72 (3) (a) of the statutes is renumbered 224.725
16 (2) (d) and amended to read:

17 224.725 (2) (d) ~~In addition to the requirements of sub. (2), an~~ Any applicant for
18 ~~registration as a~~ residential mortgage loan originator license shall include in the
19 application the name of the mortgage banker or mortgage broker who will employ
20 the residential mortgage loan originator.

21 ***-1896/1.56*** **SECTION 598.** 224.72 (3) (b) and (c) of the statutes are repealed.

22 ***-1896/1.57*** **SECTION 599.** 224.72 (4) (title) of the statutes is amended to read:

23 224.72 (4) (title) ~~ADDITIONAL REQUIREMENT FOR MORTGAGE BANKER APPLICANT~~
24 REQUIREMENTS.

1 ***-1896/1.58* SECTION 600.** 224.72 (4) (a) (intro.) of the statutes is amended to
2 read:

3 224.72 (4) (a) *With a bona fide office.* (intro.) In addition to the requirements
4 of sub. (2), an applicant for registration as a mortgage banker who maintains a bona
5 ~~fide office or mortgage broker license~~ shall do ~~at least one~~ all of the following:

6 ***-1896/1.59* SECTION 601.** 224.72 (4) (a) 1. of the statutes is repealed.

7 ***-1896/1.60* SECTION 602.** 224.72 (4) (a) 2. of the statutes is amended to read:

8 224.72 (4) (a) 2. ~~'File a bond.'~~ File with the division a commercial surety bond
9 which is in the amount of ~~\$25,000~~ \$300,000 for a mortgage banker or \$120,000 for
10 a mortgage broker, is issued by a surety company authorized to do business in this
11 state, secures the applicant's faithful performance of all duties and obligations of a
12 mortgage banker or mortgage broker, is payable to the division for the benefit of
13 persons to whom the mortgage banker or mortgage broker provided services as a
14 mortgage banker or mortgage broker, is issued on a form that is acceptable to the
15 division and provides that the bond may not be terminated without at least 30 days'
16 written notice to the division.

17 ***-1896/1.61* SECTION 603.** 224.72 (4) (a) 3. of the statutes is repealed.

18 ***-1896/1.62* SECTION 604.** 224.72 (4) (a) 4. of the statutes is amended to read:

19 224.72 (4) (a) 4. ~~'Minimum net worth.'~~ Submit evidence that establishes, to the
20 division's satisfaction, a minimum net worth of ~~\$25,000 and a warehouse line of~~
21 ~~credit of not less than \$250,000 or a minimum net worth of \$100,000~~ \$250,000 for a
22 mortgage banker or \$100,000 for a mortgage broker. Evidence of net worth shall
23 include the submission of a ~~balance sheet that is~~ recent financial statements
24 accompanied by a written statement by an independent certified public accountant

1 attesting that he or she has reviewed the ~~balance sheet~~ financial statements in
2 accordance with generally accepted accounting principles.

3 *~~-1896/1.63~~* SECTION 605. 224.72 (4) (d) of the statutes is repealed.

4 *~~-1896/1.64~~* SECTION 606. 224.72 (4m) of the statutes is repealed.

5 *~~-1896/1.65~~* SECTION 607. 224.72 (4n) (intro.) of the statutes is amended to
6 read:

7 224.72 (4n) SECURITY HELD BY THE DIVISION; RELEASE. (intro.) The division or its
8 agent shall hold security filed under ~~subs. (4) (a) 3. and (4m) (a) 2. s. 224.72 (4) (a)~~
9 3., 2007 stats., and s. 224.72 (4m) (a) 2., 2007 stats. The security shall remain in
10 effect, and the division may not release it, until all of the following conditions are met:

11 *~~-1896/1.66~~* SECTION 608. 224.72 (4n) (a) 2. of the statutes is amended to read:

12 224.72 (4n) (a) 2. The date on which the mortgage banker's or mortgage
13 broker's registration license expires or is revoked.

14 *~~-1896/1.67~~* SECTION 609. 224.72 (4r) of the statutes is repealed.

15 *~~-1896/1.68~~* SECTION 610. 224.72 (5) (title) of the statutes is renumbered
16 224.72 (5m) (title) and amended to read:

17 224.72 (5m) (title) COMPLETION OF REGISTRATION LICENSING PROCESS.

18 *~~-1896/1.69~~* SECTION 611. 224.72 (5) (a) of the statutes is renumbered 224.725
19 (3) (intro.) and amended to read:

20 224.725 (3) ~~LOAN ORIGINATOR ISSUANCE OF LICENSE.~~ (intro.) Except as provided
21 in sub. (7m) (6), upon receiving a properly completed the filing of an application for
22 registration as a mortgage loan originator and license and the payment of the fee
23 specified in rules promulgated under sub. (8) ~~and upon an applicant's compliance~~
24 ~~with sub. (3) (a) and, if required, sub. (3) (b),~~ the division may issue to the applicant

1 a certificate of registration as a mortgage loan originator; license if the division finds
2 that all of the following apply:

3 ***-1896/1.70*** SECTION 612. 224.72 (5) (b) of the statutes is renumbered 224.72
4 (5m) and amended to read:

5 224.72 (5m) *Mortgage banker and mortgage broker.* Except as provided in sub.
6 (7m), upon receiving a properly completed the filing of an application for registration
7 as a mortgage banker or ~~a~~ mortgage broker; license and the payment of the fee
8 specified in rules promulgated under sub. (8) and satisfactory evidence of compliance
9 with subs. (4) and (4m), the division may shall make an investigation of the applicant
10 including, if the applicant is a partnership, limited liability company, association, or
11 corporation, the members or officers and directors, respectively, of the applicant. If
12 the division finds that the character, general fitness, and financial responsibility of
13 the applicant, including its members or officers and directors if the applicant is a
14 partnership, limited liability company, association, or corporation, warrant the
15 belief that the business will be operated in compliance with this subchapter, the
16 division shall issue to the applicant a certificate of registration as a mortgage banker
17 or mortgage broker license. A mortgage banker or mortgage broker license is not
18 assignable or transferable.

19 ***-1896/1.72*** SECTION 613. 224.72 (7) (title) of the statutes is repealed and
20 recreated to read:

21 224.72 (7) (title) LICENSE RENEWAL.

22 ***-1896/1.73*** SECTION 614. 224.72 (7) (a) of the statutes is renumbered 224.72
23 (7) (am) and amended to read:

24 224.72 (7) (am) A loan originator, mortgage broker or mortgage banker shall
25 may apply to renew a certificate of registration license issued under this section by

1 timely submitting to, on forms and in the manner prescribed by the division, a
2 completed renewal application and the all required renewal fee specified in rules
3 promulgated under sub. (8) on or before the renewal date specified in rules
4 promulgated under sub. (8) fees. The division may not renew a license issued under
5 this section unless the division finds that the mortgage broker or mortgage banker
6 continues to meet the minimum standards for license issuance under this section.

7 ***-1896/1.74*** SECTION 615. 224.72 (7) (b) of the statutes is repealed.

8 ***-1896/1.75*** SECTION 616. 224.72 (7) (bm) of the statutes is created to read:

9 224.72 (7) (bm) The license of a mortgage broker or mortgage banker who fails
10 to satisfy the minimum standards for license renewal shall expire. The division may,
11 by rule, provide for the reinstatement of expired licenses consistent with the
12 standards established by the nationwide mortgage licensing system and registry.

13 ***-1896/1.76*** SECTION 617. 224.72 (7) (c), (d) and (e) of the statutes are
14 repealed.

15 ***-1896/1.77*** SECTION 618. 224.72 (7m) (intro.) of the statutes is amended to
16 read:

17 224.72 (7m) DENIAL OF APPLICATION FOR ISSUANCE OR RENEWAL OF REGISTRATION
18 CERTAIN REASONS. (intro.) The division may not issue or renew a certificate of
19 registration license under this section if any of the following applies:

20 ***-1896/1.78*** SECTION 619. 224.72 (7m) (am) of the statutes is repealed.

21 ***-1896/1.79*** SECTION 620. 224.72 (7m) (b) of the statutes is amended to read:

22 224.72 (7m) (b) The department of revenue has certified under s. 73.0301 that
23 the applicant is liable for delinquent taxes. An applicant whose application for
24 issuance or renewal of a certificate of registration license is denied under this
25 paragraph for delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and

1 hearing under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing
2 under this section.

3 *-1896/1.80* SECTION 621. 224.72 (7m) (c) of the statutes is amended to read:

4 224.72 (7m) (c) The applicant for the issuance or renewal is an individual who
5 fails to comply, after appropriate notice, with a subpoena or warrant issued by the
6 department of children and families or a county child support agency under s. 59.53
7 (5) and related to paternity or child support proceedings or who is delinquent in
8 making court-ordered payments of child or family support, maintenance, birth
9 expenses, medical expenses or other expenses related to the support of a child or
10 former spouse, as provided in a memorandum of understanding entered into under
11 s. 49.857. An applicant whose registration license is not issued or renewed under this
12 paragraph for delinquent payments is entitled to a notice and hearing under s.
13 49.857 but is not entitled to any other notice or hearing under this section.

14 *-1896/1.81* SECTION 622. 224.72 (7p) of the statutes is repealed.

15 *-1896/1.82* SECTION 623. 224.72 (8) of the statutes is amended to read:

16 224.72 (8) REGISTRATION LICENSE PERIOD; FEES. The division shall promulgate
17 rules establishing the registration license period and the registration license fees for
18 loan originators, mortgage bankers and mortgage brokers.

19 *-1896/1.83* SECTION 624. 224.725 of the statutes is created to read:

20 **224.725 Licensing of mortgage loan originators. (1) LICENSE REQUIRED.**
21 Except as provided in s. 224.726, an individual may not engage in the business of a
22 mortgage loan originator with respect to a residential mortgage loan, or use the title
23 "mortgage loan originator," advertise, or otherwise portray himself or herself as a
24 mortgage loan originator in this state, unless the individual has been issued by the
25 division, and thereafter maintains, a license under this section. Each licensed

1 mortgage loan originator shall register with, and maintain a valid unique identifier
2 issued by, the nationwide mortgage licensing system and registry.

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

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

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

16 b. The division may disclose the social security number to the department of
17 children and families in accordance with a memorandum of understanding under s.
18 49.857.

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

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

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

7 2. Personal history and experience in a form prescribed by the nationwide
8 mortgage licensing system and registry, including the submission of authorization
9 for the nationwide mortgage licensing system and registry and the division to obtain
10 all of the following:

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

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

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

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

24 (c) The applicant has demonstrated financial responsibility, character, and
25 general fitness such as to command the confidence of the community and to warrant

1 a determination that the mortgage loan originator will operate honestly, fairly, and
2 efficiently within the purposes of this subchapter. For purposes of this paragraph,
3 an individual has shown that he or she is not financially responsible if he or she has
4 shown a disregard in the management of his or her own financial condition, including
5 having current outstanding judgments other than those resulting from medical
6 expenses, having current outstanding tax liens or other government liens and
7 filings, or having, within the past 3 years, foreclosures or any pattern of seriously
8 delinquent accounts.

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

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

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

13 **(4) SURETY BOND.** (a) Each mortgage loan originator shall be covered by a surety
14 bond in accordance with this subsection. A surety bond of a mortgage banker or
15 mortgage broker meeting the requirements of par. (b) and s. 224.72 (4) (a) 2. may
16 satisfy the requirement under this paragraph for a mortgage loan originator who,
17 under sub. (2) (d), identifies himself or herself as employed by the mortgage banker
18 or mortgage broker.

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

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

24 (d) When an action is commenced on a mortgage loan originator's surety bond,
25 the division may require the filing of a new surety bond. If an action results in

1 recovery on a mortgage loan originator's surety bond, the mortgage loan originator
2 shall immediately file a new surety bond.

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

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

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

12 (b) The license of a mortgage loan originator who fails to satisfy the minimum
13 standards for license renewal shall expire. The division may, by rule, provide for the
14 reinstatement of expired licenses consistent with the standards established by the
15 nationwide mortgage licensing system and registry.

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

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

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

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

11 (8) LICENSE PERIOD; FEES. The division shall promulgate rules establishing the
12 license period and the license fees for mortgage loan originators. The fees shall be
13 no less than \$250 annually.

14 *~~1896/1.84~~* SECTION 625. 224.726 of the statutes is created to read:

15 **224.726 Persons exempt from mortgage loan originator provisions.**

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

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

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

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

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

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

7 (4) A licensed attorney who negotiates the terms of a residential mortgage loan
8 on behalf of a client as an ancillary matter to the attorney's representation of the
9 client, unless the attorney is compensated by a lender, mortgage broker, or mortgage
10 loan originator or by any agent of a lender, mortgage broker, or mortgage loan
11 originator.

12 *-1896/1.85* SECTION 626. 224.728 of the statutes is created to read:

13 **224.728 Nationwide mortgage licensing system and registry and**
14 **cooperative arrangements. (1) PARTICIPATION.** (a) The division shall participate
15 in the nationwide mortgage licensing system and registry. The division may
16 establish relationships or contracts with the nationwide mortgage licensing system
17 and registry or other entities designated by the nationwide mortgage licensing
18 system and registry to collect and maintain records and process transaction fees or
19 other fees related to licensees under this subchapter. With respect to any form, fee,
20 or other information related to the initial issuance or renewal of a mortgage loan
21 originator license under this subchapter, the division may require that any applicant
22 submit such form, fee, or other information directly to the nationwide mortgage
23 licensing system and registry and may authorize the nationwide mortgage licensing
24 system and registry to perform any function under this subchapter related to the
25 licensing of mortgage loan originators in this state.

1 (b) The division may provide to the nationwide mortgage licensing system and
2 registry any information relating to an applicant for initial issuance or renewal of a
3 mortgage loan originator license that the division and the nationwide mortgage
4 licensing system and registry determine to be relevant to the application or to any
5 mortgage loan originator responsibility administered or conducted through the
6 nationwide mortgage licensing system and registry.

7 (c) The division may rely on the nationwide mortgage licensing system and
8 registry to establish any dates relating to application or reporting deadlines for
9 mortgage loan originators, to establish requirements for amending or surrendering
10 mortgage loan originator licenses, or to establish any other requirements applicable
11 to mortgage loan originators licensed under this subchapter to the extent the
12 requirements are a condition of the state's participation in the nationwide mortgage
13 licensing system and registry.

14 **(2) CHANNELING INFORMATION.** To reduce the points of contact that the division
15 may have to maintain, and to facilitate compliance with the requirements under s.
16 224.725 (2) (c), the division may use the nationwide mortgage licensing system and
17 registry as a channeling agent for requesting and distributing information to and
18 from any source so directed by the division, including the federal bureau of
19 investigation, any state or federal department of justice, or any other governmental
20 agency.

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

24 **(4) CONFIDENTIAL INFORMATION.** (a) If any information or material is considered
25 confidential or privileged under federal or state law before it is provided or disclosed

1 to the nationwide mortgage licensing system and registry, it shall continue to be
2 confidential or privileged after it is provided or disclosed to, and while maintained
3 by, the nationwide mortgage licensing system and registry, except to the extent
4 federal or state law expressly provides otherwise and except as provided in par. (c).
5 Confidential or privileged information or material under this paragraph is not
6 subject to any of the following:

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

9 2. Subpoena or discovery, or admission into evidence, in any private civil action
10 or administrative proceeding, unless the person to whom the information or material
11 pertains waives any right or protection of confidentiality or privilege in the
12 information or material.

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

17 (c) This subsection does not prohibit the nationwide mortgage licensing system
18 and registry from providing public access to information or material relating to the
19 employment history of, and publicly adjudicated disciplinary and enforcement
20 actions against, mortgage loan originators.

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

1 ***-1896/1.86* SECTION 627.** 224.73 (title) of the statutes is amended to read:
2 **224.73 (title) Relationship between mortgage loan originator and**
3 **either a mortgage banker or a mortgage broker.**

4 ***-1896/1.87* SECTION 628.** 224.73 (1) of the statutes is amended to read:
5 224.73 (1) RESPONSIBILITY FOR MORTGAGE LOAN ORIGINATOR. ~~A mortgage banker~~
6 ~~or a mortgage broker is responsible for, and shall supervise the acts of, a loan~~
7 ~~originator who registers under s. 224.72 (3) as an employee of the mortgage banker~~
8 ~~or mortgage broker. A mortgage banker or mortgage broker is also responsible for,~~
9 and shall supervise the acts of, a mortgage loan originator or any other person who
10 otherwise acts on behalf of the mortgage banker or ~~the~~ mortgage broker.

11 ***-1896/1.88* SECTION 629.** 224.73 (2) (title) of the statutes is amended to read:
12 224.73 (2) (title) RESTRICTION ON MORTGAGE LOAN ORIGINATOR.

13 ***-1896/1.89* SECTION 630.** 224.73 (2) of the statutes is renumbered 224.73 (2)
14 (a) and amended to read:

15 224.73 (2) (a) If the division suspends or revokes a mortgage banker's or ~~a~~
16 mortgage broker's ~~certificate of registration~~ license, a mortgage loan originator may
17 not act on behalf of that mortgage banker or mortgage broker during the period of
18 suspension or revocation.

19 ***-1896/1.90* SECTION 631.** 224.73 (2) (b) of the statutes is created to read:
20 224.73 (2) (b) A mortgage loan originator may act on behalf of only the
21 mortgage banker or mortgage broker with which that mortgage loan originator's
22 license is associated in the records of the division, as designated under s. 224.725 (2)
23 (d). A mortgage loan originator's license may only be associated with one mortgage
24 banker or mortgage broker at a time.

25 ***-1896/1.91* SECTION 632.** 224.73 (3) (title) of the statutes is amended to read:

1 224.73 (3) (title) TRANSFER BY MORTGAGE LOAN ORIGINATOR.

2 ***-1896/1.92*** SECTION 633. 224.73 (3) of the statutes is renumbered 224.73 (3)
3 (a) and amended to read:

4 224.73 (3) (a) A registered licensed mortgage loan originator may at any time
5 apply, on forms and in the manner prescribed ~~and provided~~ by the division, to
6 transfer ~~employment~~ association to another registered licensed mortgage banker or
7 mortgage broker. The division shall promulgate rules establishing a fee for a
8 transfer application under this subsection.

9 ***-1896/1.93*** SECTION 634. 224.73 (3) (b) of the statutes is created to read:

10 224.73 (3) (b) A mortgage loan originator may not act on behalf of a mortgage
11 banker or mortgage broker until the mortgage loan originator's license association
12 has been transferred to that mortgage banker or mortgage broker in the records of
13 the division.

14 ***-1896/1.94*** SECTION 635. 224.73 (4) (title) of the statutes is amended to read:

15 224.73 (4) (title) ~~SIGNATURE BY~~ MORTGAGE LOAN ORIGINATOR SIGNATURES AND
16 UNIQUE IDENTIFIERS.

17 ***-1896/1.95*** SECTION 636. 224.73 (4) of the statutes is renumbered 224.73 (4)
18 (a) and amended to read:

19 224.73 (4) (a) Every residential mortgage loan application shall be signed by
20 a registered licensed mortgage loan originator or by a mortgage loan originator
21 exempt from licensing under s. 224.726 (1).

22 ***-1896/1.96*** SECTION 637. 224.73 (4) (b) of the statutes is created to read:

23 224.73 (4) (b) Any person originating a residential mortgage loan shall clearly
24 place the person's unique identifier on all residential mortgage loan application

1 forms, solicitations, and advertisements, including business cards or Web sites, and
2 on all other documents specified by rule of the division.

3 *-1896/1.97* SECTION 638. 224.74 (title) of the statutes is amended to read:

4 **224.74 (title) Division's review of the operations of a mortgage loan**
5 **originator, mortgage broker, or mortgage banker.**

6 *-1896/1.98* SECTION 639. 224.74 (1) of the statutes is amended to read:

7 224.74 (1) ANNUAL CALL REPORTS; AUDITS. (a) *Annual call report.* ~~Except as~~
8 ~~provided in par. (b), each~~ Each year, on a by the date specified by the division and in
9 ~~a the form required by the division, a nationwide mortgage licensing system and~~
10 ~~registry, each mortgage banker or, mortgage broker, and mortgage loan originator~~
11 ~~licensed under this subchapter shall submit to the division nationwide mortgage~~
12 ~~licensing system and registry an annual report relating to the mortgage banker's or~~
13 ~~mortgage broker's operations during its most recently completed fiscal year of~~
14 ~~condition, which shall contain such information as the nationwide mortgage~~
15 ~~licensing system and registry may require.~~

16 (b) *Audit requirement.* Each year, no later than 6 months following the end of
17 its most recently completed fiscal year, ~~a each~~ mortgage banker or mortgage broker
18 ~~that qualified for registration under s. 224.72 (4) (a) 4. or (d) or (4m) (a) 3. or (b), shall~~
19 submit a copy of an audit of the mortgage banker's or mortgage broker's operations
20 during that fiscal year. An audit under this paragraph shall be conducted by an
21 independent certified public accountant in accordance with generally accepted
22 auditing standards. The financial statements in the audit report shall be prepared
23 in accordance with generally accepted accounting principles.

24 (c) *Audits requested by the division.* The division may request that a mortgage
25 banker or mortgage broker obtain an audit of the mortgage banker's or mortgage

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

13 *~~1896/1.99~~* SECTION 640. 224.74 (2) (title) of the statutes is amended to read:

14 224.74 (2) (title) EXAMINATION AND INVESTIGATION.

15 *~~1896/1.100~~* SECTION 641. 224.74 (2) (a) (title) of the statutes is repealed.

16 *~~1896/1.101~~* SECTION 642. 224.74 (2) (a) of the statutes is renumbered 224.74
17 (2) (ag) (intro.) and amended to read:

18 224.74 (2) (ag) (intro.) The division may at any time, on its own motion or upon
19 complaint, ~~examine the~~ conduct inquiries, investigations, and examinations of
20 licensees under this subchapter, or of persons required to be licensed under or
21 otherwise subject to the provisions of this subchapter, including doing any of the
22 following:

23 1. Examining, accessing, receiving, or using any books of account, accounts,
24 records, files, documents, or other information relating to the condition and or affairs
25 of a mortgage banker, mortgage loan originator, or mortgage broker registered under

1 ~~this subchapter. The division shall prepare a report of each examination conducted~~
2 ~~under this section. As part of the examination or preparation of the report, the~~
3 ~~division may examine.~~

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

15 ***-1896/1.102* SECTION 643.** 224.74 (2) (ag) 3. and 4. of the statutes are created
16 to read:

17 224.74 (2) (ag) 3. Direct or order any licensee under this subchapter to make
18 or compile reports or other information, in a format directed by the division, that the
19 division considers necessary to carry out any investigation or examination under this
20 subchapter, including any accounting compilation or other loan transaction data,
21 list, or information.

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

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

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

5 *-1896/1.103* SECTION 644. 224.74 (2) (ar) of the statutes is created to read:

6 224.74 (2) (ar) In making any investigation or examination authorized under
7 this subchapter, the division may control access to any documents and records of the
8 licensee or of any other person under investigation or examination. The division may
9 take possession of the documents and records or place a person in exclusive charge
10 of the documents and records in the place where they are usually kept. During the
11 period of control, no person may remove or attempt to remove any of the documents
12 and records except with the consent of the division or by court order. Unless the
13 division has reasonable grounds to believe the documents and records have been or
14 are at risk of being altered or destroyed for purposes of concealing a violation of this
15 subchapter, the licensee or owner or custodian of the documents and records shall
16 have access to the documents and records as necessary to conduct its ordinary
17 business affairs.

18 *-1896/1.104* SECTION 645. 224.74 (2) (b) of the statutes is amended to read:

19 224.74 (2) (b) *Confidentiality. Examination* The division shall prepare a report
20 for each investigation or examination conducted under this subsection. These
21 reports, and correspondence regarding the these reports, are confidential, except
22 that the division may release examination these reports and correspondence in
23 connection with a disciplinary proceeding conducted by the division, a liquidation
24 proceeding, or a criminal investigation or proceeding. In addition, any information
25 from these reports or correspondence may be provided to the nationwide mortgage

1 licensing system and registry and is not confidential to the extent specified in s.
2 224.728 (4) (b) and (c).

3 ***-1896/1.105* SECTION 646.** 224.74 (2) (c) of the statutes is created to read:

4 224.74 (2) (c) The division may require a mortgage banker, mortgage loan
5 originator, or mortgage broker who is investigated or examined under this subsection
6 to pay to the division a reasonable fee for the costs of conducting the investigation
7 or examination. A mortgage banker, mortgage loan originator, or mortgage broker
8 shall pay these costs to the division within 30 days after the division demands
9 payment of these costs.

10 ***-1896/1.106* SECTION 647.** 224.74 (3) of the statutes is created to read:

11 224.74 (3) ADDITIONAL DIVISION AUTHORITY. To carry out the purposes of this
12 section, the division may do any of the following:

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

16 (b) Enter into agreements or relationships with other government officials or
17 regulatory associations to improve efficiencies and reduce regulatory burden by
18 sharing resources, standardized or uniform methods or procedures, and documents,
19 records, or information obtained under this section.

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

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

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

4 *-1896/1.107* SECTION 648. 224.75 (title) of the statutes is amended to read:

5 **224.75 (title) Record-keeping requirements for mortgage bankers and**
6 **mortgage brokers licensees.**

7 *-1896/1.108* SECTION 649. 224.75 (1) (a) of the statutes is amended to read:

8 224.75 (1) (a) *Fee record system.* A mortgage banker or mortgage broker shall
9 establish and maintain a record system which shows all fees which a mortgage
10 banker or mortgage broker charged a residential mortgage loan applicant or a
11 mortgagor in connection with a residential mortgage loan. The record shall show the
12 application or disposition of those fees.

13 *-1896/1.109* SECTION 650. 224.75 (1) (b) (intro.) of the statutes is amended
14 to read:

15 224.75 (1) (b) *Loan application record system.* (intro.) A mortgage banker or
16 mortgage broker shall establish and maintain a record system containing all of the
17 following information for each residential mortgage loan application:

18 *-1896/1.110* SECTION 651. 224.75 (1) (b) 6. and 7. of the statutes are created
19 to read:

20 224.75 (1) (b) 6. The name of the mortgage loan originator.

21 7. The loan amount.

22 *-1896/1.111* SECTION 652. 224.75 (1) (c) (intro.) of the statutes is amended
23 to read:

24 224.75 (1) (c) *Loan application documents.* (intro.) A mortgage banker or
25 mortgage broker shall maintain for each residential mortgage loan application all of

1 the following documents, if used by the mortgage banker or mortgage broker in
2 connection with the residential mortgage loan application file:

3 ***-1896/1.114* SECTION 653.** 224.75 (1) (d) of the statutes is renumbered 224.75
4 (1) (d) (intro.) and amended to read:

5 224.75 (1) (d) *Loan servicing records and documents.* (intro.) A mortgage
6 banker shall maintain for each residential mortgage loan serviced by the mortgage
7 banker a copy of or a record of all of the following:

8 1. All correspondence relating to the loan.

9 ***-1896/1.115* SECTION 654.** 224.75 (1) (d) 2., 3., 4. and 5. of the statutes are
10 created to read:

11 224.75 (1) (d) 2. All payments received from the borrower.

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

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

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

15 ***-1896/1.116* SECTION 655.** 224.75 (2) of the statutes is amended to read:

16 224.75 (2) PERIOD OF RECORD RETENTION. A mortgage banker or mortgage broker
17 shall keep for at least 25 36 months, in an office of the mortgage banker or mortgage
18 broker licensed under this subchapter, all books and records that, in the opinion of
19 the division, will enable the division to determine whether the mortgage banker or
20 mortgage broker is in compliance with the provisions of this subchapter. These books
21 and records include copies of all deposit receipts, canceled checks, trust account
22 records, the records which a mortgage banker or mortgage broker maintains under
23 sub. (1) (c) or (d), and other relevant documents or correspondence received or
24 prepared by the mortgage banker or mortgage broker in connection with a
25 residential mortgage loan or residential mortgage loan application. The retention

1 period begins on the date the residential mortgage loan is closed or, if the loan is not
2 closed, the date of loan application. If the residential mortgage loan is serviced by
3 a mortgage banker, the retention period commences on the date that the loan is paid
4 in full. ~~The mortgage banker or mortgage broker shall make the records available~~
5 ~~for inspection and copying by the division. If the records are not kept within this~~
6 ~~state, the mortgage banker or mortgage broker shall, upon request of the division,~~
7 ~~promptly send exact and complete copies of requested records to the division.~~

8 ***-1896/1.117* SECTION 656.** 224.75 (3) of the statutes is amended to read:

9 224.75 (3) CONTENTS OF CREDIT AND APPRAISAL REPORTS. (a) *Credit report.* If a
10 mortgage banker or mortgage broker charges a residential mortgage loan applicant
11 a separate fee for a credit report, the credit report shall consist, at a minimum, of a
12 written statement indicating the name of the credit reporting agency which
13 investigated the credit history of the applicant.

14 (b) *Appraisal report.* If a mortgage banker or mortgage broker charges a
15 residential mortgage loan applicant a separate fee for an appraisal report, the
16 appraisal report shall consist, at a minimum, of a written statement indicating the
17 appraiser's opinion of the value of the property appraised for residential mortgage
18 loan purposes, the basis for that opinion and the name of the person who conducted
19 the appraisal. If requested by a residential mortgage loan applicant, a mortgage
20 banker or mortgage broker shall provide the loan applicant with a copy of any written
21 appraisal report held by the mortgage banker or mortgage broker, if the loan
22 applicant paid a fee for the report.

23 ***-1896/1.118* SECTION 657.** 224.75 (4) of the statutes is amended to read:

24 224.75 (4) RESPONSIBILITY FOR FORMS. A mortgage banker or mortgage broker
25 is responsible for the preparation and correctness of all entries on forms, documents

1 and records which are under the mortgage banker's or mortgage broker's control and
2 which are not dependent on information provided by the residential mortgage loan
3 applicant or a 3rd party.

4 ***-1896/1.119* SECTION 658.** 224.75 (6) of the statutes is created to read:

5 224.75 (6) FURNISHING BOOKS AND RECORDS. Upon request by the division, any
6 licensee under this subchapter, and any other person whom the division has
7 authority to investigate and examine under s. 224.74 (2), shall make any books and
8 records requested by the division available for inspection and copying by the division.
9 If any records are kept at a licensed office not located within this state, the mortgage
10 banker or mortgage broker shall, upon request of the division, promptly deliver such
11 documents to any location within this state specified by the division.

12 ***-1896/1.120* SECTION 659.** 224.755 (title) of the statutes is repealed and
13 recreated to read:

14 **224.755 (title) Education and testing requirements for mortgage loan**
15 **originators.**

16 ***-1896/1.121* SECTION 660.** 224.755 of the statutes is renumbered 224.755 (5)
17 and amended to read:

18 224.755 (5) COMPLIANCE RECORDS. A mortgage loan originator shall keep
19 records documenting compliance with s. 224.72 (7) (d) this section for at least 4 years.
20 ~~The technical college system board and any professional trade association or other~~
21 ~~person that administers examinations or provides education under s. 224.72 (7) (d)~~
22 ~~shall maintain records documenting attendance and examination performance for~~
23 ~~at least 4 years.~~

24 ***-1896/1.122* SECTION 661.** 224.755 (1), (2), (3) and (4) of the statutes are
25 created to read:

1 224.755 (1) EDUCATION REQUIREMENTS APPLICABLE PRIOR TO LICENSE ISSUANCE.

2 Subject to sub. (3) (a) and (c), an applicant for a license under s. 224.725 (1), prior to
3 the division's issuance of the license, shall complete at least 20 hours of education,
4 including a minimum of all of the following:

5 (a) Three hours of federal law and regulations.

6 (b) Three hours of ethics, including instruction on fraud, consumer protection,
7 and fair lending issues.

8 (c) Two hours of training related to lending standards for the nontraditional
9 mortgage product marketplace.

10 (2) CONTINUING EDUCATION REQUIREMENTS. Subject to subs. (3) (a), (c), (d), and
11 (f), an applicant for renewal of a license under s. 224.725 (5), prior to the division's
12 renewal of the license, shall annually complete at least 8 hours of education,
13 including a minimum of all of the following:

14 (a) Three hours of federal law and regulations.

15 (b) Two hours of ethics, including instruction on fraud, consumer protection,
16 and fair lending issues.

17 (c) Two hours of training related to lending standards for the nontraditional
18 mortgage product marketplace.

19 (3) EDUCATION APPROVAL. (a) No education course may count toward the
20 requirement under sub. (1) or (2) unless the course has been reviewed and approved
21 by the nationwide mortgage licensing system and registry based upon reasonable
22 standards, including review and approval of the course provider.

23 (b) An education course meeting the standard under par. (a) may count toward
24 the requirements under subs. (1) and (2) even if the course is any of the following:

1 1. Provided by the applicant's or licensee's employer, by an entity affiliated with
2 the applicant or licensee by an agency contract, or by any subsidiary or affiliate of
3 such an employer or affiliated entity.

4 2. Offered through the Internet or another online or electronic medium.

5 3. Taken in another state.

6 (c) Subject to any rule promulgated under s. 224.72 (7) (bm) or 224.725 (5) (b),
7 if an individual was previously registered as a loan originator under s. 224.72, 2007
8 stats., or previously licensed as a mortgage loan originator under s. 224.725, the
9 division may not issue or renew a mortgage loan originator license for the individual
10 under s. 224.725 unless the individual satisfies the requirements under sub. (1) or
11 (2) or demonstrates to the division's satisfaction that the individual has completed
12 all education requirements applicable to the individual in the last year in which the
13 individual's license or registration was valid.

14 (d) Except as provided in any rule promulgated under s. 224.72 (7) (bm), a
15 licensed mortgage loan originator may receive credit for a continuing education
16 course only in the year in which the course is taken and may not take the same
17 approved course in the same or successive years to meet the requirements under sub.
18 (2).

19 (e) A licensed mortgage loan originator who is an approved instructor of an
20 approved continuing education course may receive credit for the licensed mortgage
21 loan originator's own annual continuing education requirement at the rate of 2 hours
22 of credit for every one hour taught.

23 (f) The division may, by rule, allow an applicant for renewal of a license under
24 s. 224.725 (5) to make up any deficiency in meeting the requirements specified in sub.
25 (2).

1 (4) TESTING REQUIREMENTS. (a) An applicant for a license under s. 224.725 (1),
2 prior to the division's issuance of the license, shall pass a written test meeting the
3 standards under par. (b). An individual shall answer at least 75 percent of the test
4 questions correctly to achieve a passing test score.

5 (b) 1. No test may satisfy the requirement under par. (a) unless the test is
6 developed by the nationwide mortgage licensing system and registry and
7 administered by a test provider approved by the nationwide mortgage licensing
8 system and registry based upon reasonable standards.

9 2. A test does not meet the standard under subd. 1. unless the test adequately
10 measures the applicant's knowledge and comprehension in appropriate subject
11 areas, including all of the following:

12 a. Ethics.

13 b. Federal and state law, regulations, and rules pertaining to mortgage
14 origination.

15 c. Federal and state law, regulations, and rules relating to residential mortgage
16 transactions, including instruction on fraud, consumer protection, the
17 nontraditional mortgage product marketplace, and fair lending issues.

18 (c) A written test meeting the standards under par. (b) may satisfy the
19 requirement under par. (a) even if the test is provided at the location of the
20 applicant's employer, any subsidiary or affiliate of the applicant's employer, or any
21 entity with which the applicant holds an exclusive arrangement to conduct the
22 business of a mortgage loan originator.

23 (d) An individual may retake a test 3 consecutive times, with each test retaken
24 no less than 30 days after the preceding test. If the individual fails 3 consecutive
25 tests, the individual may not retake a test again for at least 6 months.

1 (e) If an individual previously licensed as a mortgage loan originator fails to
2 maintain a valid license for a period of 5 years or longer, the individual shall retake
3 the test under par. (a). For purposes of determining the 5-year period, the division
4 shall not consider any period during which the individual is exempt from licensing
5 under s. 224.726 (1).

6 ***-1896/1.123* SECTION 662.** 224.76 of the statutes is amended to read:

7 **224.76 Mortgage banker, mortgage loan originator, and mortgage**
8 **broker trust accounts.** A mortgage banker, mortgage loan originator, or mortgage
9 broker shall deposit in one or more trust accounts all funds other than nonrefundable
10 fees which it receives on behalf of any person, pending disbursement of the funds in
11 accordance with instructions from the person on whose behalf the funds are
12 deposited. A mortgage banker or mortgage broker shall maintain trust accounts in
13 a bank, ~~savings bank, savings and loan association or credit union~~ which is
14 ~~authorized to do business in this state or whose accounts are insured by the Federal~~
15 ~~Deposit Insurance Corporation or the National Credit Union Administration~~
16 depository institution. The mortgage banker or mortgage broker shall notify the
17 division of the location of its trust accounts.

18 ***-1896/1.124* SECTION 663.** 224.77 (title) of the statutes is amended to read:

19 **224.77 (title) Discipline Prohibited acts and practices, and discipline,**
20 **of mortgage bankers, mortgage loan originators, and mortgage brokers.**

21 ***-1896/1.125* SECTION 664.** 224.77 (1) (intro.) of the statutes is amended to
22 read:

23 **224.77 (1) PROHIBITED CONDUCT ACTS AND PRACTICES.** (intro.) ~~The division may~~
24 ~~deny an application submitted to it under s. 224.72, or may revoke, suspend or limit~~
25 ~~the certificate of registration of a mortgage banker, loan originator or mortgage~~

1 ~~broker, or may reprimand a mortgage banker, loan originator or mortgage broker, if~~
2 ~~it finds that the No mortgage banker, mortgage loan originator, or mortgage broker~~
3 ~~did, and no member, officer, director, principal, partner, trustee, or other agent of a~~
4 ~~mortgage banker or mortgage broker, may do any of the following:~~

5 *-1896/1.126* SECTION 665. 224.77 (1) (a) of the statutes is amended to read:

6 224.77 (1) (a) ~~Made~~ Make a material misstatement, ~~or knowingly omit a~~
7 ~~material fact, in an a license application for registration, or in other information or~~
8 ~~reports furnished to the division, to the nationwide mortgage licensing system and~~
9 ~~registry, or to any other governmental agency, including failing to disclose a criminal~~
10 ~~conviction or any disciplinary action taken by a state or federal regulatory agency.~~

11 *-1896/1.127* SECTION 666. 224.77 (1) (b) of the statutes is repealed and
12 recreated to read:

13 224.77 (1) (b) Make, in any manner, any materially false or deceptive
14 statement or representation, including engaging in bait and switch advertising or
15 falsely representing residential mortgage loan rates, points, or other financing terms
16 or conditions.

17 *-1896/1.128* SECTION 667. 224.77 (1) (c) and (d) of the statutes are amended
18 to read:

19 224.77 (1) (c) ~~Made~~ Make a false, ~~deceptive, or misleading promise relating to~~
20 ~~the services being offered or that influences, persuades, or induces a client to act to~~
21 ~~his or her injury or damage detriment.~~

22 (d) ~~Pursued~~ Pursue a continued and flagrant course of misrepresentation, or
23 ~~made~~ make false promises, whether directly or through agents or advertising.

24 *-1896/1.130* SECTION 668. 224.77 (1) (e) and (f) of the statutes are amended
25 to read:

1 224.77 (1) (e) ~~Acted~~ Act for more than one party in a transaction without the
2 knowledge and consent of all parties on whose behalf the mortgage banker, mortgage
3 loan originator, or mortgage broker is acting.

4 (f) ~~Accepted~~ Accept a commission, money, or other thing of value for performing
5 an act as a mortgage loan originator unless the payment is from a mortgage banker
6 or mortgage broker ~~who is registered under s. 224.72 (3) as employing the loan~~
7 ~~originator with whom the mortgage loan originator's license is associated, as~~
8 identified in the records of the division at the time the act is performed.

9 *-1896/1.131* SECTION 669. 224.77 (1) (fg) of the statutes is created to read:

10 224.77 (1) (fg) As a mortgage banker or mortgage broker, pay a commission,
11 money, or other thing of value to any person for performing an act as a mortgage loan
12 originator unless the mortgage loan originator's license is associated with the
13 mortgage banker or mortgage broker in the records of the division at the time the act
14 is performed.

15 *-1896/1.132* SECTION 670. 224.77 (1) (g) of the statutes is amended to read:

16 224.77 (1) (g) As a mortgage loan originator, ~~represented or attempted~~
17 represent or attempt to represent a mortgage banker or mortgage broker other than
18 ~~the mortgage banker who is registered under s. 224.72 (3) as employing the loan~~
19 ~~originator or mortgage broker with whom the mortgage loan originator's license was~~
20 associated, as identified in the records of the division at the time the representation
21 or attempted representation occurs.

22 *-1896/1.133* SECTION 671. 224.77 (1) (gd), (gh) and (gp) of the statutes are
23 created to read:

1 224.77 (1) (gd) As a mortgage banker or mortgage broker, permit a person who
2 is not licensed under this subchapter to act as a mortgage loan originator on behalf
3 of the mortgage banker or mortgage broker.

4 (gg) As a mortgage banker or mortgage broker, permit a person whose
5 mortgage loan originator license is not associated in the records of the division with
6 the mortgage banker or mortgage broker to act as a mortgage loan originator on
7 behalf of the mortgage banker or mortgage broker.

8 (gp) As a mortgage banker or mortgage broker, conduct business at or from a
9 principal office or branch office that is not licensed under this subchapter.

10 ***-1896/1.134*** SECTION 672. 224.77 (1) (h) to (L) of the statutes are amended
11 to read:

12 224.77 (1) (h) ~~Failed~~ Fail, within a reasonable time, to account for or remit any
13 moneys coming into the mortgage banker's, mortgage loan originator's, or mortgage
14 broker's possession ~~which~~ that belong to another person.

15 (i) ~~Demonstrated~~ Demonstrate a lack of competency to act as a mortgage
16 banker, mortgage loan originator, or mortgage broker in a way ~~which~~ that safeguards
17 the interests of the public.

18 (j) ~~Paid or offered~~ Pay or offer to pay a commission, money, or other thing of
19 value to any person for acts or services in violation of this subchapter.

20 (k) ~~Violated~~ Violate any provision of this subchapter, ch. 138, or any federal or
21 state statute, rule, or regulation ~~which~~ that relates to practice as a mortgage banker,
22 mortgage loan originator, or mortgage broker.

23 (L) ~~Engaged~~ Engage in conduct ~~which~~ that violates a standard of professional
24 behavior which, through professional experience, has become established for
25 mortgage bankers, mortgage loan originators, or mortgage brokers.

1 ***-1896/1.136* SECTION 673.** 224.77 (1) (m) of the statutes is amended to read:

2 224.77 (1) (m) ~~Engaged~~ Engage in conduct, whether of the same or a different
3 character than specified elsewhere in this section, ~~which that~~ constitutes improper,
4 fraudulent, or dishonest dealing.

5 ***-1896/1.137* SECTION 674.** 224.77 (1) (o) of the statutes is amended to read:

6 224.77 (1) (o) In the course of practice as a mortgage banker, mortgage loan
7 originator, or mortgage broker, except in relation to housing designed to meet the
8 needs of elderly individuals, ~~treated~~ treat a person unequally solely because of sex,
9 race, color, handicap, sexual orientation, as defined in s. 111.32 (13m), religion,
10 national origin, age, or ancestry, the person's lawful source of income, or the sex or
11 marital status of the person maintaining a household.

12 ***-1896/1.138* SECTION 675.** 224.77 (1) (p) of the statutes is amended to read:

13 224.77 (1) (p) Intentionally ~~encouraged or discouraged~~ encourage or discourage
14 any person from purchasing or renting real estate on the basis of race.

15 ***-1896/1.139* SECTION 676.** 224.77 (1) (q) of the statutes is amended to read:

16 224.77 (1) (q) Because of the age or location of the property or the race of the
17 residential mortgage loan applicant, rather than because of the credit worthiness of
18 the applicant and the condition of the property securing the loan:

19 1. ~~Refused~~ Refuse to negotiate, to offer, or to attempt to negotiate a ~~land~~
20 ~~contract,~~ residential mortgage loan or commitment for a residential mortgage loan,
21 or ~~refused~~ refuse to find a residential mortgage loan.

22 2. ~~Found a-~~ Find a residential mortgage loan or ~~negotiated a-~~ negotiate a
23 residential mortgage loan on terms less favorable than are usually offered.

24 ***-1896/1.140* SECTION 677.** 224.77 (1) (r) of the statutes is repealed.

1 ***-1896/1.141* SECTION 678.** 224.77 (1) (s), (t), (tm), (u), (um), (v), (w), (x) and
2 (y) of the statutes are created to read:

3 224.77 (1) (s) Violate, or fail to comply with, any lawful order of the division.

4 (t) Impede an investigation or examination of the division or deny the division
5 access to any books, records, or other information which the division is authorized
6 to obtain under s. 224.74 (2), 224.75 (6), or any other provision of this subchapter.

7 (tm) Make a material misstatement, or knowingly omit a material fact, or
8 knowingly mutilate, destroy, or secrete any books, records, or other information
9 requested by the division, in connection with any investigation or examination
10 conducted by the division or another governmental agency.

11 (u) Solicit or enter into a contract with a borrower that provides in substance
12 that the mortgage banker, mortgage broker, or mortgage loan originator may earn
13 a fee or commission through "best efforts" to obtain a residential mortgage loan even
14 though no residential mortgage loan is actually obtained for the borrower.

15 (um) Solicit, advertise, or enter into a contract for specific interest rates, points,
16 or other financing terms unless the terms are actually available at the time of
17 soliciting, advertising, or contracting.

18 (v) Assist, aid, or abet any person in unlawfully conducting business under this
19 subchapter without a valid license.

20 (w) Fail to make disclosures required under this subchapter or required under
21 any other applicable state or federal law, rule, or regulation.

22 (x) Withhold any payment or make any payment, threat, or promise, directly
23 or indirectly, to any person for the purpose of influencing the independent judgment
24 of the person in connection with a residential mortgage loan, or withhold any
25 payment or make any payment, threat, or promise, directly or indirectly, to any

1 appraiser of a property for the purpose of influencing the independent judgment of
2 the appraiser with respect to the value of the property.

3 (y) Cause or require a borrower to obtain property insurance coverage in an
4 amount exceeding the replacement cost of improvements on the property, as
5 determined by the property insurer.

6 ***-1896/1.142* SECTION 679.** 224.77 (1m) (a) of the statutes is amended to read:

7 224.77 (1m) (a) The division may assess against ~~a person who is registered~~
8 under this chapter any person who violates this subchapter a forfeiture of not more
9 than \$2,000 \$25,000 for each violation enumerated under sub. (1) (a) to (o) or (r) and
10 may further order restitution to any person suffering loss as a result of the violation.

11 ***-1896/1.143* SECTION 680.** 224.77 (1m) (b) of the statutes is amended to read:

12 224.77 (1m) (b) A person may contest an assessment of forfeiture, or a
13 restitution order, under par. (a) by sending, within 10 days after receipt of notice of
14 the assessment or order under par. (a), a written request for hearing under s. 227.44
15 to the division of hearings and appeals created under s. 15.103 (1). The
16 administrator of the division of hearings and appeals may designate a hearing
17 examiner to preside over the case and recommend a decision to the administrator
18 under s. 227.46. The decision of the administrator of the division of hearings and
19 appeals shall be the final administrative decision. The division of hearings and
20 appeals shall commence the hearing within 30 days after receipt of the request for
21 hearing and shall issue a final decision within 15 days after the close of the hearing.
22 Proceedings before the division of hearings and appeals are governed by ch. 227. In
23 any petition for judicial review of a decision by the division of hearings and appeals,
24 the party, other than the petitioner, who was in the proceeding before the division of
25 hearings and appeals shall be the named respondent.

SECTION 681

1 ***-1896/1.144*** SECTION 681. 224.77 (1m) (c) of the statutes is renumbered
2 224.77 (1m) (c) 1.

3 ***-1896/1.145*** SECTION 682. 224.77 (1m) (c) 2. of the statutes is created to read:
4 224.77 (1m) (c) 2. All amounts ordered as restitution shall be paid to the person
5 suffering loss within 10 days after receipt of notice of the order or, if the restitution
6 order is contested under par. (b), within 10 days after receipt of the final decision
7 after exhaustion of administrative review.

8 ***-1896/1.146*** SECTION 683. 224.77 (1m) (d) of the statutes is amended to read:
9 224.77 (1m) (d) The attorney general may bring an action in the name of the
10 state to collect any forfeiture imposed, or amount ordered as restitution, under this
11 subsection if the forfeiture or restitution amount has not been paid following the
12 exhaustion of all administrative and judicial reviews. The only issue to be contested
13 in any such action shall be whether the forfeiture or restitution amount has been
14 paid.

15 ***-1896/1.147*** SECTION 684. 224.77 (2) (title) of the statutes is repealed.

16 ***-1896/1.148*** SECTION 685. 224.77 (2) of the statutes is renumbered 224.77
17 (2m) (a) 2. and amended to read:

18 224.77 (2m) (a) 2. The division may ~~revoke, suspend or limit a certificate of~~
19 ~~registration issued under this subchapter or reprimand~~ take any action specified in
20 subd. 1. against a mortgage banker or mortgage broker registered ~~under this~~
21 ~~subchapter, if based upon any act or omission described in subd. 1. of a director,~~
22 officer, trustee, partner, or member of the mortgage banker or mortgage broker or a
23 person who has a financial interest in or is in any way connected with the operation
24 of the mortgage banker's or mortgage broker's business ~~is guilty of an act or omission~~