



## 2009 ASSEMBLY BILL 471

1 AN ACT *to amend* 224.79 (title); and *to create* 224.79 (3) of the statutes; **relating**  
2 **to:** mortgage broker duties and agency relationships.

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*Analysis by the Legislative Reference Bureau*

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

3 SECTION 1. 224.79 (title) of the statutes is amended to read:

4 **224.79 (title) Mortgage brokerage agreements and disclosures;**  
5 **mortgage broker agency relationship and duties.**

6 SECTION 2. 224.79 (3) of the statutes is created to read:

7 224.79 (3) MORTGAGE BROKER AGENCY RELATIONSHIP AND DUTIES. (a) In this  
8 subsection, “borrower” means the residential mortgage loan applicant or investor on  
9 whose behalf a mortgage broker provides, or contracts to provide, mortgage  
10 brokerage services.

**ASSEMBLY BILL 471****SECTION 2**

1 (b) A mortgage broker, at all times when acting in the capacity of a mortgage  
2 broker, has an agency relationship with the borrower.

3 (c) A mortgage broker owes all of the following duties to the borrower:

4 1. The mortgage broker shall act in the borrower's best interest and in the  
5 utmost good faith toward the borrower, and may not compromise the borrower's  
6 rights or interests in favor of another's rights or interests, including those of the  
7 mortgage broker.

8 2. The mortgage broker may not accept, give, or charge any undisclosed  
9 compensation or realize any undisclosed remuneration, through direct or indirect  
10 means, that inures to the benefit of the mortgage broker on an expenditure made for  
11 the borrower.

12 3. The mortgage broker shall carry out all lawful instructions given by the  
13 borrower.

14 4. The mortgage broker shall disclose to the borrower all material facts of which  
15 the mortgage broker has knowledge that might reasonably affect the borrower's  
16 rights or interests or ability to receive the borrower's intended benefit from the  
17 residential mortgage loan, but not facts that are reasonably susceptible to the  
18 knowledge of the borrower.

19 4m. The mortgage broker shall present loan options in an objective and  
20 unbiased manner and disclose the advantages and disadvantages of each loan  
21 option.

22 5. The mortgage broker shall use reasonable care in performing the mortgage  
23 broker's duties.

24 6. The mortgage broker shall account to the borrower for all money and  
25 property received by the mortgage broker as the borrower's agent.

