



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2009 Wisconsin Act 386**  
[2009 Assembly Bill 658]

**Qualifications of Mortgage Loan  
Originators**

Generally, under current law, the Department of Financial Institutions (DFI) may issue or renew a mortgage loan originator license only if the applicant satisfies certain criteria. In particular, an applicant must demonstrate financial responsibility, character, and general fitness as to command the confidence of the community that the applicant will operate honestly, fairly, and efficiently in order for DFI to issue a mortgage loan originator license.

Under current law, an individual has shown that he or she is not financially responsible if he or she has shown a disregard in the management of his or her own financial condition, including any of the following items:

- Current outstanding judgments other than those resulting from medical expenses.
- Current outstanding tax liens or other government liens and filings.
- Within the past three years, foreclosures or any pattern of seriously delinquent accounts.

2009 Wisconsin Act 386 modifies DFI's licensure authority with regard to financial responsibility to give the department permissive authority to consider outstanding judgments, liens, and patterns of delinquent accounts, in contrast to the mandatory consideration of those items under current law. The Act also deletes foreclosures from the list of items that indicate an applicant is not financially responsible for purposes of licensure as a mortgage loan originator.

**Effective date:** 2009 Wisconsin Act 386 takes effect on June 2, 2010.

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June 2, 2010

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.