

By Senator Clary

4-999-03

See HB 577

1 A bill to be entitled
2 An act relating to financial services; revising
3 provisions relating to mortgage brokerage and
4 mortgage lending; amending s. 494.0029, F.S.;
5 specifying nontransferability of certain
6 permits; providing requirements for changes in
7 certain ownerships or controlling interests;
8 providing for cancellation and reinstatement of
9 certain permits; amending s. 494.00295, F.S.;
10 clarifying certain professional education
11 provisions as continuing education; amending s.
12 494.003, F.S.; clarifying types of financial
13 institutions eligible for exemptions from
14 application of certain provisions; amending s.
15 494.0031, F.S.; authorizing the Department of
16 Financial Services to require information from
17 applicants for licensure; specifying
18 nontransferability of certain licenses;
19 providing requirements for changes in certain
20 ownerships or controlling interests; amending
21 s. 494.0032, F.S.; providing for electronic
22 filing of certain license renewal forms;
23 providing for cancellation and reinstatement of
24 certain licenses; amending s. 494.0033, F.S.;
25 revising mortgage broker licensure
26 requirements; providing for third-party
27 administration of certain tests; authorizing
28 the department to waive an examination
29 requirement for certain individuals under
30 certain circumstances; authorizing the
31 department to assess a fee; amending s.

1 494.0034, F.S.; providing for electronic filing
2 of certain license renewal forms; providing for
3 cancellation and reinstatement of certain
4 licenses; amending s. 494.0036, F.S.;
5 clarifying a provision for issuance of a
6 mortgage brokerage business branch office
7 license; amending s. 494.006, F.S.; clarifying
8 types of financial institutions eligible for
9 exemptions from application of certain
10 provisions; amending s. 494.0061, F.S.;
11 clarifying application of certain accounting
12 principles; providing requirements for changes
13 in certain ownerships or controlling interests;
14 providing for third-party administration of
15 certain tests; authorizing the department to
16 waive an examination requirement for certain
17 individuals under certain circumstances;
18 authorizing the department to assess a fee;
19 amending s. 494.0062, F.S.; authorizing the
20 department to require information from
21 applicants for licensure; clarifying
22 application of certain accounting principles;
23 providing requirements for changes in certain
24 ownerships or controlling interests; providing
25 for third-party administration of certain
26 tests; authorizing the department to waive an
27 examination requirement for certain individuals
28 under certain circumstances; authorizing the
29 department to assess a fee; amending s.
30 494.0064, F.S.; providing for electronic filing
31 of certain license renewal forms; clarifying

1 certain professional education provisions as
2 continuing education; providing for
3 cancellation and reinstatement of certain
4 licenses; amending s. 494.0065, F.S.;
5 clarifying application of certain accounting
6 principles; providing education and testing
7 requirements for principal representatives;
8 authorizing the department to waive an
9 examination requirement for certain individuals
10 under certain circumstances; authorizing the
11 department to assess a fee; requiring mortgage
12 lenders to designate a principal representative
13 for certain purposes; requiring department
14 notification of designation and education of
15 principal representatives; providing for
16 cancellation and reinstatement of certain
17 licenses; amending s. 494.0066, F.S.; providing
18 for cancellation and reinstatement of certain
19 licenses; amending s. 494.0067, F.S.;
20 clarifying certain professional education
21 provisions as continuing education; amending
22 ss. 494.0016, 516.12, 520.997, and 537.009,
23 F.S.; revising the department's authority to
24 regulate certain licensees; authorizing the
25 department to provide by rule requirements for
26 destruction of certain information; clarifying
27 department authority to prescribe by rule
28 certain minimum information to be shown in
29 certain documents; amending s. 517.12, F.S.;
30 specifying an additional depository for certain
31 fees and documents required for registration of

1 certain securities licensees; providing an
2 effective date.

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4 Be It Enacted by the Legislature of the State of Florida:

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6 Section 1. Subsection (1) of section 494.0029, Florida
7 Statutes, is amended, and subsections (4) and (5) are added to
8 that section, to read:

9

494.0029 Mortgage business schools.--

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(1) Each person, school, or institution, except
11 accredited colleges, universities, community colleges, and
12 area technical centers in this state, which offers or conducts
13 mortgage business training as a condition precedent to
14 licensure as a mortgage broker, mortgage ~~or~~ lender, or a
15 correspondent mortgage lender shall obtain a permit from the
16 department and abide by the regulations imposed upon such
17 person, school, or institution by this chapter and rules
18 adopted pursuant to this chapter. The department shall, by
19 rule, recertify the permits annually with initial and renewal
20 permit fees that do not exceed \$500 plus the cost of
21 accreditation.

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(4) A permit issued under this section is not
23 transferable or assignable. Any person who, directly or
24 indirectly, seeks to own, control, or hold with power to vote,
25 or holds proxies representing 50 percent or greater of any
26 class of equity securities or ultimate equitable ownership of
27 a mortgage business school, shall file a new application for
28 and be approved for licensure prior to the effective date of
29 the change in ownership or controlling interest.

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(5) If an initial mortgage business school permit or
31 renewal permit has been issued but the check upon which the

1 license is based is returned for any reason, the permit shall
2 be deemed canceled. A permit deemed canceled pursuant to this
3 subsection shall be reinstated if the department receives a
4 certified check for the appropriate amount within 30 days
5 after the date the check was returned.

6 Section 2. Section 494.00295, Florida Statutes, is
7 amended to read:

8 494.00295 Professional continuing education.--

9 (1) Each mortgage broker, mortgage lender, and
10 correspondent mortgage lender must certify to the department
11 at the time of renewal that during the 2 years prior to an
12 application for license renewal, all mortgage brokers and the
13 principal representative and loan originators, ~~and associates~~
14 of a mortgage lender or correspondent mortgage lender have
15 successfully completed at least 14 hours of professional
16 continuing education programs covering primary and subordinate
17 mortgage financing transactions and the provisions of this
18 chapter. Licensees shall maintain records documenting
19 compliance with this subsection for a period of 4 years.

20 (2) Professional continuing education programs must
21 contribute directly to the professional competency of the
22 participants, may only be offered by permitted mortgage
23 business schools or entities specifically exempted from
24 permitting as mortgage business schools, and may include
25 electronically transmitted or distance education courses.

26 (3) The department shall adopt rules necessary to
27 administer this section, including rules governing qualifying
28 hours for professional continuing education programs and
29 standards for electronically transmitted or distance education
30 courses, including course completion requirements.

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1 Section 3. Paragraphs (b) and (c) of subsection (1)
2 and paragraph (e) of subsection (2) of section 494.003,
3 Florida Statutes, are amended to read:

4 494.003 Exemptions.--

5 (1) None of the following persons is subject to the
6 requirements of ss. 494.003-494.0043:

7 (b) A state or federal chartered bank, registered bank
8 holding company, trust company, savings and loan association,
9 savings bank, credit union, or consumer finance company
10 licensed pursuant to chapter 516.

11 (c) A wholly owned registered bank holding company
12 subsidiary or a wholly owned registered savings and loan
13 association holding company subsidiary that is approved or
14 certified by the Department of Housing and Urban Development,
15 the Veterans Administration, the Government National Mortgage
16 Association, the Federal National Mortgage Association, or the
17 Federal Home Loan Mortgage Corporation.

18 (2) None of the following persons is required to be
19 licensed under ss. 494.003-494.0043:

20 (e) A wholly owned subsidiary of a state or federal
21 chartered bank or savings and loan association the sole
22 activity of which is to distribute the lending programs of
23 such state or federal chartered bank or savings and loan
24 association to persons who arrange loans for, or make loans
25 to, borrowers.

26 Section 4. Subsections (1), (3), and (5) of section
27 494.0031, Florida Statutes, are amended, and subsection (6) is
28 added to that section, to read:

29 494.0031 Licensure as a mortgage brokerage business.--

30 (1) The department may require each applicant for a
31 mortgage lender license to provide any information reasonably

1 necessary to make a determination of the applicant's
2 eligibility for licensure.The department shall issue a
3 mortgage brokerage business license to each person who:
4 (a) Has submitted a completed application form and a
5 nonrefundable application fee of \$425; and
6 (b) Has a qualified principal broker pursuant to s.
7 494.0035.
8 (3) Notwithstanding the provisions of subsection (1),
9 it is a ground for denial of licensure if the designated
10 principal mortgage broker; any officer, director, partner, or
11 joint venturer; ~~any natural person owning a 10-percent or~~
12 ~~greater interest in the mortgage brokerage business;~~ or any
13 natural person who is the ultimate equitable owner of a
14 10-percent or greater interest in the mortgage brokerage
15 business has committed any violation specified in ss.
16 494.001-494.0077 or has pending against him or her any
17 criminal prosecution or administrative enforcement action, in
18 any jurisdiction, which involves fraud, dishonest dealing, or
19 any other act of moral turpitude.
20 (5) If an initial mortgage brokerage business or
21 branch office license has been issued but the check upon which
22 the license is based is returned for any reason ~~due to~~
23 ~~insufficient funds~~, the license shall be deemed canceled. A
24 license deemed canceled pursuant to this subsection shall be
25 reinstated if the department receives a certified check for
26 the appropriate amount within 30 days after the date the check
27 was returned ~~due to insufficient funds~~.
28 (6) A license issued under ss. 494.003-494.0043 is not
29 transferable or assignable. Any person or persons who,
30 directly or indirectly, seeks to own, control, or hold with
31 power to vote, or holds proxies representing 50 percent or

1 greater of any class of equity securities or ultimate
2 equitable ownership of a mortgage brokerage business, shall
3 file a new application for and be approved for licensure prior
4 to the effective date of the change in ownership or
5 controlling interest.

6 Section 5. Subsections (1) and (2) of section
7 494.0032, Florida Statutes, are amended, and subsection (4) is
8 added to that section, to read:

9 494.0032 Renewal of mortgage brokerage business
10 license or branch office license.--

11 (1) The department shall renew a mortgage brokerage
12 business license upon receipt of an electronically filed a
13 completed renewal form and payment of a nonrefundable renewal
14 fee of \$375. Each licensee shall pay at the time of renewal a
15 nonrefundable renewal fee of \$225 for the renewal of each
16 branch office license.

17 (2) The department shall adopt rules establishing a
18 procedure for the biennial renewal of mortgage brokerage
19 business licenses and branch office licenses. The department
20 may prescribe the electronic format form for renewal and may
21 require an update of all information provided in the
22 licensee's initial application.

23 (4) If the renewal of a mortgage brokerage business or
24 branch office license has been issued but the check upon which
25 the license is based is returned for any reason, the license
26 shall be deemed canceled. A license deemed canceled pursuant
27 to this subsection shall be reinstated if the department
28 receives a certified check for the appropriate amount within
29 30 days after the date the check was returned.

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1 Section 6. Subsection (1), paragraphs (b) and (c) of
2 subsection (2), and subsection (7) of section 494.0033,
3 Florida Statutes, are amended to read:

4 494.0033 Mortgage broker's license.--

5 (1) Each natural person who acts as a mortgage broker
6 for a mortgage brokerage business or acts as an associate for
7 a mortgage lender or correspondent mortgage lender must be
8 licensed pursuant to this section. To act as a mortgage
9 broker, an individual must be an associate of a mortgage
10 brokerage business, mortgage lender, or correspondent mortgage
11 lender. A mortgage broker is prohibited from being an
12 associate of more than one mortgage brokerage business,
13 mortgage lender, or correspondent mortgage lender.

14 (2) Each initial application for a mortgage broker's
15 license must be in the form prescribed by rule of the
16 department. The department may require each applicant to
17 provide any information reasonably necessary to make a
18 determination of the applicant's eligibility for licensure.
19 The department shall issue an initial license to any natural
20 person who:

21 (b) Has passed a written test, adopted by the
22 department and administered by a third party approved by the
23 department, which is designed to determine competency in
24 primary and subordinate mortgage financing transactions as
25 well as to test knowledge of ss. 494.001-494.0077 and the
26 rules adopted pursuant thereto. The department may waive by
27 rule the examination requirement for any individual who has
28 passed a comparable test offered by a national group of state
29 mortgage regulators or a federal governmental agency that
30 covers primary and subordinate mortgage financing
31 transactions;

1 (c) Has submitted a completed application and a
2 nonrefundable application fee of \$200. The department may set
3 by rule an additional fee for taking a retake of the
4 examination and any retakes required; and

5 (7) If an initial mortgage broker license has been
6 issued but the check upon which the license is based is
7 returned for any reason ~~due to insufficient funds~~, the license
8 shall be deemed canceled. A license deemed canceled pursuant
9 to this subsection shall be reinstated if the department
10 receives a certified check for the appropriate amount within
11 30 days after the date the check was returned ~~due to~~
12 ~~insufficient funds~~.

13 Section 7. Subsections (1) and (2) of section
14 494.0034, Florida Statutes, are amended, and subsection (4) is
15 added to that section, to read:

16 494.0034 Renewal of mortgage broker's license.--

17 (1) The department shall renew a mortgage broker
18 license upon receipt of an electronically filed ~~the~~ completed
19 renewal form, certification of compliance with continuing
20 education requirements of s. 494.00295, and payment of a
21 nonrefundable renewal fee of \$150.

22 (2) The department shall adopt rules establishing a
23 procedure for the biennial renewal of mortgage broker's
24 licenses. The department may prescribe the electronic format
25 ~~form~~ of the renewal ~~application~~ and may require an update of
26 information since the licensee's last renewal.

27 (4) If the renewal of a mortgage broker license has
28 been issued but the check upon which the license is based is
29 returned for any reason, the license shall be deemed canceled.
30 A license deemed canceled pursuant to this subsection shall be
31 reinstated if the department receives a certified check for

1 the appropriate amount within 30 days after the date the check
2 was returned.

3 Section 8. Subsection (2) of section 494.0036, Florida
4 Statutes, is amended to read:

5 494.0036 Mortgage brokerage business branch offices.--

6 (2) The department shall issue a mortgage brokerage
7 business branch office license to any licensee, once the
8 department determines the licensee has submitted ~~upon receipt~~
9 ~~of~~ a completed application in a form as prescribed by
10 department rule and payment of an initial nonrefundable branch
11 office license fee of \$225. Branch office licenses must be
12 renewed in conjunction with the renewal of the mortgage
13 brokerage business license. The branch office license shall be
14 issued in the name of the mortgage brokerage business that
15 maintains the branch office.

16 Section 9. Paragraphs (a) and (c) of subsection (1)
17 and paragraph (a) of subsection (2) of section 494.006,
18 Florida Statutes, are amended to read:

19 494.006 Exemptions.--

20 (1) None of the following persons are subject to the
21 requirements of ss. 494.006-494.0077 in order to act as a
22 mortgage lender or correspondent mortgage lender:

23 (a) A state or federal chartered bank, registered bank
24 holding company, trust company, savings and loan association,
25 savings bank, credit union, or insurance company if the
26 insurance company is duly licensed in this state.

27 (c) A wholly owned registered bank holding company
28 subsidiary or a wholly owned registered savings and loan
29 association holding company subsidiary that is approved or
30 certified by the Department of Housing and Urban Development,
31 the Veterans Administration, the Government National Mortgage

1 Association, the Federal National Mortgage Association, or the
2 Federal Home Loan Mortgage Corporation.

3 (2)(a) A natural person employed by a mortgage lender
4 or correspondent mortgage lender licensed under ss.
5 494.001-494.0077 is exempt from the licensure requirements of
6 ss. 494.001-494.0077 when acting within the scope of
7 employment with the licensee.

8 Section 10. Paragraph (c) of subsection (1) and
9 subsections, (5), (7), (9), and (10) of section 494.0061,
10 Florida Statutes, are amended to read:

11 494.0061 Mortgage lender's license requirements.--

12 (1) The department may require each applicant for a
13 mortgage lender license to provide any information reasonably
14 necessary to make a determination of the applicant's
15 eligibility for licensure. The department shall issue an
16 initial mortgage lender license to any person that submits:

17 (c) Audited financial statements, which documents
18 disclose that the applicant has a bona fide and verifiable net
19 worth, pursuant to accounting principles generally accepted in
20 the United States ~~accounting principles~~, of at least \$250,000,
21 which must be continuously maintained as a condition of
22 licensure;

23 (5) A license issued in accordance with ss.
24 494.006-494.0077 is not transferable or assignable. Any person
25 or persons who, directly or indirectly, seek to own, control,
26 or hold with power to vote, or hold proxies representing 50
27 percent or greater of any class of equity securities or
28 ultimate equitable ownership of a mortgage lender, shall file
29 a new application for and be approved for licensure prior to
30 the effective date of the change in ownership or controlling
31 interest.

1 (7) If an initial mortgage lender or branch office
2 license has been issued but the check upon which the license
3 is based is returned for any reason ~~due to insufficient funds~~,
4 the license shall be deemed canceled. A license deemed
5 canceled pursuant to this subsection shall be reinstated if
6 the department receives a certified check for the appropriate
7 amount within 30 days after the date the check was returned
8 ~~due to insufficient funds~~.

9 (9) After October 1, 2001, an applicant's principal
10 representative must pass a written test, prescribed by the
11 department and administered by a third party approved by the
12 department, which covers primary and subordinate mortgage
13 financing transactions and the provisions of this chapter and
14 rules adopted under this chapter. The department may waive the
15 examination requirement for any individual who has passed a
16 comparable test offered by a national group of state mortgage
17 regulators or a federal governmental agency that covers
18 primary and subordinate mortgage financing transactions. The
19 department may set by rule a fee for taking the examination
20 and any retakes required.

21 (10) A lender shall notify the department of the name
22 and address of any new principal representative and shall
23 document that the person has completed the educational and
24 testing requirements of this section within 90 days after ~~upon~~
25 the designation of a new principal representative.

26 Section 11. Subsections (1), (3), (8), (10), (12), and
27 (13) of section 494.0062, Florida Statutes, are amended to
28 read:

29 494.0062 Correspondent mortgage lender's license
30 requirements.--

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1 (1) The department may require each applicant for a
2 correspondent mortgage lender license to provide any
3 information reasonably necessary to make a determination of
4 the applicant's eligibility for licensure.The department
5 shall issue an initial correspondent mortgage lender license
6 to any person who submits:

7 (a) A completed application form;

8 (b) A nonrefundable application fee of \$500;

9 (c) Audited financial statements, which document that
10 the application has a bona fide and verifiable net worth,
11 pursuant to accounting principles generally accepted in the
12 United States,~~accounting principles~~ of \$25,000 or more, which
13 must be continuously maintained as a condition of licensure;

14 (d) A surety bond in the amount of \$10,000, payable to
15 the State of Florida and conditioned upon compliance with ss.
16 494.001-494.0077, which inures to the department and which
17 must be continuously maintained, thereafter, in full force;

18 (e) Documentation that the applicant is duly
19 incorporated, registered, or otherwise formed as a general
20 partnership, limited partnership, limited liability company,
21 or other lawful entity under the laws of this state or another
22 state of the United States; and

23 (f) For applications filed after October 1, 2001,
24 proof that the applicant's principal representative has
25 completed 24 hours of classroom instruction in primary and
26 subordinate financing transactions and in the provisions of
27 this chapter and rules enacted under this chapter.

28 (3) Each initial application for a correspondent
29 mortgage lender's license must be in a form prescribed by the
30 department. ~~The department may require each applicant to~~
31 ~~provide any information reasonably necessary to make a~~

1 ~~determination of the applicant's eligibility for licensure.~~

2 The department may require that each officer, director, and
3 ultimate equitable owner of a 10-percent or greater interest
4 submit a complete set of fingerprints taken by an authorized
5 law enforcement officer.

6 (8) A license issued under this section is not
7 transferable or assignable. Any person or persons who,
8 directly or indirectly, seek to own, control, or hold with
9 power to vote, or hold proxies representing 50 percent or
10 greater of any class of equity securities or ultimate
11 equitable ownership of a correspondent mortgage lender, shall
12 file a new application for and be approved for licensure prior
13 to the effective date of the change in ownership or
14 controlling interest.

15 (10) If an initial correspondent mortgage lender or
16 branch office license has been issued but the check upon which
17 the license is based is returned for any reason ~~due to~~
18 ~~insufficient funds~~, the license shall be deemed canceled. A
19 license deemed canceled pursuant to this subsection shall be
20 reinstated if the department receives a certified check for
21 the appropriate amount within 30 days after the date the check
22 was returned ~~due to insufficient funds~~.

23 (12) After October 1, 2001, an applicant's principal
24 representative must pass a written test, prescribed by the
25 department and administered by a third party approved by the
26 department, which covers primary and subordinate mortgage
27 financing transactions and the provisions of this chapter and
28 rules adopted under this chapter. The department may waive the
29 examination requirement for any individual who has passed a
30 comparable test offered by a national group of state mortgage
31 regulators or a federal governmental agency that covers

1 primary and subordinate mortgage financing transactions. The
2 department may set by rule a fee for taking the examination
3 and any retakes required.

4 (13) A correspondent lender shall notify the
5 department of the name and address of any new principal
6 representative and shall document that such person has
7 completed the educational and testing requirements of this
8 section within 90 days after ~~upon~~ the lender's designation of
9 a new principal representative.

10 Section 12. Subsections (1) and (2) of section
11 494.0064, Florida Statutes, are amended, and subsection (5) is
12 added to that section, to read:

13 494.0064 Renewal of mortgage lender's license; branch
14 office license renewal.--

15 (1)(a) The department shall renew a mortgage lender
16 license upon receipt of an electronically filed ~~a~~ completed
17 renewal form and the nonrefundable renewal fee of \$575. The
18 department shall renew a correspondent lender license upon
19 receipt of an electronically filed ~~a~~ completed renewal form
20 and a nonrefundable renewal fee of \$475. Each licensee shall
21 pay at the time of renewal a nonrefundable fee of \$325 for the
22 renewal of each branch office license.

23 (b) A licensee shall also submit, as part of the
24 renewal ~~form~~, certification that during the preceding 2 years
25 the licensee's principal representative and ~~loan originators~~
26 ~~and associates~~ have completed the professional continuing
27 education requirements of s. 494.00295.

28 (2) The department shall adopt rules establishing a
29 procedure for the biennial renewal of mortgage lender's
30 licenses, correspondent lender's licenses, and branch office
31 permits. The department may prescribe the electronic format

1 ~~form~~ for renewal and may require an update of all information
2 provided in the licensee's initial application.

3 (5) If the renewal of a mortgage lender, correspondent
4 mortgage lender, or branch office license has been issued but
5 the check upon which the license is based is returned for any
6 reason, the license shall be deemed canceled. A license deemed
7 canceled pursuant to this subsection shall be reinstated if
8 the department receives a certified check for the appropriate
9 amount within 30 days after the date the check was returned.

10 Section 13. Subsections (2) and (5) of section
11 494.0065, Florida Statutes, are amended, paragraphs (c) and
12 (d) are added to subsection (4) of that section, and
13 subsections (9), (10), and (11) are added to that section, to
14 read:

15 494.0065 Saving clause.--

16 (2) A licensee issued a license pursuant to subsection
17 (1) may renew its mortgage lending license if it documents a
18 minimum net worth of \$25,000, according to accounting
19 principles generally accepted in the United States accounting
20 principles, which must be continuously maintained as a
21 condition to licensure. The department shall require an
22 audited financial statement which documents such net worth.

23 (4)

24 (c) For any transfer applications filed after October
25 1, 2001, proof shall be required that the applicant's
26 principal representative has completed 24 hours of classroom
27 instruction in primary and subordinate financing transactions
28 and in the provisions of this chapter and rules adopted under
29 this chapter.

30 (d) For any transfer applications filed after October
31 1, 2001, an applicant's principal representative must pass a

1 written test, prescribed by the department and administered by
2 a third party approved by the department, which covers primary
3 and subordinate mortgage financing transactions and the
4 provisions of this chapter and rules adopted under this
5 chapter. The department may waive the examination requirement
6 for any individual who has passed a comparable test offered by
7 a national group of state mortgage regulators or a federal
8 governmental agency that covers primary and subordinate
9 mortgage financing transactions. The department may set by
10 rule a fee for taking the examination and any retakes
11 required.

12 (5) The department may require each applicant for any
13 transfer to provide any information reasonably necessary to
14 make a determination of the applicant's eligibility for
15 licensure. The department shall issue the transfer of
16 licensure to any person who submits the following
17 documentation at least 90 days prior to the anticipated
18 transfer:

19 (a) A completed application form.

20 (b) A nonrefundable fee set by rule of the department
21 in the amount of \$575~~\$500~~.

22 (c) Audited financial statements that substantiate
23 that the applicant has a bona fide and verifiable net worth,
24 according to accounting principles generally accepted in the
25 United States ~~accounting principles~~, of at least \$25,000,
26 which must be continuously maintained as a condition of
27 licensure.

28 (d) Documentation that the applicant is incorporated,
29 registered, or otherwise formed as a general partnership,
30 limited partnership, limited liability company, or other
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1 lawful entity under the laws of this state or another state of
2 the United States.

3 (e) For applications filed after October 1, 2001,
4 proof that the applicant's principal representative has
5 completed 24 hours of classroom instruction in primary and
6 subordinate financing transactions and in the provisions of
7 this chapter and rules adopted under this chapter.

8 (f) For applications filed after October 1, 2001,
9 proof that the applicant's principal representative has passed
10 a written test, prescribed by the department and administered
11 by a third party approved by the department, which covers
12 primary and subordinate mortgage financing transactions and
13 the provisions of this chapter and rules adopted under this
14 chapter. The department may waive the examination requirement
15 for any individual who has passed a comparable test offered by
16 a national group of state mortgage regulators or a federal
17 governmental agency that covers primary and subordinate
18 mortgage financing transactions. The department may set by
19 rule a fee for taking the examination and any retakes
20 required.

21
22 The department may require that each officer, director, and
23 ultimate equitable owner of a 10-percent or greater interest
24 in the applicant submit a complete set of fingerprints taken
25 by an authorized law enforcement officer.

26 (9) Each mortgage lender shall designate a principal
27 representative who exercises control over the business and
28 shall maintain a form prescribed by the department designating
29 the principal representative. If the form is not accurately
30 maintained, the business is considered to be operated by each
31

1 officer, director, or equitable owner of a 10-percent or
2 greater interest in the business.

3 (10) A lender shall notify the department of the name
4 and address of any new principal representative and shall
5 document that the person has completed the educational and
6 testing requirements of this section within 90 days after the
7 designation of a new principal representative.

8 (11) If a change of control license, branch office
9 license, or lender or branch office renewal license has been
10 issued but the check upon which the license is based is
11 returned for any reason, the license shall be deemed canceled.
12 A license deemed canceled pursuant to this subsection shall be
13 reinstated if the department receives a certified check for
14 the appropriate amount within 30 days after the date the check
15 was returned.

16 Section 14. Section 494.0066, Florida Statutes, is
17 amended to read:

18 494.0066 Branch offices.--

19 (1) A branch office license is required for each
20 branch office maintained by a licensee under ss.
21 494.006-494.0077.

22 (2) The department shall issue a branch office license
23 to any licensee, once the department determines the licensee
24 has submitted ~~upon receipt of~~ a completed application form as
25 prescribed by rule by the department and an initial
26 nonrefundable branch office license fee of \$325. The branch
27 office application must include the name and license number of
28 the licensee under ss. 494.006-494.0077, the name of the
29 licensee's employee in charge of the branch office, and the
30 address of the branch office. The branch office license shall
31 be issued in the name of the licensee under ss.

1 494.006-494.0077 and must be renewed in conjunction with the
2 license renewal.

3 (3) If an initial branch office license has been
4 issued but the check upon which the license is based is
5 returned for any reason, the license shall be deemed canceled.
6 A license deemed canceled pursuant to this subsection shall be
7 reinstated if the department receives a certified check for
8 the appropriate amount within 30 days after the date the check
9 was returned.

10 Section 15. Paragraph (a) of subsection (10) of
11 section 494.0067, Florida Statutes, is amended to read:

12 494.0067 Requirements of licensees under ss.
13 494.006-494.0077.--

14 (10)(a) Each licensee shall require the principal
15 representative and all loan originators or associates who
16 perform services for the licensee to complete 14 hours of
17 professional continuing education during each biennial license
18 period. The education shall cover primary and subordinate
19 mortgage financing transactions and the provisions of this
20 chapter and the rules adopted under this chapter.

21 Section 16. Subsection (4) of section 494.0016,
22 Florida Statutes, is amended to read:

23 494.0016 Books, accounts, and records; maintenance;
24 examinations by the department.--

25 (4) The department may prescribe by rule the minimum
26 information to be shown in the books, accounts, records, and
27 documents of licensees so that such records will enable the
28 department to determine the licensee's compliance with ss.
29 494.001-494.0077. In addition, the department may prescribe by
30 rule the requirements for destruction of books, accounts,

31

1 records, and documents retained by the licensee after
2 completion of the time period indicated in subsection (3).

3 Section 17. Subsection (3) is added to section 516.12,
4 Florida Statutes, to read:

5 516.12 Records to be kept by licensee.--

6 (3) The department may prescribe by rule the minimum
7 information to be shown in the books, accounts, records, and
8 documents of licensees for purposes of enabling the department
9 to determine the licensee's compliance with ss.

10 516.001-516.36. In addition, the department may prescribe by
11 rule the requirements for destruction of books, accounts,
12 records, and documents retained by the licensee after
13 completion of the time period indicated in subsection (1).

14 Section 18. Subsection (4) of section 520.997, Florida
15 Statutes, is amended to read:

16 520.997 Books, accounts, and records.--

17 (4) The department is hereby authorized and empowered
18 to prescribe by rule the minimum information to be shown in
19 the books, accounts, ~~and~~ records, and documents of licensees
20 so that such records will enable the department to determine
21 compliance with the provisions of this chapter. In addition,
22 the department may prescribe by rule the requirements for
23 destruction of books, accounts, records, and documents
24 retained by the licensee after completion of the time period
25 indicated in subsection (3).

26 Section 19. Subsection (5) of section 537.009, Florida
27 Statutes, is amended to read:

28 537.009 Recordkeeping; reporting; safekeeping of
29 property.--

30 (5) The department may prescribe by rule the books,
31 accounts, ~~and~~ records, and documents, and the minimum

1 information to be shown in the books, accounts, ~~and~~ records,
2 and documents, of licensees so that such records will enable
3 the department to determine compliance with the provisions of
4 this act. In addition, the department may prescribe by rule
5 the requirements for destruction of books, accounts, records,
6 and documents retained by the licensee after completion of the
7 time period indicated in subsection (3).

8 Section 20. Subsection (15) of section 517.12, Florida
9 Statutes, is amended to read:

10 517.12 Registration of dealers, associated persons,
11 investment advisers, and branch offices.--

12 (15) In lieu of filing with the department the
13 applications specified in subsection (6), the fees required by
14 subsection (10), and the termination notices required by
15 subsection (12), the department may by rule establish
16 procedures for the deposit of such fees and documents with the
17 Central Registration Depository or the Investment Adviser
18 Registration Depository of the National Association of
19 Securities Dealers, Inc., as developed under contract with the
20 North American Securities Administrators Association, Inc. ;
21 ~~provided, however, that~~ such procedures must ~~shall~~ provide the
22 department with the information and data as required by this
23 section.

24 Section 21. This act shall take effect upon becoming a
25 law.