



HB 0577

2003

1 A bill to be entitled

2 An act relating to financial services; revising provisions  
3 relating to mortgage brokerage and mortgage lending;  
4 amending s. 494.0029, F.S.; specifying nontransferability  
5 of certain permits; providing requirements for changes in  
6 certain ownerships or controlling interests; providing for  
7 cancellation and reinstatement of certain permits;  
8 amending s. 494.00295, F.S.; clarifying certain  
9 professional education provisions as continuing education;  
10 amending s. 494.003, F.S.; clarifying types of financial  
11 institutions eligible for exemptions from application of  
12 certain provisions; amending s. 494.0031, F.S.;  
13 authorizing the Department of Financial Services to  
14 require information from applicants for licensure;  
15 specifying nontransferability of certain licenses;  
16 providing requirements for changes in certain ownerships  
17 or controlling interests; amending s. 494.0032, F.S.;  
18 providing for electronic filing of certain license renewal  
19 forms; providing for cancellation and reinstatement of  
20 certain licenses; amending s. 494.0033, F.S.; revising  
21 mortgage broker licensure requirements; providing for  
22 third party administration of certain tests; authorizing  
23 the department to waive an examination requirement for  
24 certain individuals under certain circumstances;  
25 authorizing the department to assess a fee; amending s.  
26 494.0034, F.S.; providing for electronic filing of certain  
27 license renewal forms; providing for cancellation and  
28 reinstatement of certain licenses; amending s. 494.0036,  
29 F.S.; clarifying a provision for issuance of a mortgage  
30 brokerage business branch office license; amending s.



HB 0577

2003

31 494.006, F.S.; clarifying types of financial institutions  
32 eligible for exemptions from application of certain  
33 provisions; amending s. 494.0061, F.S.; clarifying  
34 application of certain accounting principles; providing  
35 requirements for changes in certain ownerships or  
36 controlling interests; providing for third party  
37 administration of certain tests; authorizing the  
38 department to wave an examination requirement for certain  
39 individuals under certain circumstances; authorizing the  
40 department to assess a fee; amending s. 494.0062, F.S.;  
41 authorizing the department to require information from  
42 applicants for licensure; clarifying application of  
43 certain accounting principles; providing requirements for  
44 changes in certain ownerships or controlling interests;  
45 providing for third party administration of certain tests;  
46 authorizing the department to wave an examination  
47 requirement for certain individuals under certain  
48 circumstances; authorizing the department to assess a fee;  
49 amending s. 494.0064, F.S.; providing for electronic  
50 filing of certain license renewal forms; clarifying  
51 certain professional education provisions as continuing  
52 education; providing for cancellation and reinstatement of  
53 certain licenses; amending s. 494.0065, F.S.; clarifying  
54 application of certain accounting principles; providing  
55 education and testing requirements for principal  
56 representatives; authorizing the department to wave an  
57 examination requirement for certain individuals under  
58 certain circumstances; authorizing the department to  
59 assess a fee; requiring mortgage lenders to designate a  
60 principal representative for certain purposes; requiring



HB 0577

2003

61 department notification of designation and education of  
 62 principal representatives; providing for cancellation and  
 63 reinstatement of certain licenses; amending s. 494.0066,  
 64 F.S.; providing for cancellation and reinstatement of  
 65 certain licenses; amending s. 494.0067, F.S.; clarifying  
 66 certain professional education provisions as continuing  
 67 education; amending ss. 494.0016, 516.12, 520.997, and  
 68 537.009, F.S.; revising the department's authority to  
 69 regulate certain licensees; authorizing the department to  
 70 provide by rule requirements for destruction of certain  
 71 information; clarifying department authority to prescribe  
 72 by rule certain minimum information to be shown in certain  
 73 documents; amending s. 517.12, F.S.; specifying an  
 74 additional depository for certain fees and documents  
 75 required for registration of certain securities licensees;  
 76 providing an effective date.

77

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

79

80 Section 1. Subsection (1) of section 494.0029, Florida  
 81 Statutes, is amended, and subsections (4) and (5) are added to  
 82 said section, to read:

83 494.0029 Mortgage business schools.--

84 (1) Each person, school, or institution, except accredited  
 85 colleges, universities, community colleges, and area technical  
 86 centers in this state, which offers or conducts mortgage  
 87 business training as a condition precedent to licensure as a  
 88 mortgage broker, mortgage ~~or~~ lender, or a correspondent mortgage  
 89 lender shall obtain a permit from the department and abide by  
 90 the regulations imposed upon such person, school, or institution



HB 0577

2003

91 by this chapter and rules adopted pursuant to this chapter. The  
92 department shall, by rule, recertify the permits annually with  
93 initial and renewal permit fees that do not exceed \$500 plus the  
94 cost of accreditation.

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

103 (5) If an initial mortgage business school permit or  
104 renewal permit has been issued but the check upon which the  
105 license is based is returned for any reason, the permit shall be  
106 deemed canceled. A permit deemed canceled pursuant to this  
107 subsection shall be reinstated if the department receives a  
108 certified check for the appropriate amount within 30 days after  
109 the date the check was returned.

110 Section 2. Section 494.00295, Florida Statutes, is amended  
111 to read:

112 494.00295 Professional continuing education.--

113 (1) Each mortgage broker, mortgage lender, and  
114 correspondent mortgage lender must certify to the department at  
115 the time of renewal that during the 2 years prior to an  
116 application for license renewal, all mortgage brokers and the  
117 principal representative and, ~~loan originators, and associates~~  
118 of a mortgage lender or correspondent mortgage lender have  
119 successfully completed at least 14 hours of professional  
120 continuing education programs covering primary and subordinate



HB 0577

2003

121 mortgage financing transactions and the provisions of this  
122 chapter. Licensees shall maintain records documenting compliance  
123 with this subsection for a period of 4 years.

124 (2) Professional continuing education programs must  
125 contribute directly to the professional competency of the  
126 participants, may only be offered by permitted mortgage business  
127 schools or entities specifically exempted from permitting as  
128 mortgage business schools, and may include electronically  
129 transmitted or distance education courses.

130 (3) The department shall adopt rules necessary to  
131 administer this section, including rules governing qualifying  
132 hours for professional continuing education programs and  
133 standards for electronically transmitted or distance education  
134 courses, including course completion requirements.

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

138 494.003 Exemptions.--

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

141 (b) A state or federal chartered bank, registered bank  
142 holding company, trust company, savings and loan association,  
143 savings bank, credit union, or consumer finance company licensed  
144 pursuant to chapter 516.

145 (c) A wholly owned registered bank holding company  
146 subsidiary or a wholly owned registered savings and loan  
147 association holding company subsidiary that is approved or  
148 certified by the Department of Housing and Urban Development,  
149 the Veterans Administration, the Government National Mortgage



HB 0577

2003

150 Association, the Federal National Mortgage Association, or the  
 151 Federal Home Loan Mortgage Corporation.

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

154 (e) A wholly owned subsidiary of a state or federal  
 155 chartered bank or savings and loan association the sole activity  
 156 of which is to distribute the lending programs of such state or  
 157 federal chartered bank or savings and loan association to  
 158 persons who arrange loans for, or make loans to, borrowers.

159 Section 4. Subsections (1), (3), and (5) of section  
 160 494.0031, Florida Statutes, are amended, and subsection (6) is  
 161 added to said section, to read:

162 494.0031 Licensure as a mortgage brokerage business.--

163 (1) The department may require each applicant for a  
 164 mortgage lender license to provide any information reasonably  
 165 necessary to make a determination of the applicant's eligibility  
 166 for licensure. The department shall issue a mortgage brokerage  
 167 business license to each person who:

168 (a) Has submitted a completed application form and a  
 169 nonrefundable application fee of \$425; and

170 (b) Has a qualified principal broker pursuant to s.  
 171 494.0035.

172 (3) Notwithstanding the provisions of subsection (1), it  
 173 is a ground for denial of licensure if the designated principal  
 174 mortgage broker; any officer, director, partner, or joint  
 175 ~~venturer; any natural person owning a 10-percent or greater~~  
 176 ~~interest in the mortgage brokerage business;~~ or any natural  
 177 person who is the ultimate equitable owner of a 10-percent or  
 178 greater interest in the mortgage brokerage business has  
 179 committed any violation specified in ss. 494.001-494.0077 or has



HB 0577

2003

180 pending against him or her any criminal prosecution or  
 181 administrative enforcement action, in any jurisdiction, which  
 182 involves fraud, dishonest dealing, or any other act of moral  
 183 turpitude.

184 (5) If an initial mortgage brokerage business or branch  
 185 office license has been issued but the check upon which the  
 186 license is based is returned for any reason ~~due to insufficient~~  
 187 ~~funds~~, the license shall be deemed canceled. A license deemed  
 188 canceled pursuant to this subsection shall be reinstated if the  
 189 department receives a certified check for the appropriate amount  
 190 within 30 days after the date the check was returned ~~due to~~  
 191 ~~insufficient funds~~.

192 (6) A license issued under ss. 494.003-494.0043 is not  
 193 transferable or assignable. Any person or persons who, directly  
 194 or indirectly, seeks to own, control, or hold with power to  
 195 vote, or holds proxies representing 50 percent or greater of any  
 196 class of equity securities or ultimate equitable ownership of a  
 197 mortgage brokerage business, shall file a new application for  
 198 and be approved for licensure prior to the effective date of the  
 199 change in ownership or controlling interest.

200 Section 5. Subsections (1) and (2) of section 494.0032,  
 201 Florida Statutes, are amended, and subsection (4) is added to  
 202 said section, to read:

203 494.0032 Renewal of mortgage brokerage business license or  
 204 branch office license.--

205 (1) The department shall renew a mortgage brokerage  
 206 business license upon receipt of an electronically filed a  
 207 completed renewal form and payment of a nonrefundable renewal  
 208 fee of \$375. Each licensee shall pay at the time of renewal a



HB 0577

2003

209 nonrefundable renewal fee of \$225 for the renewal of each branch  
 210 office license.

211 (2) The department shall adopt rules establishing a  
 212 procedure for the biennial renewal of mortgage brokerage  
 213 business licenses and branch office licenses. The department may  
 214 prescribe the electronic format ~~form~~ for renewal and may require  
 215 an update of all information provided in the licensee's initial  
 216 application.

217 (4) If the renewal of a mortgage brokerage business or  
 218 branch office license has been issued but the check upon which  
 219 the license is based is returned for any reason, the license  
 220 shall be deemed canceled. A license deemed canceled pursuant to  
 221 this subsection shall be reinstated if the department receives a  
 222 certified check for the appropriate amount within 30 days after  
 223 the date the check was returned.

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

227 494.0033 Mortgage broker's license.--

228 (1) Each natural person who acts as a mortgage broker for  
 229 a mortgage brokerage business or acts as an associate for a  
 230 mortgage lender or correspondent mortgage lender must be  
 231 licensed pursuant to this section. To act as a mortgage broker,  
 232 an individual must be an associate of a mortgage brokerage  
 233 business, mortgage lender, or correspondent mortgage lender. A  
 234 mortgage broker is prohibited from being an associate of more  
 235 than one mortgage brokerage business, mortgage lender, or  
 236 correspondent mortgage lender.

237 (2) Each initial application for a mortgage broker's  
 238 license must be in the form prescribed by rule of the





HB 0577

2003

239 department. The department may require each applicant to provide  
240 any information reasonably necessary to make a determination of  
241 the applicant's eligibility for licensure. The department shall  
242 issue an initial license to any natural person who:

243 (b) Has passed a written test, adopted by the department  
244 and administered by a third party approved by the department,  
245 which is designed to determine competency in primary and  
246 subordinate mortgage financing transactions as well as to test  
247 knowledge of ss. 494.001-494.0077 and the rules adopted pursuant  
248 thereto. The department may waive by rule the examination  
249 requirement for any individual who has passed a comparable test  
250 offered by a national group of state mortgage regulators or a  
251 federal governmental agency that covers primary and subordinate  
252 mortgage financing transactions;

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

257 (7) If an initial mortgage broker license has been issued  
258 but the check upon which the license is based is returned for  
259 any reason due to insufficient funds, the license shall be  
260 deemed canceled. A license deemed canceled pursuant to this  
261 subsection shall be reinstated if the department receives a  
262 certified check for the appropriate amount within 30 days after  
263 the date the check was returned ~~due to insufficient funds.~~

264 Section 7. Subsections (1) and (2) of section 494.0034,  
265 Florida Statutes, are amended, and subsection (4) is added to  
266 said section, to read:

267 494.0034 Renewal of mortgage broker's license.--



HB 0577

2003

268 (1) The department shall renew a mortgage broker license  
 269 upon receipt of an electronically filed ~~the~~ completed renewal  
 270 form, certification of compliance with continuing education  
 271 requirements of s. 494.00295, and payment of a nonrefundable  
 272 renewal fee of \$150.

273 (2) The department shall adopt rules establishing a  
 274 procedure for the biennial renewal of mortgage broker's  
 275 licenses. The department may prescribe the electronic format  
 276 ~~form~~ of the renewal ~~application~~ and may require an update of  
 277 information since the licensee's last renewal.

278 (4) If the renewal of a mortgage broker license has been  
 279 issued but the check upon which the license is based is returned  
 280 for any reason, the license shall be deemed canceled. A license  
 281 deemed canceled pursuant to this subsection shall be reinstated  
 282 if the department receives a certified check for the appropriate  
 283 amount within 30 days after the date the check was returned.

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

286 494.0036 Mortgage brokerage business branch offices.--

287 (2) The department shall issue a mortgage brokerage  
 288 business branch office license to any licensee, once the  
 289 department determines the licensee has submitted ~~upon receipt of~~  
 290 a completed application in a form as prescribed by department  
 291 rule and payment of an initial nonrefundable branch office  
 292 license fee of \$225. Branch office licenses must be renewed in  
 293 conjunction with the renewal of the mortgage brokerage business  
 294 license. The branch office license shall be issued in the name  
 295 of the mortgage brokerage business that maintains the branch  
 296 office.



HB 0577

2003

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

300 494.006 Exemptions.--

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

304 (a) A state or federal chartered bank, registered bank  
 305 holding company, trust company, savings and loan association,  
 306 savings bank, credit union, or insurance company if the  
 307 insurance company is duly licensed in this state.

308 (c) A wholly owned registered bank holding company  
 309 subsidiary or a wholly owned registered savings and loan  
 310 association holding company subsidiary that is approved or  
 311 certified by the Department of Housing and Urban Development,  
 312 the Veterans Administration, the Government National Mortgage  
 313 Association, the Federal National Mortgage Association, or the  
 314 Federal Home Loan Mortgage Corporation.

315 (2)(a) A natural person employed by a mortgage lender or  
 316 correspondent mortgage lender licensed under ss. 494.001-  
 317 494.0077 is exempt from the licensure requirements of ss.  
 318 494.001-494.0077 when acting within the scope of employment with  
 319 the licensee.

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

323 494.0061 Mortgage lender's license requirements.--

324 (1) The department may require each applicant for a  
 325 mortgage lender license to provide any information reasonably  
 326 necessary to make a determination of the applicant's eligibility



HB 0577

2003

327 for licensure. The department shall issue an initial mortgage  
 328 lender license to any person that submits:

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

334 (5) A license issued in accordance with ss. 494.006-  
 335 494.0077 is not transferable or assignable. Any person or  
 336 persons who, directly or indirectly, seeks to own, control, or  
 337 hold with power to vote, or holds proxies representing 50  
 338 percent or greater of any class of equity securities or ultimate  
 339 equitable ownership of a mortgage lender, shall file a new  
 340 application for and be approved for licensure pursuant prior to  
 341 the effective date of the change in ownership or controlling  
 342 interest.

343 (7) If an initial mortgage lender or branch office license  
 344 has been issued but the check upon which the license is based is  
 345 returned for any reason ~~due to insufficient funds~~, the license  
 346 shall be deemed canceled. A license deemed canceled pursuant to  
 347 this subsection shall be reinstated if the department receives a  
 348 certified check for the appropriate amount within 30 days after  
 349 the date the check was returned ~~due to insufficient funds~~.

350 (9) After October 1, 2001, an applicant's principal  
 351 representative must pass a written test, prescribed by the  
 352 department and administered by a third party approved by the  
 353 department, which covers primary and subordinate mortgage  
 354 financing transactions and the provisions of this chapter and  
 355 rules adopted under this chapter. The department may waive the  
 356 examination requirement for any individual who has passed a



HB 0577

2003

357 comparable test offered by a national group of state mortgage  
 358 regulators or a federal governmental agency that covers primary  
 359 and subordinate mortgage financing transactions. The department  
 360 may set by rule a fee for taking the examination and any retakes  
 361 required.

362 (10) A lender shall notify the department of the name and  
 363 address of any new principal representative and shall document  
 364 that the person has completed the educational and testing  
 365 requirements of this section within 90 days after ~~upon~~ the  
 366 designation of a new principal representative.

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

369 494.0062 Correspondent mortgage lender's license  
 370 requirements.--

371 (1) The department may require each applicant for a  
 372 correspondent mortgage lender license to provide any information  
 373 reasonably necessary to make a determination of the applicant's  
 374 eligibility for licensure. The department shall issue an initial  
 375 correspondent mortgage lender license to any person who submits:

376 (a) A completed application form;

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

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

383 (d) A surety bond in the amount of \$10,000, payable to the  
 384 State of Florida and conditioned upon compliance with ss.  
 385 494.001-494.0077, which inures to the department and which must  
 386 be continuously maintained, thereafter, in full force;



HB 0577

2003

387 (e) Documentation that the applicant is duly incorporated,  
388 registered, or otherwise formed as a general partnership,  
389 limited partnership, limited liability company, or other lawful  
390 entity under the laws of this state or another state of the  
391 United States; and

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

397 (3) Each initial application for a correspondent mortgage  
398 lender's license must be in a form prescribed by the department.  
399 ~~The department may require each applicant to provide any~~  
400 ~~information reasonably necessary to make a determination of the~~  
401 ~~applicant's eligibility for licensure.~~ The department may  
402 require that each officer, director, and ultimate equitable  
403 owner of a 10-percent or greater interest submit a complete set  
404 of fingerprints taken by an authorized law enforcement officer.

405 (8) A license issued under this section is not  
406 transferable or assignable. Any person or persons who, directly  
407 or indirectly, seeks to own, control, or hold with power to  
408 vote, or holds proxies representing 50 percent or greater of any  
409 class of equity securities or ultimate equitable ownership of a  
410 correspondent mortgage lender, shall file a new application for  
411 and be approved for licensure pursuant prior to the effective  
412 date of the change in ownership or controlling interest.

413 (10) If an initial correspondent mortgage lender or branch  
414 office license has been issued but the check upon which the  
415 license is based is returned for any reason ~~due to insufficient~~  
416 ~~funds~~, the license shall be deemed canceled. A license deemed



HB 0577

2003

417 canceled pursuant to this subsection shall be reinstated if the  
418 department receives a certified check for the appropriate amount  
419 within 30 days after the date the check was returned ~~due to~~  
420 ~~insufficient funds~~.

421 (12) After October 1, 2001, an applicant's principal  
422 representative must pass a written test, prescribed by the  
423 department and administered by a third party approved by the  
424 department, which covers primary and subordinate mortgage  
425 financing transactions and the provisions of this chapter and  
426 rules adopted under this chapter. The department may waive the  
427 examination requirement for any individual who has passed a  
428 comparable test offered by a national group of state mortgage  
429 regulators or a federal governmental agency that covers primary  
430 and subordinate mortgage financing transactions. The department  
431 may set by rule a fee for taking the examination and any retakes  
432 required.

433 (13) A correspondent lender shall notify the department of  
434 the name and address of any new principal representative and  
435 shall document that such person has completed the educational  
436 and testing requirements of this section within 90 days after  
437 ~~upon~~ the lender's designation of a new principal representative.

438 Section 12. Subsections (1) and (2) of section 494.0064,  
439 Florida Statutes, are amended, and subsection (5) is added to  
440 said section, to read:

441 494.0064 Renewal of mortgage lender's license; branch  
442 office license renewal.--

443 (1)(a) The department shall renew a mortgage lender  
444 license upon receipt of an electronically filed ~~a~~-completed  
445 renewal form and the nonrefundable renewal fee of \$575. The  
446 department shall renew a correspondent lender license upon



HB 0577

2003

447 receipt of an electronically filed ~~a~~-completed renewal form and  
 448 a nonrefundable renewal fee of \$475. Each licensee shall pay at  
 449 the time of renewal a nonrefundable fee of \$325 for the renewal  
 450 of each branch office license.

451 (b) A licensee shall also submit, as part of the renewal  
 452 ~~form~~, certification that during the preceding 2 years the  
 453 licensee's principal representative and~~7~~ loan originators~~7~~, ~~and~~  
 454 ~~associates~~ have completed the professional continuing education  
 455 requirements of s. 494.00295.

456 (2) The department shall adopt rules establishing a  
 457 procedure for the biennial renewal of mortgage lender's  
 458 licenses, correspondent lender's licenses, and branch office  
 459 permits. The department may prescribe the electronic format ~~form~~  
 460 for renewal and may require an update of all information  
 461 provided in the licensee's initial application.

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

469 Section 13. Subsections (2) and (5) of section 494.0065,  
 470 Florida Statutes, are amended, paragraphs (c) and (d) are added  
 471 to subsection (4) of said section, and subsections (9), (10),  
 472 and (11) are added to said section, to read:

473 494.0065 Saving clause.--

474 (2) A licensee issued a license pursuant to subsection (1)  
 475 may renew its mortgage lending license if it documents a minimum  
 476 net worth of \$25,000, according to accounting principles





HB 0577

2003

477 generally accepted in the United States ~~accounting principles~~,  
478 which must be continuously maintained as a condition to  
479 licensure. The department shall require an audited financial  
480 statement which documents such net worth.

481 (4)

482 (c) For any transfer applications filed after October 1,  
483 2001, proof shall be required that the applicant's principal  
484 representative has completed 24 hours of classroom instruction  
485 in primary and subordinate financing transactions and in the  
486 provisions of this chapter and rules adopted under this chapter.

487 (d) For any transfer applications filed after October 1,  
488 2001, an applicant's principal representative must pass a  
489 written test, prescribed by the department and administered by a  
490 third party approved by the department, which covers primary and  
491 subordinate mortgage financing transactions and the provisions  
492 of this chapter and rules adopted under this chapter. The  
493 department may waive the examination requirement for any  
494 individual who has passed a comparable test offered by a  
495 national group of state mortgage regulators or a federal  
496 governmental agency that covers primary and subordinate mortgage  
497 financing transactions. The department may set by rule a fee for  
498 taking the examination and any retakes required.

499 (5) The department may require each applicant for any  
500 transfer to provide any information reasonably necessary to make  
501 a determination of the applicant's eligibility for licensure.  
502 The department shall issue the transfer of licensure to any  
503 person who submits the following documentation at least 90 days  
504 prior to the anticipated transfer:

505 (a) A completed application form.



HB 0577

2003

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

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

513 (d) Documentation that the applicant is incorporated,  
514 registered, or otherwise formed as a general partnership,  
515 limited partnership, limited liability company, or other lawful  
516 entity under the laws of this state or another state of the  
517 United States.

518 (e) For applications filed after October 1, 2001, proof  
519 that the applicant's principal representative has completed 24  
520 hours of classroom instruction in primary and subordinate  
521 financing transactions and in the provisions of this chapter and  
522 rules adopted under this chapter.

523 (f) For applications filed after October 1, 2001, proof  
524 that the applicant's principal representative has passed a  
525 written test, prescribed by the department and administered by a  
526 third party approved by the department, which covers primary and  
527 subordinate mortgage financing transactions and the provisions  
528 of this chapter and rules adopted under this chapter. The  
529 department may waive the examination requirement for any  
530 individual who has passed a comparable test offered by a  
531 national group of state mortgage regulators or a federal  
532 governmental agency that covers primary and subordinate mortgage  
533 financing transactions. The department may set by rule a fee for  
534 taking the examination and any retakes required.

535



HB 0577

2003

536 The department may require that each officer, director, and  
537 ultimate equitable owner of a 10-percent or greater interest in  
538 the applicant submit a complete set of fingerprints taken by an  
539 authorized law enforcement officer.

540 (9) Each mortgage lender shall designate a principal  
541 representative who exercises control over the business and shall  
542 maintain a form prescribed by the department designating the  
543 principal representative. If the form is not accurately  
544 maintained, the business is considered to be operated by each  
545 officer, director, or equitable owner of a 10-percent or greater  
546 interest in the business.

547 (10) A lender shall notify the department of the name and  
548 address of any new principal representative and shall document  
549 that the person has completed the educational and testing  
550 requirements of this section within 90 days after the  
551 designation of a new principal representative.

552 (11) If a change of control license, branch office  
553 license, or lender or branch office renewal license has been  
554 issued but the check upon which the license is based is returned  
555 for any reason, the license shall be deemed canceled. A license  
556 deemed canceled pursuant to this subsection shall be reinstated  
557 if the department receives a certified check for the appropriate  
558 amount within 30 days after the date the check was returned.

559 Section 14. Section 494.0066, Florida Statutes, is amended  
560 to read:

561 494.0066 Branch offices.--

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

564 (2) The department shall issue a branch office license to  
565 any licensee, once the department determines the licensee has



HB 0577

2003

566 submitted ~~upon receipt of~~ a completed application form as  
 567 prescribed by rule by the department and an initial  
 568 nonrefundable branch office license fee of \$325. The branch  
 569 office application must include the name and license number of  
 570 the licensee under ss. 494.006-494.0077, the name of the  
 571 licensee's employee in charge of the branch office, and the  
 572 address of the branch office. The branch office license shall be  
 573 issued in the name of the licensee under ss. 494.006-494.0077  
 574 and must be renewed in conjunction with the license renewal.

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

581 Section 15. Paragraph (a) of subsection (10) of section  
 582 494.0067, Florida Statutes, is amended to read:

583 494.0067 Requirements of licensees under ss. 494.006-  
 584 494.0077.--

585 (10)(a) Each licensee shall require the principal  
 586 representative and all loan originators or associates who  
 587 perform services for the licensee to complete 14 hours of  
 588 professional continuing education during each biennial license  
 589 period. The education shall cover primary and subordinate  
 590 mortgage financing transactions and the provisions of this  
 591 chapter and the rules adopted under this chapter.

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

594 494.0016 Books, accounts, and records; maintenance;  
 595 examinations by the department.--



HB 0577

2003

596 (4) The department may prescribe by rule the minimum  
597 information to be shown in the books, accounts, records, and  
598 documents of licensees so that such records will enable the  
599 department to determine the licensee's compliance with ss.  
600 494.001-494.0077. In addition, the department may prescribe by  
601 rule the requirements for destruction of books, accounts,  
602 records, and documents retained by the licensee after completion  
603 of the time period indicated in subsection (3).

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

606 516.12 Records to be kept by licensee.--

607 (3) The department may prescribe by rule the minimum  
608 information to be shown in the books, accounts, records, and  
609 documents of licensees for purposes of enabling the department  
610 to determine the licensee's compliance with ss. 516.001-516.36.  
611 In addition, the department may prescribe by rule the  
612 requirements for destruction of books, accounts, records, and  
613 documents retained by the licensee after completion of the time  
614 period indicated in subsection (1).

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

617 520.997 Books, accounts, and records.--

618 (4) The department is hereby authorized and empowered to  
619 prescribe by rule the minimum information to be shown in the  
620 books, accounts, ~~and~~ records, and documents of licensees so that  
621 such records will enable the department to determine compliance  
622 with the provisions of this chapter. In addition, the department  
623 may prescribe by rule the requirements for destruction of books,  
624 accounts, records, and documents retained by the licensee after  
625 completion of the time period indicated in subsection (3).



HB 0577

2003

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

628 537.009 Recordkeeping; reporting; safekeeping of  
 629 property.--

630 (5) The department may prescribe by rule the books,  
 631 accounts, ~~and~~ records, and documents, and the minimum  
 632 information to be shown in the books, accounts, ~~and~~ records, and  
 633 documents, of licensees so that such records will enable the  
 634 department to determine compliance with the provisions of this  
 635 act. In addition, the department may prescribe by rule the  
 636 requirements for destruction of books, accounts, records, and  
 637 documents retained by the licensee after completion of the time  
 638 period indicated in subsection (3).

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

641 517.12 Registration of dealers, associated persons,  
 642 investment advisers, and branch offices.--

643 (15) In lieu of filing with the department the  
 644 applications specified in subsection (6), the fees required by  
 645 subsection (10), and the termination notices required by  
 646 subsection (12), the department may by rule establish procedures  
 647 for the deposit of such fees and documents with the Central  
 648 Registration Depository or the Investment Adviser Registration  
 649 Depository of the National Association of Securities Dealers,  
 650 Inc., as developed under contract with the North American  
 651 Securities Administrators Association, Inc.; provided, however,  
 652 that such procedures shall provide the department with the  
 653 information and data as required by this section.

654 Section 21. This act shall take effect upon becoming a  
 655 law.