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## CHAMBER ACTION

The Committee on Commerce recommends the following:

**Committee Substitute**

Remove the entire bill and insert:

A bill to be entitled

An act relating to financial services; revising provisions relating to mortgage brokerage and mortgage lending; amending s. 494.0029, F.S.; specifying nontransferability of certain permits; providing requirements for changes in certain ownerships or controlling interests; providing for cancellation and reinstatement of certain permits; amending s. 494.00295, F.S.; clarifying certain professional education provisions as continuing education; amending s. 494.003, F.S.; clarifying types of financial institutions eligible for exemptions from application of certain provisions; amending s. 494.0031, F.S.; authorizing the Financial Services Commission or the Office of Financial Institutions and Securities Regulation to require information from applicants for licensure; specifying nontransferability of certain licenses; providing requirements for changes in certain ownerships or controlling interests; amending s. 494.0032, F.S.; providing for electronic filing of certain license renewal



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29 forms; providing for cancellation and reinstatement of  
30 certain licenses; amending s. 494.0033, F.S.; revising  
31 mortgage broker licensure requirements; providing for  
32 third party administration of certain tests; authorizing  
33 the commission to waive an examination requirement for  
34 certain individuals under certain circumstances;  
35 authorizing the commission to assess a fee; amending s.  
36 494.0034, F.S.; providing for electronic filing of certain  
37 license renewal forms; providing for cancellation and  
38 reinstatement of certain licenses; amending s. 494.0036,  
39 F.S.; clarifying a provision for issuance of a mortgage  
40 brokerage business branch office license; amending s.  
41 494.006, F.S.; clarifying types of financial institutions  
42 eligible for exemptions from application of certain  
43 provisions; amending s. 494.0061, F.S.; clarifying  
44 application of certain accounting principles; providing  
45 requirements for changes in certain ownerships or  
46 controlling interests; providing for third party  
47 administration of certain tests; authorizing the  
48 commission to waive an examination requirement for certain  
49 individuals under certain circumstances; authorizing the  
50 commission to assess a fee; amending s. 494.0062, F.S.;  
51 authorizing the commission or office to require  
52 information from applicants for licensure; clarifying  
53 application of certain accounting principles; providing  
54 requirements for changes in certain ownerships or  
55 controlling interests; providing for third party  
56 administration of certain tests; authorizing the



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57 | commission to waive an examination requirement for certain  
58 | individuals under certain circumstances; authorizing the  
59 | commission to assess a fee; amending s. 494.0064, F.S.;  
60 | providing for electronic filing of certain license renewal  
61 | forms; clarifying certain professional education  
62 | provisions as continuing education; providing for  
63 | cancellation and reinstatement of certain licenses;  
64 | amending s. 494.0065, F.S.; clarifying application of  
65 | certain accounting principles; providing education and  
66 | testing requirements for principal representatives;  
67 | authorizing the commission to waive an examination  
68 | requirement for certain individuals under certain  
69 | circumstances; authorizing the commission to assess a fee;  
70 | requiring mortgage lenders to designate a principal  
71 | representative for certain purposes; requiring office  
72 | notification of designation and education of principal  
73 | representatives; providing for cancellation and  
74 | reinstatement of certain licenses; amending s. 494.0066,  
75 | F.S.; providing for cancellation and reinstatement of  
76 | certain licenses; amending s. 494.0067, F.S.; clarifying  
77 | certain professional education provisions as continuing  
78 | education; amending ss. 494.0016, 516.12, 520.997, and  
79 | 537.009, F.S.; revising the commission's authority to  
80 | regulate certain licensees; authorizing the commission to  
81 | provide by rule requirements for destruction of certain  
82 | information; clarifying commission authority to prescribe  
83 | by rule certain minimum information to be shown in certain  
84 | documents; amending s. 517.12, F.S.; specifying an



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85 additional depository for certain fees and documents  
 86 required for registration of certain securities licensees;  
 87 revising terminology relating to the Department of  
 88 Financial Services, the Financial Services Commission, and  
 89 the Office of Financial Institutions and Securities  
 90 Regulation; providing an effective date.

91

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

93

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

97 494.0029 Mortgage business schools.--

98 (1) Each person, school, or institution, except accredited  
 99 colleges, universities, community colleges, and area technical  
 100 centers in this state, which offers or conducts mortgage  
 101 business training as a condition precedent to licensure as a  
 102 mortgage broker, mortgage ~~or~~ lender, or a correspondent mortgage  
 103 lender shall obtain a permit from the department and abide by  
 104 the regulations imposed upon such person, school, or institution  
 105 by this chapter and rules adopted pursuant to this chapter. The  
 106 department shall, by rule, recertify the permits annually with  
 107 initial and renewal permit fees that do not exceed \$500 plus the  
 108 cost of accreditation.

109 (4) A permit issued under this section is not transferable  
 110 or assignable. Any person who, directly or indirectly, seeks to  
 111 own, control, or hold with power to vote, or holds proxies  
 112 representing 50 percent or greater of any class of equity



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113 securities or ultimate equitable ownership of a mortgage  
114 business school, shall file a new application for and be  
115 approved for licensure prior to the effective date of the change  
116 in ownership or controlling interest.

117 (5) If an initial mortgage business school permit or  
118 renewal permit has been issued but the check upon which the  
119 license is based is returned for any reason, the permit shall be  
120 deemed canceled. A permit deemed canceled pursuant to this  
121 subsection shall be reinstated if the office receives a  
122 certified check for the appropriate amount within 30 days after  
123 the date the check was returned.

124 Section 2. Section 494.00295, Florida Statutes, is amended  
125 to read:

126 494.00295 Professional continuing education.--

127 (1) Each mortgage broker, mortgage lender, and  
128 correspondent mortgage lender must certify to the department at  
129 the time of renewal that during the 2 years prior to an  
130 application for license renewal, all mortgage brokers and the  
131 principal representative and, ~~loan originators, and associates~~  
132 of a mortgage lender or correspondent mortgage lender have  
133 successfully completed at least 14 hours of professional  
134 continuing education programs covering primary and subordinate  
135 mortgage financing transactions and the provisions of this  
136 chapter. Licensees shall maintain records documenting compliance  
137 with this subsection for a period of 4 years.

138 (2) Professional continuing education programs must  
139 contribute directly to the professional competency of the  
140 participants, may only be offered by permitted mortgage business



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141 schools or entities specifically exempted from permitting as  
142 mortgage business schools, and may include electronically  
143 transmitted or distance education courses.

144 (3) The department shall adopt rules necessary to  
145 administer this section, including rules governing qualifying  
146 hours for professional continuing education programs and  
147 standards for electronically transmitted or distance education  
148 courses, including course completion requirements.

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

152 494.003 Exemptions.--

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

155 (b) A state or federal chartered bank, bank holding  
156 company formed or regulated under the laws of the United States  
157 or the various states, trust company, savings and loan  
158 association, savings bank, credit union, or consumer finance  
159 company licensed pursuant to chapter 516.

160 (c) A wholly owned bank holding company subsidiary formed  
161 or regulated under the laws of the United States or the various  
162 states or a wholly owned savings and loan association holding  
163 company subsidiary that is approved or certified by the  
164 Department of Housing and Urban Development, the Veterans  
165 Administration, the Government National Mortgage Association,  
166 the Federal National Mortgage Association, or the Federal Home  
167 Loan Mortgage Corporation.



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

170 (e) A wholly owned subsidiary of a state or federal  
171 chartered bank or savings and loan association the sole activity  
172 of which is to distribute the lending programs of such state or  
173 federal chartered bank or savings and loan association to  
174 persons who arrange loans for, or make loans to, borrowers.

175 Section 4. Subsections (1), (3), and (5) of section  
176 494.0031, Florida Statutes, are amended, and subsection (6) is  
177 added to said section, to read:

178 494.0031 Licensure as a mortgage brokerage business.--

179 (1) The commission or office may require each applicant  
180 for a mortgage brokerage business license to provide any  
181 information reasonably necessary to make a determination of the  
182 applicant's eligibility for licensure. The department shall  
183 issue a mortgage brokerage business license to each person who:

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

186 (b) Has a qualified principal broker pursuant to s.  
187 494.0035.

188 (3) Notwithstanding the provisions of subsection(1), it is  
189 a ground for denial of licensure if the designated principal  
190 mortgage broker; any officer, director, partner, or joint  
191 ~~venturer; any natural person owning a 10-percent or greater~~  
192 ~~interest in the mortgage brokerage business;~~ or any natural  
193 person who is the ultimate equitable owner of a 10-percent or  
194 greater interest in the mortgage brokerage business has  
195 committed any violation specified in ss. 494.001-494.0077 or has



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196 pending against him or her any criminal prosecution or  
197 administrative enforcement action, in any jurisdiction, which  
198 involves fraud, dishonest dealing, or any other act of moral  
199 turpitude.

200 (5) If an initial mortgage brokerage business or branch  
201 office license has been issued but the check upon which the  
202 license is based is returned for any reason ~~due to insufficient~~  
203 ~~funds~~, the license shall be deemed canceled. A license deemed  
204 canceled pursuant to this subsection shall be reinstated if the  
205 department receives a certified check for the appropriate amount  
206 within 30 days after the date the check was returned ~~due to~~  
207 ~~insufficient funds~~.

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

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

219 494.0032 Renewal of mortgage brokerage business license or  
220 branch office license.--

221 (1) The department shall renew a mortgage brokerage  
222 business license upon receipt of an electronically filed a  
223 completed renewal form and payment of a nonrefundable renewal





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224 fee of \$375. Each licensee shall pay at the time of renewal a  
225 nonrefundable renewal fee of \$225 for the renewal of each branch  
226 office license.

227 (2) The department shall adopt rules establishing a  
228 procedure for the biennial renewal of mortgage brokerage  
229 business licenses and branch office licenses. The department may  
230 prescribe the electronic format ~~form~~ for renewal and may require  
231 an update of all information provided in the licensee's initial  
232 application.

233 (4) If the renewal of a mortgage brokerage business or  
234 branch office license has been issued but the check upon which  
235 the license is based is returned for any reason, the license  
236 shall be deemed canceled. A license deemed canceled pursuant to  
237 this subsection shall be reinstated if the office receives a  
238 certified check for the appropriate amount within 30 days after  
239 the date the check was returned.

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

243 494.0033 Mortgage broker's license.--

244 (1) Each natural person who acts as a mortgage broker for  
245 a mortgage brokerage business or acts as an associate for a  
246 mortgage lender or correspondent mortgage lender must be  
247 licensed pursuant to this section. To act as a mortgage broker,  
248 an individual must be an associate of a mortgage brokerage  
249 business, mortgage lender, or correspondent mortgage lender. A  
250 mortgage broker is prohibited from being an associate of more



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251 | than one mortgage brokerage business, mortgage lender, or  
252 | correspondent mortgage lender.

253 |       (2) Each initial application for a mortgage broker's  
254 | license must be in the form prescribed by rule of the  
255 | department. The department may require each applicant to provide  
256 | any information reasonably necessary to make a determination of  
257 | the applicant's eligibility for licensure. The department shall  
258 | issue an initial license to any natural person who:

259 |       (b) Has passed a written test, adopted by the department  
260 | and administered by the office or a third party approved by the  
261 | office, which is designed to determine competency in primary and  
262 | subordinate mortgage financing transactions as well as to test  
263 | knowledge of ss. 494.001-494.0077 and the rules adopted pursuant  
264 | thereto. The commission may waive by rule the examination  
265 | requirement for any individual who has passed a comparable test  
266 | offered by a national group of state mortgage regulators or a  
267 | federal governmental agency that covers primary and subordinate  
268 | mortgage financing transactions;

269 |       (c) Has submitted a completed application and a  
270 | nonrefundable application fee of \$200. The department may set by  
271 | rule an additional fee for taking a ~~retake~~ of the examination  
272 | and any retakes required; and

273 |       (7) If an initial mortgage broker license has been issued  
274 | but the check upon which the license is based is returned for  
275 | any reason ~~due to insufficient funds,~~ the license shall be  
276 | deemed canceled. A license deemed canceled pursuant to this  
277 | subsection shall be reinstated if the department receives a



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278 certified check for the appropriate amount within 30 days after  
279 the date the check was returned ~~due to insufficient funds~~.

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

283 494.0034 Renewal of mortgage broker's license.--

284 (1) The department shall renew a mortgage broker license  
285 upon receipt of an electronically filed ~~the~~ completed renewal  
286 form, certification of compliance with continuing education  
287 requirements of s. 494.00295, and payment of a nonrefundable  
288 renewal fee of \$150.

289 (2) The department shall adopt rules establishing a  
290 procedure for the biennial renewal of mortgage broker's  
291 licenses. The department may prescribe the electronic format  
292 ~~form~~ of the renewal ~~application~~ and may require an update of  
293 information since the licensee's last renewal.

294 (4) If the renewal of a mortgage broker license has been  
295 issued but the check upon which the license is based is returned  
296 for any reason, the license shall be deemed canceled. A license  
297 deemed canceled pursuant to this subsection shall be reinstated  
298 if the office receives a certified check for the appropriate  
299 amount within 30 days after the date the check was returned.

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

302 494.0036 Mortgage brokerage business branch offices.--

303 (2) The department shall issue a mortgage brokerage  
304 business branch office license to any licensee, once the office  
305 determines the licensee has submitted ~~upon receipt of a~~



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306 completed application in a form as prescribed by department rule  
307 and payment of an initial nonrefundable branch office license  
308 fee of \$225. Branch office licenses must be renewed in  
309 conjunction with the renewal of the mortgage brokerage business  
310 license. The branch office license shall be issued in the name  
311 of the mortgage brokerage business that maintains the branch  
312 office.

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

316 494.006 Exemptions.--

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

320 (a) A state or federal chartered bank, bank holding  
321 company formed or regulated under the laws of the United States  
322 or the various states, trust company, savings and loan  
323 association, savings bank, credit union, or insurance company if  
324 the insurance company is duly licensed in this state.

325 (c) A wholly owned bank holding company subsidiary formed  
326 or regulated under the laws of the United States or the various  
327 states or a wholly owned savings and loan association holding  
328 company subsidiary that is approved or certified by the  
329 Department of Housing and Urban Development, the Veterans  
330 Administration, the Government National Mortgage Association,  
331 the Federal National Mortgage Association, or the Federal Home  
332 Loan Mortgage Corporation.



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333 (2)(a) A natural person employed by a mortgage lender or  
 334 correspondent mortgage lender licensed under ss. 494.001-  
 335 494.0077 is exempt from the licensure requirements of ss.  
 336 494.001-494.0077 when acting within the scope of employment with  
 337 the licensee.

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

341 494.0061 Mortgage lender's license requirements.--

342 (1) The department may require each applicant for a  
 343 mortgage lender license to provide any information reasonably  
 344 necessary to make a determination of the applicant's eligibility  
 345 for licensure. The department shall issue an initial mortgage  
 346 lender license to any person that submits:

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

352 (5) A license issued in accordance with ss. 494.006-  
 353 494.0077 is not transferable or assignable. Any person or  
 354 persons who, directly or indirectly, seeks to own, control, or  
 355 hold with power to vote, or holds proxies representing 50  
 356 percent or greater of any class of equity securities or ultimate  
 357 equitable ownership of a mortgage lender, shall file a new  
 358 application for and be approved for licensure prior to the  
 359 effective date of the change in ownership or controlling  
 360 interest.



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361 (7) If an initial mortgage lender or branch office license  
362 has been issued but the check upon which the license is based is  
363 returned for any reason ~~due to insufficient funds~~, the license  
364 shall be deemed canceled. A license deemed canceled pursuant to  
365 this subsection shall be reinstated if the department receives a  
366 certified check for the appropriate amount within 30 days after  
367 the date the check was returned ~~due to insufficient funds~~.

368 (9) After October 1, 2001, an applicant's principal  
369 representative must pass a written test, prescribed by the  
370 department and administered by the office a third party approved  
371 by the office, which covers primary and subordinate mortgage  
372 financing transactions and the provisions of this chapter and  
373 rules adopted under this chapter. The commission may waive by  
374 rule the examination requirement for any individual who has  
375 passed a comparable test offered by a national group of state  
376 mortgage regulators or a federal governmental agency that covers  
377 primary and subordinate mortgage financing transactions. The  
378 commission may set by rule a fee for taking the examination and  
379 any retakes required.

380 (10) A lender shall notify the department of the name and  
381 address of any new principal representative and shall document  
382 that the person has completed the educational and testing  
383 requirements of this section within 90 days after ~~upon~~ the  
384 designation of a new principal representative.

385 Section 11. Subsections (1), (3), (8), (10), (12), and  
386 (13) of section 494.0062, Florida Statutes, are amended to read:  
387 494.0062 Correspondent mortgage lender's license  
388 requirements.--



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389           (1) The commission or office may require each applicant  
390 for a correspondent mortgage lender license to provide any  
391 information reasonably necessary to make a determination of the  
392 applicant's eligibility for licensure. The department shall  
393 issue an initial correspondent mortgage lender license to any  
394 person who submits:

395           (a) A completed application form;

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

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

402           (d) A surety bond in the amount of \$10,000, payable to the  
403 State of Florida and conditioned upon compliance with ss.  
404 494.001-494.0077, which inures to the department and which must  
405 be continuously maintained, thereafter, in full force;

406           (e) Documentation that the applicant is duly incorporated,  
407 registered, or otherwise formed as a general partnership,  
408 limited partnership, limited liability company, or other lawful  
409 entity under the laws of this state or another state of the  
410 United States; and

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



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416 (3) Each initial application for a correspondent mortgage  
417 lender's license must be in a form prescribed by the department.  
418 ~~The department may require each applicant to provide any~~  
419 ~~information reasonably necessary to make a determination of the~~  
420 ~~applicant's eligibility for licensure.~~ The department may  
421 require that each officer, director, and ultimate equitable  
422 owner of a 10-percent or greater interest submit a complete set  
423 of fingerprints taken by an authorized law enforcement officer.

424 (8) A license issued under this section is not  
425 transferable or assignable. Any person or persons who, directly  
426 or indirectly, seeks to own, control, or hold with power to  
427 vote, or holds proxies representing 50 percent or greater of any  
428 class of equity securities or ultimate equitable ownership of a  
429 correspondent mortgage lender, shall file a new application for  
430 and be approved for licensure prior to the effective date of the  
431 change in ownership or controlling interest.

432 (10) If an initial correspondent mortgage lender or branch  
433 office license has been issued but the check upon which the  
434 license is based is returned for any reason ~~due to insufficient~~  
435 ~~funds~~, the license shall be deemed canceled. A license deemed  
436 canceled pursuant to this subsection shall be reinstated if the  
437 department receives a certified check for the appropriate amount  
438 within 30 days after the date the check was returned ~~due to~~  
439 ~~insufficient funds~~.

440 (12) After October 1, 2001, an applicant's principal  
441 representative must pass a written test, prescribed by the  
442 department and administered by the office or a third party  
443 approved by the office, which covers primary and subordinate





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444 mortgage financing transactions and the provisions of this  
 445 chapter and rules adopted under this chapter. The commission may  
 446 waive by rule the examination requirement for any individual who  
 447 has passed a comparable test offered by a national group of  
 448 state mortgage regulators or a federal governmental agency that  
 449 covers primary and subordinate mortgage financing transactions.  
 450 The commission may set by rule a fee for taking the examination  
 451 and any retakes required.

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

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

460 494.0064 Renewal of mortgage lender's license; branch  
 461 office license renewal.--

462 (1)(a) The department shall renew a mortgage lender  
 463 license upon receipt of an electronically filed a completed  
 464 renewal form and the nonrefundable renewal fee of \$575. The  
 465 department shall renew a correspondent lender license upon  
 466 receipt of an electronically filed a completed renewal form and  
 467 a nonrefundable renewal fee of \$475. Each licensee shall pay at  
 468 the time of renewal a nonrefundable fee of \$325 for the renewal  
 469 of each branch office license.

470 (b) A licensee shall also submit, as part of the renewal  
 471 ~~form~~, certification that during the preceding 2 years the



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472 licensee's principal representative and, loan originators, ~~and~~  
473 ~~associates~~ have completed the professional continuing education  
474 requirements of s. 494.00295.

475 (2) The department shall adopt rules establishing a  
476 procedure for the biennial renewal of mortgage lender's  
477 licenses, correspondent lender's licenses, and branch office  
478 permits. The department may prescribe the electronic format ~~form~~  
479 for renewal and may require an update of all information  
480 provided in the licensee's initial application.

481 (5) If the renewal of a mortgage lender, correspondent  
482 mortgage lender, or branch office license has been issued but  
483 the check upon which the license is based is returned for any  
484 reason, the license shall be deemed canceled. A license deemed  
485 canceled pursuant to this subsection shall be reinstated if the  
486 office receives a certified check for the appropriate amount  
487 within 30 days after the date the check was returned.

488 Section 13. Subsections (2) and (5) of section 494.0065,  
489 Florida Statutes, are amended, paragraphs (c) and (d) are added  
490 to subsection (4) of said section, and subsections (9), (10),  
491 and (11) are added to said section, to read:

492 494.0065 Saving clause.--

493 (2) A licensee issued a license pursuant to subsection(1)  
494 may renew its mortgage lending license if it documents a minimum  
495 net worth of \$25,000, according to accounting principles  
496 generally accepted in the United States ~~accounting principles~~,  
497 which must be continuously maintained as a condition to  
498 licensure. The department shall require an audited financial  
499 statement which documents such net worth.



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500 (4)  
501 (c) For any transfer applications filed after October 1,  
502 2001, proof shall be required that the applicant's principal  
503 representative has completed 24 hours of classroom instruction  
504 in primary and subordinate financing transactions and in the  
505 provisions of this chapter and rules adopted under this chapter.

506 (d) For any transfer applications filed after October 1,  
507 2001, an applicant's principal representative must pass a  
508 written test, prescribed by the commission or office and  
509 administered by the office or a third party approved by the  
510 office, which covers primary and subordinate mortgage financing  
511 transactions and the provisions of this chapter and rules  
512 adopted under this chapter. The commission may waive by rule the  
513 examination requirement for any individual who has passed a  
514 comparable test offered by a national group of state mortgage  
515 regulators or a federal governmental agency that covers primary  
516 and subordinate mortgage financing transactions. The commission  
517 may set by rule a fee for taking the examination and any retakes  
518 required.

519 (5) The department may require each applicant for any  
520 transfer to provide any information reasonably necessary to make  
521 a determination of the applicant's eligibility for licensure.  
522 The department shall issue the transfer of licensure to any  
523 person who submits the following documentation at least 90 days  
524 prior to the anticipated transfer:

525 (a) A completed application form.

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



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

533 (d) Documentation that the applicant is incorporated,  
534 registered, or otherwise formed as a general partnership,  
535 limited partnership, limited liability company, or other lawful  
536 entity under the laws of this state or another state of the  
537 United States.

538 (e) For applications filed after October 1, 2001, proof  
539 that the applicant's principal representative has completed 24  
540 hours of classroom instruction in primary and subordinate  
541 financing transactions and in the provisions of this chapter and  
542 rules adopted under this chapter.

543 (f) For applications filed after October 1, 2001, proof  
544 that the applicant's principal representative has passed a  
545 written test, prescribed by the commission or office and  
546 administered by the office or a third party approved by the  
547 office, which covers primary and subordinate mortgage financing  
548 transactions and the provisions of this chapter and rules  
549 adopted under this chapter. The commission may waive by rule the  
550 examination requirement for any individual who has passed a  
551 comparable test offered by a national group of state mortgage  
552 regulators or a federal governmental agency that covers primary  
553 and subordinate mortgage financing transactions. The commission  
554 may set by rule a fee for taking the examination and any retakes  
555 required.



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

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

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

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

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

494.0066 Branch offices.--



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

585 (2) The department shall issue a branch office license to  
586 any licensee, once the office determines the licensee has  
587 submitted ~~upon receipt of~~ a completed application form as  
588 prescribed by rule by the department and an initial  
589 nonrefundable branch office license fee of \$325. The branch  
590 office application must include the name and license number of  
591 the licensee under ss. 494.006-494.0077, the name of the  
592 licensee's employee in charge of the branch office, and the  
593 address of the branch office. The branch office license shall be  
594 issued in the name of the licensee under ss. 494.006-494.0077  
595 and must be renewed in conjunction with the license renewal.

596 (3) If an initial branch office license has been issued  
597 but the check upon which the license is based is returned for  
598 any reason, the license shall be deemed canceled. A license  
599 deemed canceled pursuant to this subsection shall be reinstated  
600 if the office receives a certified check for the appropriate  
601 amount within 30 days after the date the check was returned.

602 Section 15. Paragraph (a) of subsection (10) of section  
603 494.0067, Florida Statutes, is amended to read:

604 494.0067 Requirements of licensees under ss. 494.006-  
605 494.0077.--

606 (10)(a) Each licensee shall require the principal  
607 representative and all loan originators or associates who  
608 perform services for the licensee to complete 14 hours of  
609 professional continuing education during each biennial license  
610 period. The education shall cover primary and subordinate



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611 mortgage financing transactions and the provisions of this  
612 chapter and the rules adopted under this chapter.

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

615 494.0016 Books, accounts, and records; maintenance;  
616 examinations by the department.--

617 (4) The department may prescribe by rule the minimum  
618 information to be shown in the books, accounts, records, and  
619 documents of licensees so that such records will enable the  
620 department to determine the licensee's compliance with ss.  
621 494.001-494.0077. In addition, the commission may prescribe by  
622 rule the requirements for destruction of books, accounts,  
623 records, and documents retained by the licensee after completion  
624 of the time period indicated in subsection (3).

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

627 516.12 Records to be kept by licensee.--

628 (3) The commission may prescribe by rule the minimum  
629 information to be shown in the books, accounts, records, and  
630 documents of licensees for purposes of enabling the office to  
631 determine the licensee's compliance with ss. 516.001-516.36. In  
632 addition, the commission may prescribe by rule the requirements  
633 for destruction of books, accounts, records, and documents  
634 retained by the licensee after completion of the time period  
635 indicated in subsection (1).

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

638 520.997 Books, accounts, and records.--



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639 (4) The department is hereby authorized and empowered to  
640 prescribe by rule the minimum information to be shown in the  
641 books, accounts, ~~and~~ records, and documents of licensees so that  
642 such records will enable the department to determine compliance  
643 with the provisions of this chapter. In addition, the commission  
644 may prescribe by rule the requirements for destruction of books,  
645 accounts, records, and documents retained by the licensee after  
646 completion of the time period indicated in subsection (3).

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

649 537.009 Recordkeeping; reporting; safekeeping of  
650 property.--

651 (5) The department may prescribe by rule the books,  
652 accounts, ~~and~~ records, and documents, and the minimum  
653 information to be shown in the books, accounts, ~~and~~ records, and  
654 documents, of licensees so that such records will enable the  
655 department to determine compliance with the provisions of this  
656 act. In addition, the commission may prescribe by rule the  
657 requirements for destruction of books, accounts, records, and  
658 documents retained by the licensee after completion of the time  
659 period indicated in subsection (3).

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

662 517.12 Registration of dealers, associated persons,  
663 investment advisers, and branch offices.--

664 (15) In lieu of filing with the department the  
665 applications specified in subsection (6), the fees required by  
666 subsection (10), and the termination notices required by





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667 subsection (12), the department may by rule establish procedures  
668 for the deposit of such fees and documents with the Central  
669 Registration Depository or the Investment Adviser Registration  
670 Depository of the National Association of Securities Dealers,  
671 Inc., as developed under contract with the North American  
672 Securities Administrators Association, Inc.; provided, however,  
673 that such procedures shall provide the department with the  
674 information and data as required by this section.

675 Section 21. This act shall take effect October 1, 2003.