



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



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



57 notification of designation and education of principal
58 representatives; providing for cancellation and reinstatement of
59 certain licenses; amending s. 494.0066, F.S.; providing for
60 cancellation and reinstatement of certain licenses; amending s.
61 494.0067, F.S.; clarifying certain professional education
62 provisions as continuing education; amending ss. 494.0016,
63 516.12, 520.997, and 537.009, F.S.; revising the commission's
64 authority to regulate certain licensees; authorizing the
65 commission to provide by rule requirements for destruction of
66 certain information; clarifying commission authority to
67 prescribe by rule certain minimum information to be shown in
68 certain documents; amending s. 517.12, F.S.; specifying an
69 additional depository for certain fees and documents required
70 for registration of certain securities licensees; revising
71 terminology relating to the Department of Financial Services,
72 the Financial Services Commission, and the Office of Financial
73 Institutions and Securities Regulation; amending s. 627.679,
74 F.S.; providing limitations on sales of credit life insurance;
75 providing an effective date.

76

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

78

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

82 494.0029 Mortgage business schools.--

83 (1) Each person, school, or institution, except accredited
84 colleges, universities, community colleges, and area technical



85 centers in this state, which offers or conducts mortgage
86 business training as a condition precedent to licensure as a
87 mortgage broker, mortgage ~~or lender,~~ or a correspondent mortgage
88 lender shall obtain a permit from the department and abide by
89 the regulations imposed upon such person, school, or institution
90 by this chapter and rules adopted pursuant to this chapter. The
91 department shall, by rule, recertify the permits annually with
92 initial and renewal permit fees that do not exceed \$500 plus the
93 cost of accreditation.

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

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

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

111 494.00295 Professional continuing education.--



112 (1) Each mortgage broker, mortgage lender, and
113 correspondent mortgage lender must certify to the department at
114 the time of renewal that during the 2 years prior to an
115 application for license renewal, all mortgage brokers and the
116 principal representative and, ~~loan originators, and associates~~
117 of a mortgage lender or correspondent mortgage lender have
118 successfully completed at least 14 hours of professional
119 continuing education programs covering primary and subordinate
120 mortgage financing transactions and the provisions of this
121 chapter. Licensees shall maintain records documenting compliance
122 with this subsection for a period of 4 years.

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

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

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

137 494.003 Exemptions.--

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



140 (b) A state or federal chartered bank, bank holding
 141 company formed or regulated under the laws of the United States
 142 or the various states, trust company, savings and loan
 143 association, savings bank, credit union, or consumer finance
 144 company licensed pursuant to chapter 516.

145 (c) A wholly owned bank holding company subsidiary formed
 146 or regulated under the laws of the United States or the various
 147 states or a wholly owned savings and loan association holding
 148 company subsidiary that is approved or certified by the
 149 Department of Housing and Urban Development, the Veterans
 150 Administration, the Government National Mortgage Association,
 151 the Federal National Mortgage Association, or the Federal Home
 152 Loan Mortgage Corporation.

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

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

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

163 494.0031 Licensure as a mortgage brokerage business.--

164 (1) The commission or office may require each applicant
 165 for a mortgage brokerage business license to provide any
 166 information reasonably necessary to make a determination of the



167 applicant's eligibility for licensure. The department shall
168 issue a mortgage brokerage business license to each person who:

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

171 (b) Has a qualified principal broker pursuant to s.
172 494.0035.

173 (3) Notwithstanding the provisions of subsection(1), it is
174 a ground for denial of licensure if the designated principal
175 mortgage broker; any officer, director, partner, or joint
176 venturer; ~~any natural person owning a 10 percent or greater~~
177 ~~interest in the mortgage brokerage business;~~ or any natural
178 person who is the ultimate equitable owner of a 10-percent or
179 greater interest in the mortgage brokerage business has
180 committed any violation specified in ss. 494.001-494.0077 or has
181 pending against him or her any criminal prosecution or
182 administrative enforcement action, in any jurisdiction, which
183 involves fraud, dishonest dealing, or any other act of moral
184 turpitude.

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

193 (6) A license issued under ss. 494.003-494.0043 is not
194 transferable or assignable. Any person or persons who, directly



195 or indirectly, seeks to own, control, or hold with power to
196 vote, or holds proxies representing 50 percent or greater of any
197 class of equity securities or ultimate equitable ownership of a
198 mortgage brokerage business, shall file a new application for
199 and be approved for licensure prior to the effective date of the
200 change in ownership or controlling interest.

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

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

206 (1) The department shall renew a mortgage brokerage
207 business license upon receipt of an electronically filed a
208 completed renewal form and payment of a nonrefundable renewal
209 fee of \$375. Each licensee shall pay at the time of renewal a
210 nonrefundable renewal fee of \$225 for the renewal of each branch
211 office license.

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

218 (4) If the renewal of a mortgage brokerage business or
219 branch office license has been issued but the check upon which
220 the license is based is returned for any reason, the license
221 shall be deemed canceled. A license deemed canceled pursuant to
222 this subsection shall be reinstated if the office receives a



223 certified check for the appropriate amount within 30 days after
 224 the date the check was returned.

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

228 494.0033 Mortgage broker's license.--

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

238 (2) Each initial application for a mortgage broker's
 239 license must be in the form prescribed by rule of the
 240 department. The department may require each applicant to provide
 241 any information reasonably necessary to make a determination of
 242 the applicant's eligibility for licensure. The department shall
 243 issue an initial license to any natural person who:

244 (b) Has passed a written test, adopted by the department
 245 and administered by the office or a third party approved by the
 246 office, which is designed to determine competency in primary and
 247 subordinate mortgage financing transactions as well as to test
 248 knowledge of ss. 494.001-494.0077 and the rules adopted pursuant
 249 thereto. The commission may waive by rule the examination
 250 requirement for any individual who has passed a comparable test



251 offered by a national group of state mortgage regulators or a
252 federal governmental agency that covers primary and subordinate
253 mortgage financing transactions;

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

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

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

268 494.0034 Renewal of mortgage broker's license.--

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

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



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

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

287 494.0036 Mortgage brokerage business branch offices.--

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

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

301 494.006 Exemptions.--

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

305 (a) A state or federal chartered bank, bank holding
 306 company formed or regulated under the laws of the United States



307 | or the various states, trust company, savings and loan
308 | association, savings bank, credit union, or insurance company if
309 | the insurance company is duly licensed in this state.

310 | (c) A wholly owned bank holding company subsidiary formed
311 | or regulated under the laws of the United States or the various
312 | states or a wholly owned savings and loan association holding
313 | company subsidiary that is approved or certified by the
314 | Department of Housing and Urban Development, the Veterans
315 | Administration, the Government National Mortgage Association,
316 | the Federal National Mortgage Association, or the Federal Home
317 | Loan Mortgage Corporation.

318 | (2)(a) A natural person employed by a mortgage lender or
319 | correspondent mortgage lender licensed under ss. 494.001-
320 | 494.0077 is exempt from the licensure requirements of ss.
321 | 494.001-494.0077 when acting within the scope of employment with
322 | the licensee.

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

326 | 494.0061 Mortgage lender's license requirements.--

327 | (1) The department may require each applicant for a
328 | mortgage lender license to provide any information reasonably
329 | necessary to make a determination of the applicant's eligibility
330 | for licensure. The department shall issue an initial mortgage
331 | lender license to any person that submits:

332 | (c) Audited financial statements, which documents disclose
333 | that the applicant has a bona fide and verifiable net worth,
334 | pursuant to accounting principles generally accepted in the



335 United States ~~accounting principles~~, of at least \$250,000, which
336 must be continuously maintained as a condition of licensure;

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

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

353 (9) After October 1, 2001, an applicant's principal
354 representative must pass a written test, prescribed by the
355 department and administered by the office a third party approved
356 by the office, which covers primary and subordinate mortgage
357 financing transactions and the provisions of this chapter and
358 rules adopted under this chapter. The commission may waive by
359 rule the examination requirement for any individual who has
360 passed a comparable test offered by a national group of state
361 mortgage regulators or a federal governmental agency that covers
362 primary and subordinate mortgage financing transactions. The



363 commission may set by rule a fee for taking the examination and
364 any retakes required.

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

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

372 494.0062 Correspondent mortgage lender's license
373 requirements.--

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

380 (a) A completed application form;

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

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

387 (d) A surety bond in the amount of \$10,000, payable to the
388 State of Florida and conditioned upon compliance with ss.
389 494.001-494.0077, which inures to the department and which must
390 be continuously maintained, thereafter, in full force;



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

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

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

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

417 (10) If an initial correspondent mortgage lender or branch
418 office license has been issued but the check upon which the



419 license is based is returned for any reason ~~due to insufficient~~
420 ~~funds~~, the license shall be deemed canceled. A license deemed
421 canceled pursuant to this subsection shall be reinstated if the
422 department receives a certified check for the appropriate amount
423 within 30 days after the date the check was returned ~~due to~~
424 ~~insufficient funds~~.

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

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

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

445 494.0064 Renewal of mortgage lender's license; branch
446 office license renewal.--



447 (1)(a) The department shall renew a mortgage lender
448 license upon receipt of an electronically filed a completed
449 renewal form and the nonrefundable renewal fee of \$575. The
450 department shall renew a correspondent lender license upon
451 receipt of an electronically filed a completed renewal form and
452 a nonrefundable renewal fee of \$475. Each licensee shall pay at
453 the time of renewal a nonrefundable fee of \$325 for the renewal
454 of each branch office license.

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

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

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

473 Section 13. Subsections (2) and (5) of section 494.0065,
474 Florida Statutes, are amended, paragraphs (c) and (d) are added



475 to subsection (4) of said section, and subsections (9), (10),
476 and (11) are added to said section, to read:

477 494.0065 Saving clause.--

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

485 (4)

486 (c) For any transfer applications filed after October 1,
487 2001, proof shall be required that the applicant's principal
488 representative has completed 24 hours of classroom instruction
489 in primary and subordinate financing transactions and in the
490 provisions of this chapter and rules adopted under this chapter.

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



502 may set by rule a fee for taking the examination and any retakes
503 required.

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

510 (a) A completed application form.

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

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

518 (d) Documentation that the applicant is incorporated,
519 registered, or otherwise formed as a general partnership,
520 limited partnership, limited liability company, or other lawful
521 entity under the laws of this state or another state of the
522 United States.

523 (e) For applications filed after October 1, 2001, proof
524 that the applicant's principal representative has completed 24
525 hours of classroom instruction in primary and subordinate
526 financing transactions and in the provisions of this chapter and
527 rules adopted under this chapter.

528 (f) For applications filed after October 1, 2001, proof
529 that the applicant's principal representative has passed a



530 written test, prescribed by the commission or office and
531 administered by the office or a third party approved by the
532 office, which covers primary and subordinate mortgage financing
533 transactions and the provisions of this chapter and rules
534 adopted under this chapter. The commission may waive by rule the
535 examination requirement for any individual who has passed a
536 comparable test offered by a national group of state mortgage
537 regulators or a federal governmental agency that covers primary
538 and subordinate mortgage financing transactions. The commission
539 may set by rule a fee for taking the examination and any retakes
540 required.

541

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

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

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



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

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

567 494.0066 Branch offices.--

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

570 (2) The department shall issue a branch office license to
571 any licensee, once the office determines the licensee has
572 submitted ~~upon receipt of~~ a completed application form as
573 prescribed by rule by the department and an initial
574 nonrefundable branch office license fee of \$325. The branch
575 office application must include the name and license number of
576 the licensee under ss. 494.006-494.0077, the name of the
577 licensee's employee in charge of the branch office, and the
578 address of the branch office. The branch office license shall be
579 issued in the name of the licensee under ss. 494.006-494.0077
580 and must be renewed in conjunction with the license renewal.

581 (3) If an initial branch office license has been issued
582 but the check upon which the license is based is returned for
583 any reason, the license shall be deemed canceled. A license
584 deemed canceled pursuant to this subsection shall be reinstated



585 if the office receives a certified check for the appropriate
 586 amount within 30 days after the date the check was returned.

587 Section 15. Paragraph (a) of subsection (10) of section
 588 494.0067, Florida Statutes, is amended to read:

589 494.0067 Requirements of licensees under ss. 494.006-
 590 494.0077.--

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

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

600 494.0016 Books, accounts, and records; maintenance;
 601 examinations by the department.--

602 (4) The department may prescribe by rule the minimum
 603 information to be shown in the books, accounts, records, and
 604 documents of licensees so that such records will enable the
 605 department to determine the licensee's compliance with ss.
 606 494.001-494.0077. In addition, the commission may prescribe by
 607 rule the requirements for destruction of books, accounts,
 608 records, and documents retained by the licensee after completion
 609 of the time period indicated in subsection (3).

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

612 516.12 Records to be kept by licensee.--



613 (3) The commission may prescribe by rule the minimum
 614 information to be shown in the books, accounts, records, and
 615 documents of licensees for purposes of enabling the office to
 616 determine the licensee's compliance with ss. 516.001-516.36. In
 617 addition, the commission may prescribe by rule the requirements
 618 for destruction of books, accounts, records, and documents
 619 retained by the licensee after completion of the time period
 620 indicated in subsection (1).

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

623 520.997 Books, accounts, and records.--

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

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

634 537.009 Recordkeeping; reporting; safekeeping of
 635 property.--

636 (5) The department may prescribe by rule the books,
 637 accounts, ~~and~~ records, and documents, and the minimum
 638 information to be shown in the books, accounts, ~~and~~ records, and
 639 documents, of licensees so that such records will enable the
 640 department to determine compliance with the provisions of this



641 act. In addition, the commission may prescribe by rule the
642 requirements for destruction of books, accounts, records, and
643 documents retained by the licensee after completion of the time
644 period indicated in subsection (3).

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

647 517.12 Registration of dealers, associated persons,
648 investment advisers, and branch offices.--

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

660 Section 21. Paragraph (c) of subsection (1) of section
661 627.679, Florida Statutes, is amended to read:

662 627.679 Amount of insurance; disclosure.--

663 (1)

664 (c) Before any credit life insurance may be sold in
665 connection with a specific installment loan, the creditor agent
666 or agent shall obtain a separate written acknowledgment with
667 respect to each of the following:



668 1. That the borrower understands that he or she has the
669 option of assigning any other policy or policies the borrower
670 owns or may procure for the purpose of covering such loan and
671 that the policy need not be purchased from the creditor agent in
672 order to obtain the loan.

673 2. That the borrower understands that the credit life
674 coverage may be deferred if, at the time of application, the
675 borrower is unable to engage in employment or unable to perform
676 normal activities of a person of like age and sex, if the
677 proposed credit life insurance policy contains this restriction.

678 3. That the borrower understands that the benefits under
679 the policy will terminate when the borrower reaches a certain
680 age and that the borrower's age is accurately represented on the
681 application or policy.

682

683 This paragraph does not apply to credit life insurance relating
684 to open-end or revolving credit agreements. In lieu of the
685 required written acknowledgments set forth in this paragraph and
686 s. 626.9551(2)(a), if the sale of credit life insurance is
687 solicited or consummated telephonically, the creditor agent or
688 agent shall provide written disclosures of such options to the
689 borrower within 30 days from the date the coverage takes effect.
690 The borrower must be notified that he or she has 30 days from
691 the date the disclosures are received to rescind the credit life
692 insurance coverage.

693 Section 22. This act shall take effect October 1, 2003.