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1 A bill to be entitled

2 An act relating to regulation of financial entities and
3 transactions; amending s. 494.0011, F.S.; authorizing the
4 Financial Services Commission to require electronic
5 submission of forms, documents, or fees; providing for a
6 technological or financial hardship accommodation;
7 providing application; amending s. 494.0016, F.S.;
8 authorizing the commission to prescribe requirements for
9 destroying books, accounts, records, and documents;
10 authorizing the commission to recognize alternative
11 statutes of limitation for such destruction; providing for
12 procedures; amending s. 494.0029, F.S.; specifying
13 criteria for receipt of certain applications; specifying
14 certain permits as not transferable or assignable;
15 amending s. 494.00295, F.S.; revising provisions to
16 specify continuing education for certain professions;
17 amending s. 494.003, F.S.; clarifying application of an
18 exemption from application of certain mortgage broker
19 licensure requirements to certain entities; amending s.
20 494.0031, F.S.; requiring licensure of mortgage brokerage
21 businesses; specifying criteria for receipt of certain
22 applications; authorizing the commission or the Office of
23 Financial Regulation to require certain information from
24 certain applicants; revising certain fingerprinting
25 requirements; authorizing the commission to prescribe fees
26 and procedures for processing fingerprints; authorizing
27 the office to contract for certain fingerprinting
28 services; specifying certain licenses as nontransferable
29 or nonassignable; amending s. 494.0033, F.S.; clarifying

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30 mortgage broker licensure requirements; authorizing the
31 commission to waive certain examination requirements under
32 certain circumstances; authorizing the commission to
33 prescribe certain additional testing fees; revising
34 certain fingerprinting requirements; authorizing the
35 commission to prescribe fees and procedures for processing
36 fingerprints; authorizing the office to contract for
37 certain fingerprinting services; specifying criteria for
38 receipt of certain applications; deleting certain
39 provisions relating to cancellation and reinstatement of
40 licenses; amending s. 494.0034, F.S.; clarifying the
41 commission's authorization to prescribe license renewal
42 forms; amending s. 494.0036, F.S.; clarifying provisions
43 relating to issuance of mortgage brokerage business branch
44 office licenses; specifying criteria for receipt of
45 certain applications; amending s. 494.0041, F.S.;
46 specifying an additional ground for disciplinary action;
47 amending s. 494.006, F.S.; clarifying application of an
48 exemption from application of certain mortgage lender
49 licensure requirements to certain entities; amending s.
50 494.0061, F.S.; requiring licensure of mortgage lenders;
51 specifying criteria for receipt of certain applications;
52 revising certain fingerprinting requirements; authorizing
53 the commission to prescribe fees and procedures for
54 processing fingerprints; authorizing the office to
55 contract for certain fingerprinting services; deleting
56 certain provisions relating to cancellation and
57 reinstatement of licenses; authorizing the commission to
58 waive certain examination requirements under certain

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59 | circumstances; authorizing the commission to prescribe
60 | certain additional testing fees; amending s. 494.0062,
61 | F.S.; requiring licensure of correspondent mortgage
62 | lenders; specifying criteria for receipt of certain
63 | applications; authorizing the office to require applicants
64 | to provide certain information; revising certain
65 | fingerprinting requirements; authorizing the commission to
66 | prescribe fees and procedures for processing fingerprints;
67 | authorizing the office to contract for certain
68 | fingerprinting services; deleting certain provisions
69 | relating to cancellation and reinstatement of licenses;
70 | authorizing the commission to waive certain examination
71 | requirements under certain circumstances; authorizing the
72 | commission to prescribe certain additional testing fees;
73 | amending s. 494.0064, F.S.; clarifying a reference to
74 | professional continuing education for certain licensees;
75 | amending s. 494.0065, F.S.; specifying criteria for
76 | receipt of certain applications; specifying certain
77 | education and testing requirements for certain principal
78 | representatives and for certain applications or transfer
79 | applications; authorizing the commission to waive certain
80 | examination requirements under certain circumstances;
81 | authorizing the commission to prescribe certain additional
82 | testing fees; increasing a license transfer fee; revising
83 | certain fingerprinting requirements; authorizing the
84 | commission to prescribe fees and procedures for processing
85 | fingerprints; authorizing the office to contract for
86 | certain fingerprinting services; requiring mortgage
87 | lenders to designate a principal representative; providing

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88 criteria and requirements; amending s. 494.0066, F.S.;

89 clarifying branch office licensure requirements; amending

90 s. 494.0067, F.S.; clarifying reference to professional

91 continuing education requirements; amending s. 494.0072,

92 F.S.; providing an additional ground for disciplinary

93 action; amending s. 494.00721, F.S.; correcting cross

94 references; amending s. 516.03, F.S.; specifying criteria

95 for receipt of certain applications; authorizing the

96 commission to require electronic submission of forms,

97 documents, or fees; providing for a technological or

98 financial hardship accommodation; amending s. 516.07,

99 F.S.; providing an additional ground for disciplinary

100 action; amending s. 516.12, F.S.; authorizing the

101 commission to prescribe certain minimum information in a

102 licensee's books, accounts, records, and documents;

103 authorizing the commission to prescribe requirements for

104 destroying books, accounts, records, and documents;

105 authorizing the commission to recognize alternative

106 statutes of limitation for such destruction; providing for

107 procedures; amending ss. 517.051 and 517.081, F.S.;

108 specifying certain accounting principles as those

109 generally accepted in the United States; amending s.

110 517.061, F.S.; clarifying application of a certain exempt

111 transaction provision; amending s. 517.12, F.S.; revising

112 certain fingerprinting requirements; authorizing the

113 commission to prescribe fees and procedures for processing

114 fingerprints; authorizing the office to contract for

115 certain fingerprinting services; providing for renewals of

116 certain registrations through the Central Registration

117 Directory of the National Association of Securities
 118 Dealers under certain circumstances; authorizing the
 119 commission to provide by rule for deposit of certain fees
 120 and documents with the Investment Advisor Registration
 121 Depository of the National Association of Securities
 122 Dealers; revising provisions relating to notice-filing
 123 requirements of certain Canadian dealers or persons
 124 associated with Canadian dealers; amending s. 517.131,
 125 F.S.; providing additional compliance verification
 126 authority to the office; authorizing the commission to
 127 specify additional compliance procedures by rule; amending
 128 s. 517.141, F.S.; revising provisions for making payments
 129 from the Securities Guaranty Fund; authorizing the
 130 commission to adopt by rule additional compliance
 131 procedures; amending s. 517.161, F.S.; providing an
 132 additional ground for revocation, restriction, or
 133 suspension of certain registrations; amending ss. 520.03,
 134 520.32, 520.52, and 520.63, F.S.; specifying criteria for
 135 receipt of certain applications; amending s. 520.994,
 136 F.S.; authorizing the commission to require electronic
 137 submission of forms, documents, or fees; providing for a
 138 technological or financial hardship accommodation;
 139 amending s. 520.995, F.S.; providing an additional ground
 140 for disciplinary action; amending ss. 520.997 and 537.009,
 141 F.S.; authorizing the commission to prescribe certain
 142 minimum information in a licensee's books, accounts,
 143 records, and documents; authorizing the commission to
 144 prescribe requirements for destroying books, accounts,
 145 records, and documents; authorizing the commission to

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146 recognize alternative statutes of limitation for such
147 destruction; providing for procedures; amending ss.
148 560.105 and 560.118, F.S.; authorizing the commission to
149 require electronic submission of forms, documents, or
150 fees; providing for a technological or financial hardship
151 accommodation; amending s. 560.114, F.S.; providing an
152 additional ground for disciplinary action; amending s.
153 560.121, F.S.; authorizing the commission to prescribe
154 certain minimum information in a licensee's books,
155 accounts, records, and documents; authorizing the
156 commission to prescribe requirements for destroying books,
157 accounts, records, and documents; authorizing the
158 commission to recognize alternative statutes of limitation
159 for such destruction; providing for procedures; decreasing
160 the required time period for the office to retain certain
161 reports, records, applications, and related information;
162 amending s. 560.205, F.S.; revising certain fingerprinting
163 requirements; authorizing the commission to prescribe fees
164 and procedures for processing fingerprints; authorizing
165 the office to contract for certain fingerprinting
166 services; authorizing the commission to establish
167 procedures for depositing fees and filing documents
168 electronically; deleting a requirement that an applicant
169 provide a list of certain vendors; requiring the reporting
170 of certain changes of registration by written amendment;
171 amending s. 560.207, F.S.; authorizing the commission to
172 establish procedures for depositing fees and filing
173 documents electronically; amending s. 560.210, F.S.;
174 revising permissible investment requirements for certain

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175 registrants; amending ss. 560.211 and 560.310, F.S.;

176 requiring notice to the office of the location of certain

177 amended records; amending ss. 560.305 and 560.308, F.S.;

178 authorizing the commission to establish procedures for

179 depositing fees and filing documents electronically;

180 amending s. 560.306, F.S.; revising certain fingerprinting

181 requirements; authorizing the commission to prescribe fees

182 and procedures for processing fingerprints; authorizing

183 the office to contract for certain fingerprinting

184 services; requiring the reporting of certain changes of

185 registration by written amendment; specifying in general

186 that accounting principles are those generally accepted in

187 the United States; specifying commission authority by

188 rules; creating s. 626.565, F.S.; requiring an agent of

189 the Department of Insurance to dispose of records

190 containing personal financial or health information of

191 certain persons after the retention requirement has been

192 met; requiring such disposition to protect the

193 confidentiality of personal financial or health

194 information; authorizing the department to adopt rules for

195 the disposition of personal financial or health

196 information; providing an effective date.

197

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

199

200 Section 1. Subsection (2) of section 494.0011, Florida

201 Statutes, is amended, and subsection (6) is added to said

202 section, to read:

203 494.0011 Powers and duties of the commission and office.--

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204 (2) The commission has authority to adopt rules pursuant
 205 to ss. 120.536(1) and 120.54 to implement ss. 494.001-494.0077.
 206 The commission may adopt rules which require ~~to allow~~ electronic
 207 submission of any forms, documents, or fees required by this
 208 act, provided such rules reasonably accommodate technological or
 209 financial hardship. The commission may prescribe by rule
 210 requirements and procedures for obtaining a technological or
 211 financial hardship exemption. The commission may also adopt
 212 rules to accept certification of compliance with requirements of
 213 this act in lieu of requiring submission of documents.

214 (6) The grant or denial of a license shall be in
 215 accordance with s. 120.60.

216 Section 2. Subsection (4) of section 494.0016, Florida
 217 Statutes, is amended to read:

218 494.0016 Books, accounts, and records; maintenance;
 219 examinations by the office.--

220 (4) The commission may prescribe by rule the minimum
 221 information to be shown in the books, accounts, records, and
 222 documents of licensees so that such records will enable the
 223 office to determine the licensee's compliance with ss. 494.001-
 224 494.0077. In addition, the commission may prescribe by rule the
 225 requirements for destruction of books, accounts, records, and
 226 documents retained by the licensee after completion of the time
 227 period indicated in subsection (3). Notwithstanding the 3-year
 228 retention period provided in subsection (3), if the office
 229 identifies a statute of limitations in a federal law or rule or
 230 another law or rule of this state that is reasonably related by
 231 subject matter to the administration of this chapter, the
 232 commission may identify that statute of limitations by rule and

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233 may prohibit the destruction of records required to be maintained
 234 by this chapter for a period of time established by rule that is
 235 reasonably related to such statute of limitations. The commission
 236 shall prescribe by rule those documents or records that are to be
 237 preserved that are related to the identified statute of
 238 limitations.

239 Section 3. Subsection (1) of section 494.0029, Florida
 240 Statutes, is amended to read:

241 494.0029 Mortgage business schools.--

242 (1)(a) Each person, school, or institution, except
 243 accredited colleges, universities, community colleges, and area
 244 technical centers in this state, which offers or conducts
 245 mortgage business training as a condition precedent to licensure
 246 as a mortgage broker, ~~or~~ mortgage lender, or a correspondent
 247 mortgage lender shall obtain a permit from the office and abide
 248 by the regulations imposed upon such person, school, or
 249 institution by this chapter and rules adopted pursuant to this
 250 chapter. The commission shall, by rule, recertify the permits
 251 annually with initial and renewal permit fees that do not exceed
 252 \$500 plus the cost of accreditation.

253 (b) A permit application shall be deemed received for
 254 purposes of s. 120.60 upon receipt of a completed application
 255 form as prescribed by commission rule, a nonrefundable
 256 application fee of \$500, and any other fee prescribed by law or
 257 rule.

258 (c) A permit issued under this section is not transferable
 259 or assignable.

260 Section 4. Section 494.00295, Florida Statutes, is amended
 261 to read:

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262 494.00295 Professional continuing education.--

263 (1) Each mortgage broker, mortgage lender, and
 264 correspondent mortgage lender must certify to the office at the
 265 time of renewal that during the 2 years prior to an application
 266 for license renewal, all mortgage brokers and the principal
 267 representative and, loan originators, ~~and associates~~ of a
 268 mortgage lender or correspondent mortgage lender have
 269 successfully completed at least 14 hours of professional
 270 continuing education programs covering primary and subordinate
 271 mortgage financing transactions and the provisions of this
 272 chapter. Licensees shall maintain records documenting compliance
 273 with this subsection for a period of 4 years.

274 (2) Professional continuing education programs must
 275 contribute directly to the professional competency of the
 276 participants, may only be offered by permitted mortgage business
 277 schools or entities specifically exempted from permitting as
 278 mortgage business schools, and may include electronically
 279 transmitted or distance education courses.

280 (3) The commission shall adopt rules necessary to
 281 administer this section, including rules governing qualifying
 282 hours for professional continuing education programs and
 283 standards for electronically transmitted or distance education
 284 courses, including course completion requirements.

285 Section 5. Paragraphs (b) and (c) of subsection (1) and
 286 paragraph (e) of subsection (2) of section 494.003, Florida
 287 Statutes, are amended to read:

288 494.003 Exemptions.--

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

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291 (b) A state or federal chartered bank, ~~bank holding~~
 292 ~~company~~, trust company, savings and loan association, savings
 293 bank, or credit union, a bank holding company regulated under
 294 the laws of any state or the United States, or a consumer
 295 finance company licensed pursuant to chapter 516.

296 (c) A wholly owned bank holding company subsidiary formed
 297 and regulated under the laws of any state or the United States
 298 or a wholly owned savings and loan association holding company
 299 subsidiary that is approved or certified by the Department of
 300 Housing and Urban Development, the Veterans Administration, the
 301 Government National Mortgage Association, the Federal National
 302 Mortgage Association, or the Federal Home Loan Mortgage
 303 Corporation.

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

306 (e) A wholly owned subsidiary of a state or federal
 307 chartered bank or savings and loan association the sole activity
 308 of which is to distribute the lending programs of such state or
 309 federal chartered bank or savings and loan association to
 310 persons who arrange loans for, or make loans to, borrowers.

311 Section 6. Section 494.0031, Florida Statutes, is amended
 312 to read:

313 494.0031 Licensure as a mortgage brokerage business.--

314 (1) Each person who acts as a mortgage brokerage business
 315 must be licensed pursuant to this section.

316 (2)(1) The commission or office may require each applicant
 317 for a mortgage brokerage business license to provide any
 318 information reasonably necessary to make a determination of the

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319 applicant's eligibility for licensure. The office shall issue a
 320 mortgage brokerage business license to each person who:

321 (a) Has submitted a completed application form and a
 322 nonrefundable application fee of \$425.~~;~~ ~~and~~

323 (b) Has a qualified principal broker pursuant to s.
 324 494.0035.

325
 326 A license application shall be deemed received for purposes of
 327 s. 120.60 upon receipt of a completed application form as
 328 prescribed by the commission by rule, a nonrefundable
 329 application fee of \$425, and any other fee prescribed by law or
 330 rule.

331 ~~(3)~~~~(2)~~ The commission may require by rule that each
 332 officer, director, and ultimate equitable owner of a 10-percent
 333 or greater interest in the mortgage brokerage business submit a
 334 complete set of fingerprints. Fingerprint cards submitted to the
 335 office shall be taken by an authorized law enforcement officer
 336 if such fingerprint card is submitted to the office in paper
 337 form. The commission may prescribe by rule additional fees for
 338 processing the fingerprints. The commission may prescribe by
 339 rule procedures for submitting fingerprints and fees by
 340 electronic means to the office or to a third party approved by
 341 the office. In order to implement the submission and processing
 342 of fingerprints as specified by rule pursuant to this section,
 343 the office may, without complying with the requirements of
 344 chapter 287, contract with any other state agency which provides
 345 fingerprinting services, either directly or through a third-
 346 party vendor under contract to such state agency.

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347 (4)~~(3)~~ Notwithstanding the provisions of subsection (2)
 348 ~~(1)~~, it is a ground for denial of licensure if the applicant;
 349 designated principal mortgage broker; any officer, director,
 350 partner, or joint venturer; ~~any natural person owning a 10-~~
 351 ~~percent or greater interest in the mortgage brokerage business;~~
 352 or any natural person who is the ultimate equitable owner of a
 353 10-percent or greater interest in the mortgage brokerage
 354 business has committed any violation specified in ss. 494.001-
 355 494.0077 or has pending against him or her any criminal
 356 prosecution or administrative enforcement action, in any
 357 jurisdiction, which involves fraud, dishonest dealing, or any
 358 other act of moral turpitude.

359 (5)~~(4)~~ A mortgage brokerage business or branch office
 360 license may be canceled if it was issued through mistake or
 361 inadvertence of the office. A notice of cancellation must be
 362 issued by the office within 90 days after the issuance of the
 363 license. A notice of cancellation shall be effective upon
 364 receipt. The notice of cancellation shall provide the applicant
 365 with notification of the right to request a hearing within 21
 366 days after the applicant's receipt of the notice of
 367 cancellation. A license shall be reinstated if the applicant can
 368 demonstrate that the requirements for obtaining the license
 369 pursuant to this chapter have been satisfied.

370 (6)~~(5)~~ A license issued under this part is not
 371 transferable or assignable. ~~If an initial mortgage brokerage~~
 372 ~~business or branch office license has been issued but the check~~
 373 ~~upon which the license is based is returned due to insufficient~~
 374 ~~funds, the license shall be deemed canceled. A license deemed~~
 375 ~~canceled pursuant to this subsection shall be reinstated if the~~

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376 ~~office receives a certified check for the appropriate amount~~
 377 ~~within 30 days after the date the check was returned due to~~
 378 ~~insufficient funds.~~

379 Section 7. Subsections (1), (2), and (7) of section
 380 494.0033, Florida Statutes, are amended to read:

381 494.0033 Mortgage broker's license.--

382 (1) Each natural person who acts as a mortgage broker for
 383 a mortgage brokerage business or acts as an associate for a
 384 mortgage lender or correspondent mortgage lender must be
 385 licensed pursuant to this section. To act as a mortgage broker,
 386 an individual must be an associate of a mortgage brokerage
 387 business, mortgage lender, or correspondent mortgage lender. A
 388 mortgage broker is prohibited from being an associate of more
 389 than one mortgage brokerage business, mortgage lender, or
 390 correspondent mortgage lender.

391 (2) Each initial application for a mortgage broker's
 392 license must be in the form prescribed by rule of the
 393 commission. The commission may require each applicant to provide
 394 any information reasonably necessary to make a determination of
 395 the applicant's eligibility for licensure. The office shall
 396 issue an initial license to any natural person who:

397 (a) Is at least 18 years of age.†

398 (b) Has passed a written test adopted and administered by
 399 the office or a third party approved by the office which is
 400 designed to determine competency in primary and subordinate
 401 mortgage financing transactions as well as to test knowledge of
 402 ss. 494.001-494.0077 and the rules adopted pursuant thereto. The
 403 commission may waive by rule the examination requirement for any
 404 individual who has passed a comparable test offered by a

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405 national group of state mortgage regulators or a federal
406 governmental agency that covers primary and subordinate mortgage
407 financing transactions. The commission may prescribe by rule an
408 additional fee for the mortgage broker test.†

409 (c) Has submitted a completed application and a
410 nonrefundable application fee of \$200. An application shall be
411 deemed received for purposes of s. 120.60 upon receipt of a
412 completed application form as prescribed by the commission by
413 rule, a nonrefundable application fee of \$200, and any other fee
414 prescribed by law or rule. ~~The commission may set by rule an~~
415 additional fee for a retake of the examination; and

416 (d) Has filed a complete set of fingerprints, ~~taken by an~~
417 ~~authorized law enforcement officer,~~ for submission by the office
418 to the Department of Law Enforcement or the Federal Bureau of
419 Investigation for processing. Fingerprint cards submitted to the
420 office shall be taken by an authorized law enforcement officer
421 if such fingerprint card is submitted to the office in paper
422 form. The commission may prescribe by rule additional fees for
423 processing the fingerprints. The commission may prescribe by
424 rule procedures for submitting fingerprints and fees by
425 electronic means to the office or to a third party approved by
426 the office. In order to implement the submission and processing
427 of fingerprints as specified by rule pursuant to this section,
428 the office may, without complying with the requirements of
429 chapter 287, contract with any other state agency that provides
430 fingerprinting services, either directly or through a third-
431 party vendor under contract to such state agency.

432 ~~(7) If an initial mortgage broker license has been issued~~
433 ~~but the check upon which the license is based is returned due to~~

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434 ~~insufficient funds, the license shall be deemed canceled. A~~
 435 ~~license deemed canceled pursuant to this subsection shall be~~
 436 ~~reinstated if the office receives a certified check for the~~
 437 ~~appropriate amount within 30 days after the date the check was~~
 438 ~~returned due to insufficient funds.~~

439 Section 8. Subsection (2) of section 494.0034, Florida
 440 Statutes, is amended to read:

441 494.0034 Renewal of mortgage broker's license.--

442 (2) The commission shall adopt rules establishing a
 443 procedure for the biennial renewal of mortgage broker's
 444 licenses. The commission may prescribe the form of the renewal
 445 ~~application~~ and may require an update of information since the
 446 licensee's last renewal.

447 Section 9. Subsection (2) of section 494.0036, Florida
 448 Statutes, is amended to read:

449 494.0036 Mortgage brokerage business branch offices.--

450 (2) The office shall issue a mortgage brokerage business
 451 branch office license to a mortgage brokerage business license
 452 applicant, after the office determines the license applicant has
 453 submitted upon receipt of a completed application in a form as
 454 prescribed by commission rule and payment of an initial
 455 nonrefundable branch office license fee of \$225. Branch office
 456 licenses must be renewed in conjunction with the renewal of the
 457 mortgage brokerage business license. The branch office license
 458 shall be issued in the name of the mortgage brokerage business
 459 that maintains the branch office. An application shall be deemed
 460 received for purposes of s. 120.60 upon receipt of a completed
 461 application form as prescribed by the commission by rule, a

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462 nonrefundable application fee of \$225, and any other fee
 463 prescribed by law or rule.

464 Section 10. Paragraph (s) is added to subsection (2) of
 465 section 494.0041, Florida Statutes, to read:

466 494.0041 Administrative penalties and fines; license
 467 violations.--

468 (2) Each of the following acts constitutes a ground for
 469 which the disciplinary actions specified in subsection (1) may
 470 be taken:

471 (s) Payment to the office for a license or permit with a
 472 check or electronic transmission of funds that fails to clear
 473 the applicant's or licensee's financial institutions.

474 Section 11. Paragraphs (a) and (c) of subsection (1) and
 475 paragraph (a) of subsection (2) of section 494.006, Florida
 476 Statutes, are amended to read:

477 494.006 Exemptions.--

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

481 (a) A state or federal chartered bank, ~~bank holding~~
 482 ~~company,~~ trust company, savings and loan association, savings
 483 bank, or credit union, a bank holding company regulated under
 484 the laws of any state or the United States, or an insurance
 485 company if the insurance company is duly licensed in this state.

486 (c) A wholly owned bank holding company subsidiary formed
 487 and regulated under the laws of any state or the United States
 488 or a wholly owned savings and loan association holding company
 489 subsidiary that is approved or certified by the Department of
 490 Housing and Urban Development, the Veterans Administration, the

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491 Government National Mortgage Association, the Federal National
 492 Mortgage Association, or the Federal Home Loan Mortgage
 493 Corporation.

494 (2)(a) A natural person employed by a mortgage lender or
 495 correspondent mortgage lender licensed under ss. 494.001-
 496 494.0077 is exempt from the licensure requirements of ss.
 497 494.001-494.0077 when acting within the scope of employment with
 498 the licensee.

499 Section 12. Section 494.0061, Florida Statutes, is amended
 500 to read:

501 494.0061 Mortgage lender's license requirements.--

502 (1) Each person who acts as a mortgage lender must be
 503 licensed pursuant to this section.

504 (2)(1) The commission or office may require each applicant
 505 for a mortgage lender license to provide any information
 506 reasonably necessary to make a determination of the applicant's
 507 eligibility for licensure. The office shall issue an initial
 508 mortgage lender license to any person that submits:

509 (a) A completed application form.+

510 (b) A nonrefundable application fee of \$575.+

511 (c) Audited financial statements, which documents disclose
 512 that the applicant has a bona fide and verifiable net worth,
 513 pursuant to United States generally accepted accounting
 514 principles, of at least \$250,000, which must be continuously
 515 maintained as a condition of licensure.+

516 (d) A surety bond in the amount of \$10,000, payable to the
 517 state and conditioned upon compliance with ss. 494.001-494.0077,
 518 which inures to the office and which must be continuously
 519 maintained thereafter in full force.+

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520 (e) Documentation that the applicant is duly incorporated,
 521 registered, or otherwise formed as a general partnership,
 522 limited partnership, limited liability company, or other lawful
 523 entity under the laws of this state or another state of the
 524 United States. ~~;~~ ~~and~~

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

530
 531 An application shall be deemed received for purposes of s.
 532 120.60 upon receipt of a completed application form as
 533 prescribed by the commission by rule, a nonrefundable
 534 application fee of \$575, and any other fee prescribed by law or
 535 rule.

536 ~~(3)~~~~(2)~~ Notwithstanding the provisions of subsection
 537 ~~(2)~~~~(1)~~, it is a ground for denial of licensure if the applicant,
 538 any principal officer or director of the applicant, or any
 539 natural person owning a 10-percent or greater interest in the
 540 applicant, or any natural person who is the ultimate equitable
 541 owner of a 10-percent or greater interest in the applicant has
 542 committed any violation specified in s. 494.0072, or has pending
 543 against her or him any criminal prosecution or administrative
 544 enforcement action, in any jurisdiction, which involves fraud,
 545 dishonest dealing, or any act of moral turpitude.

546 ~~(4)~~~~(3)~~ Each initial application for a mortgage lender's
 547 license must be in a form prescribed by the commission. ~~The~~
 548 ~~commission or office may require each applicant to provide any~~

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549 ~~information reasonably necessary to make a determination of the~~
 550 ~~applicant's eligibility for licensure.~~ The commission or office
 551 may require that each officer, director, and ultimate equitable
 552 owner of a 10-percent or greater interest in the applicant
 553 submit a complete set of fingerprints. Fingerprint cards
 554 submitted to the office shall be taken by an authorized law
 555 enforcement officer if such fingerprint card is submitted to the
 556 office in paper form. The commission may prescribe by rule
 557 additional fees for processing the fingerprints. The commission
 558 may prescribe by rule procedures for submitting fingerprints and
 559 fees by electronic means to the office or to a third party
 560 approved by the office. In order to implement the submission and
 561 processing of fingerprints as specified by rule pursuant to this
 562 section, the office may, without complying with the requirements
 563 of chapter 287, contract with any other state agency that
 564 provides fingerprinting services, either directly or through a
 565 third-party vendor under contract to such state agency.

566 (5)(4) A person required to be licensed under ss. 494.006-
 567 494.0077, or an agent or employee thereof, is deemed to have
 568 consented to the venue of courts of competent jurisdiction in
 569 this state regarding any matter within the authority of ss.
 570 494.001-494.0077 regardless of where an act or violation was
 571 committed.

572 (6)(5) A license issued in accordance with ss. 494.006-
 573 494.0077 is not transferable or assignable.

574 (7)(6) A mortgage lender or branch office license may be
 575 canceled if it was issued through mistake or inadvertence of the
 576 office. A notice of cancellation must be issued by the office
 577 within 90 days after the issuance of the license. A notice of

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578 cancellation shall be effective upon receipt. The notice of
 579 cancellation shall provide the applicant with notification of
 580 the right to request a hearing within 21 days after the
 581 applicant's receipt of the notice of cancellation. A license
 582 shall be reinstated if the applicant can demonstrate that the
 583 requirements for obtaining the license pursuant to this chapter
 584 have been satisfied.

585 ~~(7) If an initial mortgage lender or branch office license~~
 586 ~~has been issued but the check upon which the license is based is~~
 587 ~~returned due to insufficient funds, the license shall be deemed~~
 588 ~~canceled. A license deemed canceled pursuant to this subsection~~
 589 ~~shall be reinstated if the office receives a certified check for~~
 590 ~~the appropriate amount within 30 days after the date the check~~
 591 ~~was returned due to insufficient funds.~~

592 (8) Each lender, regardless of the number of branches it
 593 operates, shall designate a principal representative who
 594 exercises control of the licensee's business and shall maintain
 595 a form prescribed by the commission designating the principal
 596 representative. If the form is not accurately maintained, the
 597 business is considered to be operated by each officer, director,
 598 or equitable owner of a 10-percent or greater interest in the
 599 business.

600 (9) ~~After October 1, 2001,~~ An applicant's principal
 601 representative must pass a written test prescribed by the
 602 commission and administered by the office or a third party
 603 approved by the office, which covers primary and subordinate
 604 mortgage financing transactions and the provisions of this
 605 chapter and rules adopted under this chapter. The commission may
 606 waive by rule the examination requirement for any individual who

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607 has passed a comparable test offered by a national group of state
 608 mortgage regulators or a federal governmental agency that covers
 609 primary and subordinate mortgage financing transactions. The
 610 commission may set by rule a fee for the examination.

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

616 Section 13. Section 494.0062, Florida Statutes, is amended
 617 to read:

618 494.0062 Correspondent mortgage lender's license
 619 requirements.--

620 (1) Each person who acts as a correspondent mortgage
 621 lender must be licensed pursuant to this section.

622 (2)(1) The office may require each applicant to provide
 623 any information reasonably necessary to make a determination of
 624 the applicant's eligibility for licensure. The office shall
 625 issue an initial correspondent mortgage lender license to any
 626 person who submits:

627 (a) A completed application form;

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

629 (c) Audited financial statements, which document that the
 630 application has a bona fide and verifiable net worth, pursuant
 631 to United States generally accepted accounting principles, of
 632 \$25,000 or more, which must be continuously maintained as a
 633 condition of licensure;

634 (d) A surety bond in the amount of \$10,000, payable to the
 635 State of Florida and conditioned upon compliance with ss.

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636 494.001-494.0077, which inures to the office and which must be
 637 continuously maintained, thereafter, in full force;

638 (e) Documentation that the applicant is duly incorporated,
 639 registered, or otherwise formed as a general partnership,
 640 limited partnership, limited liability company, or other lawful
 641 entity under the laws of this state or another state of the
 642 United States; and

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

648
 649 An application shall be deemed received for purposes of s.
 650 120.60 upon receipt of a completed application form as
 651 prescribed by the commission by rule, a nonrefundable
 652 application fee of \$500, and any other fee prescribed by law or
 653 rule.

654 ~~(3)(2)~~ Notwithstanding the provisions of subsection
 655 ~~(2)(1)~~, it is a ground for denial of licensure if the applicant,
 656 any principal officer or director of the applicant, or any
 657 natural person who is the ultimate equitable owner of a 10-
 658 percent or greater interest in the applicant has committed any
 659 violation specified in s. 494.0072, or has pending against her
 660 or him any criminal prosecution or administrative enforcement
 661 action, in any jurisdiction, which involves fraud, dishonest
 662 dealing, or any act of moral turpitude.

663 ~~(4)(3)~~ Each initial application for a correspondent
 664 mortgage lender's license must be in a form prescribed by the

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665 ~~commission. The commission or office may require each applicant~~
666 ~~to provide any information reasonably necessary to make a~~
667 ~~determination of the applicant's eligibility for licensure. The~~
668 commission or office may require by rule that each officer,
669 director, and ultimate equitable owner of a 10-percent or
670 greater interest submit a complete set of fingerprints.
671 Fingerprint cards submitted to the office shall be taken by an
672 authorized law enforcement officer if such fingerprint card is
673 submitted to the office in paper form. The commission may
674 prescribe by rule additional fees for processing the
675 fingerprints. The commission may prescribe by rule procedures
676 for submitting fingerprints and fees by electronic means to the
677 office or to a third party approved by the office. In order to
678 implement the submission and processing of fingerprints as
679 specified by rule pursuant to this section, the office may,
680 without complying with the requirements of chapter 287, contract
681 with any other state agency that provides fingerprinting
682 services, either directly or through a third-party vendor under
683 contract to such state agency.

684 (5)(4) Each license is valid for the remainder of the
685 biennium in which the license is issued.

686 (6)(5) A person licensed as a correspondent mortgage
687 lender may make mortgage loans, but may not service a mortgage
688 loan for more than 4 months after the date the mortgage loan was
689 made or acquired by the correspondent mortgage lender.

690 (7)(6) A licensee under ss. 494.006-494.0077, or an agent
691 or employee thereof, is deemed to have consented to the venue of
692 courts of competent jurisdiction in this state regarding any

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693 matter within the authority of ss. 494.001-494.0077 regardless
 694 of where an act or violation was committed.

695 (8)~~(7)~~ A correspondent mortgage lender is subject to the
 696 same requirements and restrictions as a licensed mortgage lender
 697 unless otherwise provided in this section.

698 (9)~~(8)~~ A license issued under this section is not
 699 transferable or assignable.

700 (10)~~(9)~~ A correspondent mortgage lender or branch office
 701 license may be canceled if it was issued through mistake or
 702 inadvertence of the office. A notice of cancellation must be
 703 issued by the office within 90 days after the issuance of the
 704 license. A notice of cancellation shall be effective upon
 705 receipt. The notice of cancellation shall provide the applicant
 706 with notification of the right to request a hearing within 21
 707 days after the applicant's receipt of the notice of
 708 cancellation. A license shall be reinstated if the applicant can
 709 demonstrate that the requirements for obtaining the license
 710 pursuant to this chapter have been satisfied.

711 ~~(10) If an initial correspondent mortgage lender or branch~~
 712 ~~office license has been issued but the check upon which the~~
 713 ~~license is based is returned due to insufficient funds, the~~
 714 ~~license shall be deemed canceled. A license deemed canceled~~
 715 ~~pursuant to this subsection shall be reinstated if the office~~
 716 ~~receives a certified check for the appropriate amount within 30~~
 717 ~~days after the date the check was returned due to insufficient~~
 718 ~~funds.~~

719 (11) Each correspondent lender shall designate a principal
 720 representative who exercises control over the business and shall
 721 maintain a form prescribed by the commission designating the

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722 principal representative. If the form is not accurately
 723 maintained, the business is considered to be operated by each
 724 officer, director, or equitable owner of a 10-percent or greater
 725 interest in the business.

726 (12) ~~After October 1, 2001,~~ An applicant's principal
 727 representative must pass a written test prescribed by the
 728 commission and administered by the office or a third party
 729 approved by the office, which covers primary and subordinate
 730 mortgage financing transactions and the provisions of this
 731 chapter and rules adopted under this chapter. The commission may
 732 wave by rule the examination requirement for any individual who
 733 has passed a comparable test offered by a national group of state
 734 mortgage regulators or a federal governmental agency that covers
 735 primary and subordinate mortgage financing transactions. The
 736 commission may set by rule a fee for taking the examination.

737 (13) A correspondent lender shall notify the office of the
 738 name and address of any new principal representative and shall
 739 document that such person has completed the educational and
 740 testing requirements of this section within 90 days after ~~upon~~
 741 the lender's designation of a new principal representative.

742 Section 14. Paragraph (b) of subsection (1) of section
 743 494.0064, Florida Statutes, is amended to read:

744 494.0064 Renewal of mortgage lender's license; branch
 745 office license renewal.--

746 (1)

747 (b) A licensee shall also submit, as part of the renewal
 748 form, certification that during the preceding 2 years the
 749 licensee's principal representative and, loan originators, ~~and~~

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750 ~~associates~~ have completed the professional continuing education
 751 requirements of s. 494.00295.

752 Section 15. Section 494.0065, Florida Statutes, is amended
 753 to read:

754 494.0065 Saving clause.--

755 (1)(a) Any person in good standing who holds an active
 756 registration pursuant to former s. 494.039 or license pursuant
 757 to former s. 521.205, or any person who acted solely as a
 758 mortgage servicer on September 30, 1991, is eligible to apply to
 759 the office for a mortgage lender's license and is eligible for
 760 licensure if the applicant:

761 1. For at least 12 months during the period of October 1,
 762 1989, through September 30, 1991, has engaged in the business of
 763 either acting as a seller or assignor of mortgage loans or as a
 764 servicer of mortgage loans, or both;

765 2. Has documented a minimum net worth of \$25,000 in
 766 audited financial statements; and

767 3. Has applied for licensure pursuant to this section by
 768 January 1, 1992, and paid an application fee of \$100.

769 (b) A licensee pursuant to paragraph (a) may operate a
 770 wholly owned subsidiary or affiliate for the purpose of
 771 servicing accounts if the subsidiary or affiliate is operational
 772 as of September 30, 1991. Such subsidiary or affiliate is not
 773 required to obtain a separate license, but is subject to all the
 774 requirements of a licensee under ss. 494.006-494.0077.

775 (2) A licensee issued a license pursuant to subsection (1)
 776 may renew its mortgage lending license if it documents a minimum
 777 net worth of \$25,000, according to United States generally
 778 accepted accounting principles, which must be continuously

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779 maintained as a condition to licensure. The office shall require
 780 an audited financial statement which documents such net worth.

781 (3) The commission may prescribe by rule forms and
 782 procedures for application for licensure, and amendment and
 783 withdrawal of application for licensure, or transfer, including
 784 any existing branch offices, in accordance with subsections (4)
 785 and (5), and for renewal of licensure of licensees under this
 786 section. An application shall be deemed received for purposes of
 787 s. 120.60 upon receipt of a completed application form as
 788 prescribed by the commission by rule, a nonrefundable
 789 application fee of \$575, and any other fee prescribed by law or
 790 rule.

791 (4)(a) Notwithstanding ss. 494.0061~~(6)~~~~(5)~~ and 494.0067(3),
 792 the ultimate equitable owner, as of the effective date of this
 793 act, of a mortgage lender licensed under this section may
 794 transfer, one time, at least 50 percent of the ownership,
 795 control, or power to vote any class of equity securities of such
 796 mortgage lender, except as provided in paragraph (b). For
 797 purposes of this subsection, satisfaction of the amount of the
 798 ownership transferred may be met in multiple transactions or in
 799 a single transaction.

800 (b) A person who is an ultimate equitable owner on the
 801 effective date of this act may transfer, at any time, at least
 802 50 percent of the ownership, control, or power to vote any class
 803 of equity securities of such person to the person's spouse or
 804 child, and any such transferee may transfer, at any time, such
 805 ownership, control, or power to vote to a spouse or child of
 806 such transferee, in perpetuity.

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807 (c) For any transfer application filed after October 1,
 808 2004:

809 1. Proof shall be required that the applicant's principal
 810 representative has completed 24 hours of instruction in primary
 811 and subordinate financing transactions and in the provisions of
 812 this chapter and rules adopted under this chapter.

813 2. An applicant's principal representative must pass a
 814 written test, prescribed by the commission or office by rule, and
 815 administered by the office or a third party approved by the
 816 office, which covers primary and subordinate mortgage financing
 817 transactions and the provisions of this chapter and rules adopted
 818 under this chapter. The commission may waive by rule the
 819 examination requirement for any individual who has passed a
 820 comparable test offered by a national group of state mortgage
 821 regulators or a federal governmental agency that covers primary
 822 and subordinate mortgage financing transactions. The commission
 823 may prescribe by rule a fee for the examination.

824 (5) The commission or office may require each applicant
 825 for any transfer to provide any information reasonably necessary
 826 to make a determination of the applicant's eligibility for
 827 licensure. The office shall issue the transfer of licensure to
 828 any person who submits the following documentation at least 90
 829 days prior to the anticipated transfer:

830 (a) A completed application form.

831 (b) A nonrefundable fee set by rule of the commission in
 832 the amount of \$575 ~~\$500~~.

833 (c) Audited financial statements that substantiate that
 834 the applicant has a bona fide and verifiable net worth,
 835 according to United States generally accepted accounting

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836 principles, of at least \$25,000, which must be continuously
837 maintained as a condition of licensure.

838 (d) Documentation that the applicant is incorporated,
839 registered, or otherwise formed as a general partnership,
840 limited partnership, limited liability company, or other lawful
841 entity under the laws of this state or another state of the
842 United States.

843
844 An application shall be deemed received for purposes of s.
845 120.60 upon receipt of a completed application form as
846 prescribed by the commission by rule, a nonrefundable
847 application fee of \$575, and any other fee prescribed by law or
848 rule. The commission or office may require by rule that each
849 officer, director, and ultimate equitable owner of a 10-percent
850 or greater interest in the applicant submit a complete set of
851 fingerprints. Fingerprint cards submitted to the office shall be
852 taken by an authorized law enforcement officer if such
853 fingerprint card is submitted to the office in paper form. The
854 commission may prescribe by rule additional fees for processing
855 the fingerprints. The commission may prescribe by rule
856 procedures for submitting fingerprints and fees by electronic
857 means to the office or to a third party approved by the office.
858 In order to implement the submission and processing of
859 fingerprints as specified by rule pursuant to this section, the
860 office may, without complying with the requirements of chapter
861 287, contract with any other state agency that provides
862 fingerprinting services, either directly or through a third-
863 party vendor under contract to such state agency.

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864 (6) Notwithstanding subsection (5), a transfer under
865 subsection (4) may be denied if the applicant, any principal
866 officer or director of the applicant, or any natural person
867 owning a 10-percent or greater interest in the applicant has
868 committed any violation specified in s. 494.0072, or has entered
869 a plea of nolo contendere, regardless of adjudication, or has an
870 action pending against the applicant in any criminal prosecution
871 or administrative enforcement action, in any jurisdiction, which
872 involves fraud, dishonest dealing, or any act of moral
873 turpitude.

874 (7) A license issued in accordance with this section is
875 not transferable or assignable except as provided in subsection
876 (4).

877 (8) Each person applying for a transfer of any branch
878 office pursuant to subsection (4) must comply with the
879 requirements of s. 494.0066.

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

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

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892 Section 16. Subsection (2) of section 494.0066, Florida
 893 Statutes, is amended to read:

894 494.0066 Branch offices.--

895 (2) The office shall issue a branch office license to a
 896 licensee licensed under s. 494.0065(1) or a transfer licensee
 897 after the office determines the licensee has submitted ~~upon~~
 898 ~~receipt~~ of a completed application form as prescribed by rule by
 899 the commission and an initial nonrefundable branch office
 900 license fee of \$325. The branch office application must include
 901 the name and license number of the licensee under ss. 494.006-
 902 494.0077, the name of the licensee's employee in charge of the
 903 branch office, and the address of the branch office. The branch
 904 office license shall be issued in the name of the licensee under
 905 ss. 494.006-494.0077 and must be renewed in conjunction with the
 906 license renewal.

907 Section 17. Paragraph (a) of subsection (10) of section
 908 494.0067, Florida Statutes, is amended to read:

909 494.0067 Requirements of licensees under ss. 494.006-
 910 494.0077.--

911 (10)(a) Each licensee shall require the principal
 912 representative and all loan originators or associates who
 913 perform services for the licensee to complete 14 hours of
 914 professional continuing education during each biennial license
 915 period. The education shall cover primary and subordinate
 916 mortgage financing transactions and the provisions of this
 917 chapter and the rules adopted under this chapter.

918 Section 18. Paragraph (s) is added to subsection (2) of
 919 section 494.0072, Florida Statutes, to read:

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920 494.0072 Administrative penalties and fines; license
 921 violations.--

922 (2) Each of the following acts constitutes a ground for
 923 which the disciplinary actions specified in subsection (1) may
 924 be taken:

925 (s) Payment to the office for a license or permit with a
 926 check or electronic transmission of funds that fails to clear
 927 the applicant's or licensee's financial institution.

928 Section 19. Subsection (2) of section 494.00721, Florida
 929 Statutes, is amended to read:

930 494.00721 Net worth.--

931 (2) If a mortgage lender or correspondent mortgage lender
 932 fails to satisfy the net worth requirements, the mortgage lender
 933 or correspondent mortgage lender shall immediately cease taking
 934 any new mortgage loan applications. Thereafter, the mortgage
 935 lender or correspondent mortgage lender shall have up to 60 days
 936 within which to satisfy the net worth requirements. If the
 937 licensee makes the office aware, prior to an examination, that
 938 the licensee no longer meets the net worth requirements, the
 939 mortgage lender or correspondent mortgage lender shall have 120
 940 days within which to satisfy the net worth requirements. A
 941 mortgage lender or correspondent mortgage lender shall not
 942 resume acting as a mortgage lender or correspondent mortgage
 943 lender without written authorization from the office, which
 944 authorization shall be granted if the mortgage lender or
 945 correspondent mortgage lender provides the office with
 946 documentation which satisfies the requirements of s.
 947 494.0061~~(2)~~~~(1)~~(c), s. 494.0062~~(2)~~~~(1)~~(c), or s. 494.0065(2),
 948 whichever is applicable.

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949 Section 20. Section 516.03, Florida Statutes, is amended
 950 to read:

951 516.03 Application for license; fees; etc.--

952 (1) APPLICATION.--Application for a license to make loans
 953 under this chapter shall be in the form prescribed by rule of
 954 the commission, and shall contain the name, residence and
 955 business addresses of the applicant and, if the applicant is a
 956 copartnership or association, of every member thereof and, if a
 957 corporation, of each officer and director thereof, also the
 958 county and municipality with the street and number or
 959 approximate location where the business is to be conducted, and
 960 such further relevant information as the commission or office
 961 may require. At the time of making such application the
 962 applicant shall pay to the office a biennial license fee of
 963 \$625. Applications, except for applications to renew or
 964 reactivate a license, must also be accompanied by an
 965 investigation fee of \$200. An application shall be deemed
 966 received for purposes of s. 120.60 upon receipt of a completed
 967 application form as prescribed by the commission by rule, a
 968 nonrefundable application fee of \$625, and any other fee
 969 prescribed by law or rule. The commission may adopt rules to
 970 require ~~allow~~ electronic submission of any form, document, or
 971 fee required by this act, provided such rules reasonably
 972 accommodate technological or financial hardship. The commission
 973 may prescribe by rule requirements and procedures for obtaining
 974 a technological or financial hardship exemption.

975 (2) FEES.--Fees herein provided for shall be collected by
 976 the office and shall be turned into the State Treasury to the
 977 credit of the regulatory trust fund under the office. The office

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978 shall have full power to employ such examiners or clerks to
 979 assist the office as may from time to time be deemed necessary
 980 and fix their compensation. The commission may adopt rules to
 981 require ~~allow~~ electronic submission of any fee required by this
 982 section, provided such rules reasonably accommodate
 983 technological or financial hardship. The commission may
 984 prescribe by rule requirements and procedures for obtaining a
 985 technological or financial hardship exemption.

986 Section 21. Paragraph (o) is added to subsection (1) of
 987 section 516.07, Florida Statutes, to read:

988 516.07 Grounds for denial of license or for disciplinary
 989 action.--

990 (1) The following acts are violations of this chapter and
 991 constitute grounds for denial of an application for a license to
 992 make consumer finance loans and grounds for any of the
 993 disciplinary actions specified in subsection (2):

994 (o) Payment to the office for a license or permit with a
 995 check or electronic transmission of funds that fails to clear
 996 the applicant's or licensee's financial institution.

997 Section 22. Subsection (3) is added to section 516.12,
 998 Florida Statutes, to read:

999 516.12 Records to be kept by licensee.--

1000 (3) The commission may prescribe by rule the minimum
 1001 information to be shown in the books, accounts, records, and
 1002 documents of licensees for purposes of enabling the office to
 1003 determine the licensee's compliance with ss. 516.001-516.36. In
 1004 addition, the commission may prescribe by rule the requirements
 1005 for destruction of books, accounts, records, and documents
 1006 retained by the licensee after completion of the time period

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1007 specified in subsection (1). Notwithstanding the 2-year retention
 1008 period specified in subsection (1), if the office identifies a
 1009 statute of limitations in another civil or criminal state or
 1010 federal law or rule that is reasonably related by subject matter
 1011 to the administration of this chapter, the commission may
 1012 identify that statute of limitations by rule and may prohibit the
 1013 destruction of records required to be maintained by this chapter
 1014 for a period of time established by rule that is reasonably
 1015 related to such statute of limitations. The commission shall
 1016 prescribe by rule those documents or records that are to be
 1017 preserved that are related to the identified statute of
 1018 limitations.

1019 Section 23. Subsection (9) of section 517.051, Florida
 1020 Statutes, is amended to read:

1021 517.051 Exempt securities.--The exemptions provided herein
 1022 from the registration requirements of s. 517.07 are self-
 1023 executing and do not require any filing with the office prior to
 1024 claiming such exemption. Any person who claims entitlement to
 1025 any of these exemptions bears the burden of proving such
 1026 entitlement in any proceeding brought under this chapter. The
 1027 registration provisions of s. 517.07 do not apply to any of the
 1028 following securities:

1029 (9) A security issued by a corporation organized and
 1030 operated exclusively for religious, educational, benevolent,
 1031 fraternal, charitable, or reformatory purposes and not for
 1032 pecuniary profit, no part of the net earnings of which
 1033 corporation inures to the benefit of any private stockholder or
 1034 individual, or any security of a fund that is excluded from the
 1035 definition of an investment company under s. 3(c)(10)(B) of the

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1036 Investment Company Act of 1940; provided that no person shall
 1037 directly or indirectly offer or sell securities under this
 1038 subsection except by an offering circular containing full and
 1039 fair disclosure, as prescribed by the rules of the commission,
 1040 of all material information, including, but not limited to, a
 1041 description of the securities offered and terms of the offering,
 1042 a description of the nature of the issuer's business, a
 1043 statement of the purpose of the offering and the intended
 1044 application by the issuer of the proceeds thereof, and financial
 1045 statements of the issuer prepared in conformance with United
 1046 States generally accepted accounting principles. Section 6(c) of
 1047 the Philanthropy Protection Act of 1995, Pub. L. No. 104-62,
 1048 shall not preempt any provision of this chapter.

1049 Section 24. Subsection (18) of section 517.061, Florida
 1050 Statutes, is amended to read:

1051 517.061 Exempt transactions.--The exemption for each
 1052 transaction listed below is self-executing and does not require
 1053 any filing with the office prior to claiming such exemption. Any
 1054 person who claims entitlement to any of the exemptions bears the
 1055 burden of proving such entitlement in any proceeding brought
 1056 under this chapter. The registration provisions of s. 517.07 do
 1057 not apply to any of the following transactions; however, such
 1058 transactions are subject to the provisions of ss. 517.301,
 1059 517.311, and 517.312:

1060 (18) The offer or sale of any security effected by or
 1061 through a person in compliance with ~~registered pursuant to~~ s.
 1062 517.12(17).

1063 Section 25. Paragraph (g) of subsection (3) of section
 1064 517.081, Florida Statutes, is amended to read:

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1065 517.081 Registration procedure.--

1066 (3) The office may require the applicant to submit to the
 1067 office the following information concerning the issuer and such
 1068 other relevant information as the office may in its judgment
 1069 deem necessary to enable it to ascertain whether such securities
 1070 shall be registered pursuant to the provisions of this section:

1071 (g)1. A specimen copy of the security and a copy of any
 1072 circular, prospectus, advertisement, or other description of
 1073 such securities.

1074 2. The commission shall adopt a form for a simplified
 1075 offering circular to be used solely by corporations to register,
 1076 under this section, securities of the corporation that are sold
 1077 in offerings in which the aggregate offering price in any
 1078 consecutive 12-month period does not exceed the amount provided
 1079 in s. 3(b) of the Securities Act of 1933. The following issuers
 1080 shall not be eligible to submit a simplified offering circular
 1081 adopted pursuant to this subparagraph:

1082 a. An issuer seeking to register securities for resale by
 1083 persons other than the issuer.

1084 b. An issuer who is subject to any of the
 1085 disqualifications described in 17 C.F.R. s. 230.262, adopted
 1086 pursuant to the Securities Act of 1933, or who has been or is
 1087 engaged or is about to engage in an activity that would be
 1088 grounds for denial, revocation, or suspension under s. 517.111.
 1089 For purposes of this subparagraph, an issuer includes an
 1090 issuer's director, officer, shareholder who owns at least 10
 1091 percent of the shares of the issuer, promoter, or selling agent
 1092 of the securities to be offered or any officer, director, or
 1093 partner of such selling agent.

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1094 c. An issuer who is a development-stage company that
 1095 either has no specific business plan or purpose or has indicated
 1096 that its business plan is to merge with an unidentified company
 1097 or companies.

1098 d. An issuer of offerings in which the specific business
 1099 or properties cannot be described.

1100 e. Any issuer the office determines is ineligible if the
 1101 form would not provide full and fair disclosure of material
 1102 information for the type of offering to be registered by the
 1103 issuer.

1104 f. Any corporation which has failed to provide the office
 1105 the reports required for a previous offering registered pursuant
 1106 to this subparagraph.

1107
 1108 As a condition precedent to qualifying for use of the simplified
 1109 offering circular, a corporation shall agree to provide the
 1110 office with an annual financial report containing a balance
 1111 sheet as of the end of the issuer's fiscal year and a statement
 1112 of income for such year, prepared in accordance with United
 1113 States generally accepted accounting principles and accompanied
 1114 by an independent accountant's report. If the issuer has more
 1115 than 100 security holders at the end of a fiscal year, the
 1116 financial statements must be audited. Annual financial reports
 1117 must be filed with the office within 90 days after the close of
 1118 the issuer's fiscal year for each of the first 5 years following
 1119 the effective date of the registration.

1120 Section 26. Subsections (7), (10), (11), (15), and (17) of
 1121 section 517.12, Florida Statutes, are amended to read:

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1122 517.12 Registration of dealers, associated persons,
 1123 investment advisers, and branch offices.--
 1124 (7) The application shall also contain such information as
 1125 the commission or office may require about the applicant; any
 1126 partner, officer, or director of the applicant or any person
 1127 having a similar status or performing similar functions; any
 1128 person directly or indirectly controlling the applicant; or any
 1129 employee of a dealer or of an investment adviser rendering
 1130 investment advisory services. Each applicant shall file a
 1131 complete set of fingerprints. Fingerprint cards submitted to the
 1132 office shall be taken by an authorized law enforcement officer
 1133 if such fingerprint card is submitted in paper form. The
 1134 commission may prescribe by rule additional fees for processing
 1135 fingerprints and for procedures for submitting fingerprints and
 1136 fees by electronic means to the office or a third party approved
 1137 by the office. In order to implement the submission and
 1138 processing of fingerprints as specified by rule pursuant to this
 1139 section, the office may, without complying with the requirements
 1140 of chapter 287, contract with another state agency providing
 1141 fingerprint services, either directly or through a third-party
 1142 vendor under contract with such state agency. Such fingerprints
 1143 shall be submitted to the Department of Law Enforcement or the
 1144 Federal Bureau of Investigation for state and federal
 1145 processing. The commission may waive, by rule, the requirement
 1146 that applicants must file a set of fingerprints or the
 1147 requirement that such fingerprints must be processed by the
 1148 Department of Law Enforcement or the Federal Bureau of
 1149 Investigation. The commission or office may require information
 1150 about any such applicant or person concerning such matters as:

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1151 (a) His or her full name, and any other names by which he
 1152 or she may have been known, and his or her age, photograph,
 1153 qualifications, and educational and business history.

1154 (b) Any injunction or administrative order by a state or
 1155 federal agency, national securities exchange, or national
 1156 securities association involving a security or any aspect of the
 1157 securities business and any injunction or administrative order
 1158 by a state or federal agency regulating banking, insurance,
 1159 finance, or small loan companies, real estate, mortgage brokers,
 1160 or other related or similar industries, which injunctions or
 1161 administrative orders relate to such person.

1162 (c) His or her conviction of, or plea of nolo contendere
 1163 to, a criminal offense or his or her commission of any acts
 1164 which would be grounds for refusal of an application under s.
 1165 517.161.

1166 (d) The names and addresses of other persons of whom the
 1167 office may inquire as to his or her character, reputation, and
 1168 financial responsibility.

1169 (10) An applicant for registration shall pay an assessment
 1170 fee of \$200, in the case of a dealer or investment adviser, or
 1171 \$40, in the case of an associated person. The assessment fee of
 1172 an associated person shall be reduced to \$30, but only after the
 1173 office determines, by final order, that sufficient funds have
 1174 been allocated to the Securities Guaranty Fund pursuant to s.
 1175 517.1203 to satisfy all valid claims filed in accordance with s.
 1176 517.1203(2) and after all amounts payable under any service
 1177 contract entered into by the office pursuant to s. 517.1204, and
 1178 all notes, bonds, certificates of indebtedness, other
 1179 obligations, or evidences of indebtedness secured by such notes,

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1180 bonds, certificates of indebtedness, or other obligations, have
 1181 been paid or provision has been made for the payment of such
 1182 amounts, notes, bonds, certificates of indebtedness, other
 1183 obligations, or evidences of indebtedness. An associated person
 1184 ~~may not having current fingerprint cards filed with the National~~
 1185 ~~Association of Securities Dealers or a national securities~~
 1186 ~~exchange registered with the Securities and Exchange Commission~~
 1187 shall be assessed an additional fee to cover the cost for said
 1188 fingerprint cards to be processed by the office. Such fee shall
 1189 be determined by rule of the commission. Each dealer and each
 1190 investment adviser shall pay an assessment fee of \$100 for each
 1191 office in this state, except its designated principal office.
 1192 Such fees become the revenue of the state, except for those
 1193 assessments provided for under s. 517.131(1) until such time as
 1194 the Securities Guaranty Fund satisfies the statutory limits, and
 1195 are not returnable in the event that registration is withdrawn
 1196 or not granted.

1197 (11) If the office finds that the applicant is of good
 1198 repute and character and has complied with the provisions of
 1199 this chapter and the rules made pursuant hereto, it shall
 1200 register the applicant. The registration of each dealer,
 1201 investment adviser, and associated person will expire on
 1202 December 31 of the year in which the registration became
 1203 effective unless the registrant has renewed such registration on
 1204 or before that date. ~~and~~ The registration of each branch office
 1205 will expire on March 31~~,~~ of the year in which it became
 1206 effective unless the registrant has renewed its registration on
 1207 or before that date, however, if the National Association of
 1208 Securities Dealers develops the capacity to process branch

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1209 office registrations through its Central Registration
 1210 Depository, the commission may establish by rule the beginning
 1211 year in which branch renewals shall be processed through the
 1212 Central Registration Depository and procedures for renewing
 1213 branch registrations through the Central Registration
 1214 Depository. Registration may be renewed by furnishing such
 1215 information as the commission may require, together with payment
 1216 of the fee required in subsection (10) for dealers, investment
 1217 advisers, associated persons, or branch offices and the payment
 1218 of any amount lawfully due and owing to the office pursuant to
 1219 any order of the office or pursuant to any agreement with the
 1220 office. Any dealer, investment adviser, or associated person
 1221 registrant who has not renewed a registration by the time the
 1222 current registration expires may request reinstatement of such
 1223 registration by filing with the office, on or before January 31
 1224 of the year following the year of expiration, such information
 1225 as may be required by the commission, together with payment of
 1226 the fee required in subsection (10) for dealers, investment
 1227 advisers, or associated persons and a late fee equal to the
 1228 amount of such fee. Any reinstatement of registration granted by
 1229 the office during the month of January shall be deemed effective
 1230 retroactive to January 1 of that year.

1231 (15) In lieu of filing with the office the applications
 1232 specified in subsection (6), the fees required by subsection
 1233 (10), and the termination notices required by subsection (12),
 1234 the commission may by rule establish procedures for the deposit
 1235 of such fees and documents with the Central Registration
 1236 Depository or the Investment Advisor Registration Depository of
 1237 the National Association of Securities Dealers, Inc., as

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1238 developed under contract with the North American Securities
 1239 Administrators Association, Inc.; provided, however, that such
 1240 procedures shall provide the office with the information and
 1241 data as required by this section.

1242 (17)(a) Provided the dealer has made a notice filing A
 1243 ~~dealer that is located in Canada and has no office or other~~
 1244 ~~physical presence in this state may, provided the dealer is~~
 1245 ~~registered in accordance with this section, a dealer that is~~
 1246 located in Canada and has no office or other physical presence
 1247 in this state shall be exempt from the registration requirements
 1248 of s. 512.12 and may effect transactions in securities with or
 1249 for, or induce or attempt to induce the purchase or sale of any
 1250 security by:

1251 1. A person from Canada who is present ~~temporarily resides~~
 1252 in this state and with whom the Canadian dealer had a bona fide
 1253 dealer-client relationship before the person entered the United
 1254 States; or

1255 2. A person from Canada who is present in ~~a resident of~~
 1256 this state, and whose transactions are in a self-directed tax
 1257 advantage retirement plan in Canada of which the person is the
 1258 holder or contributor.

1259 (b) A notice filing under this section shall consist of
 1260 documents that the commission by rule requires to be filed,
 1261 together with a consent to service of process and a filing fee
 1262 of \$200. The commission may establish by rule procedures for the
 1263 deposit of fees and the filing of documents to be made by
 1264 electronic means, provided such procedures provide the office
 1265 with the information and data required by this section ~~An~~
 1266 ~~associated person who represents a Canadian dealer registered~~

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1267 ~~under this section may, provided the agent is registered in~~
1268 ~~accordance with this section, effect transactions in securities~~
1269 ~~in this state as permitted for a dealer, under subsection (a).~~

1270 (c) A Canadian dealer may make a notice filing register
1271 under this section provided that such dealer provides to the
1272 office:

1273 1. A notice filing ~~Files an application~~ in the form
1274 ~~required by the jurisdiction in which the~~ commission may by rule
1275 require dealer has a head office.

1276 2. ~~Files~~ A consent to service of process.

1277 3. Evidence that the Canadian dealer is registered as a
1278 dealer in good standing in the jurisdiction in from which its
1279 main office is located ~~it is effecting transactions into this~~
1280 ~~state~~ and files evidence of such registration with the office.

1281 4. Evidence that the Canadian dealer is a member of a
1282 self-regulatory organization or stock exchange in Canada.

1283 (d) The office may issue a permit to evidence the
1284 effectiveness of a notice filing for a Canadian dealer.

1285 (e) A notice filing shall be effective upon receipt. A
1286 notice filing shall expire on December 31 of the year in which
1287 the filing became effective unless the Canadian dealer has
1288 renewed the filing on or before that date. A Canadian dealer may
1289 renew annually a notice filing by furnishing to the office such
1290 information as the office may require, together with a renewal
1291 fee of \$200 and the payment of any amount due and owing the
1292 office pursuant to any agreement with the office. Any Canadian
1293 dealer who has not renewed a notice filing by the time a current
1294 notice filing expires may request reinstatement of such notice
1295 filing by filing with the office, on or before January 31 of the

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1296 year following the year the notice filing expires, such
 1297 information as the commission may require, by rule, together
 1298 with the payment of \$200 and a late fee equal to \$200. Any
 1299 reinstatement of a notice filing granted by the office during
 1300 the month of January shall be deemed effective retroactively to
 1301 January 1 of that year.

1302 (f)(d) An associated person who represents a Canadian
 1303 dealer who has made a notice filing ~~registered~~ under this
 1304 section is exempt from the registration requirements of s.
 1305 517.12 and may effect ~~in effecting~~ transactions in securities in
 1306 this state as permitted for a dealer under paragraph (a), ~~may~~
 1307 ~~register under this section~~ provided that such person is
 1308 registered in the jurisdiction from which such person is
 1309 effecting transactions into this state:

1310 1. ~~Files an application in the form required by the~~
 1311 ~~jurisdiction in which the dealer has its head office.~~

1312 2. ~~Is registered in good standing in the jurisdiction from~~
 1313 ~~which he or she is effecting transactions into this state and~~
 1314 ~~files evidence of such registration with the office.~~

1315 ~~(e) If the office finds that the applicant is of good~~
 1316 ~~repute and character and has complied with the provisions of~~
 1317 ~~this chapter, the office shall register the applicant.~~

1318 (g)(f) A Canadian dealer who has made a notice of filing
 1319 ~~registered~~ under this section shall:

1320 1. Maintain its provincial or territorial registration and
 1321 its membership in a self-regulatory organization or stock
 1322 exchange in good standing.

1323 2. Provide the office upon request with its books and
 1324 records relating to its business in this state as a dealer.

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1325 3. Provide the office notice of each civil, criminal, or
1326 administrative action initiated against the dealer.

1327 4. Disclose to its clients in this state that the dealer
1328 and its associated persons ~~agents~~ are not subject to the full
1329 regulatory requirements under this chapter.

1330 5. Correct any inaccurate information within 30 days, if
1331 the information contained in the notice of filing ~~application~~
1332 ~~form~~ becomes inaccurate for any reason ~~before or after the~~
1333 ~~dealer becomes registered.~~

1334 ~~(h)(g)~~ An associated person representing ~~of~~ a Canadian
1335 dealer who has made a notice of filing ~~registered~~ under this
1336 section shall:

1337 1. Maintain provincial or territorial registration in good
1338 standing.

1339 2. Provide the office upon request with notice of each
1340 civil, criminal, or administrative action initiated against such
1341 person.

1342 ~~3. Through the dealer, correct any inaccurate information~~
1343 ~~within 30 days, if the information contained in the application~~
1344 ~~form becomes inaccurate for any reason before or after the~~
1345 ~~associated person becomes registered.~~

1346 ~~(i)(h)~~ A notice filing may be terminated by filing notice
1347 of such termination with the office. Unless another date is
1348 specified by the Canadian dealer, such notice shall be effective
1349 upon its receipt by the office.

1350 (j) All fees collected under this section become the
1351 revenue of the state, except for those assessments provided for
1352 under s. 517.131(1), until such time as the Securities Guaranty
1353 Fund satisfies the statutory limits, and are not returnable in

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1354 ~~the event that a notice filing is withdrawn Renewal applications~~
 1355 ~~for Canadian dealers and associated persons under this section~~
 1356 ~~must be filed before December 31 each year. Every applicant for~~
 1357 ~~registration or renewal registration under this section shall~~
 1358 ~~pay the fee for dealers and associated persons under this~~
 1359 ~~chapter.~~

1360 Section 27. Paragraphs (b) and (e) of subsection (3) of
 1361 section 517.131, Florida Statutes, are amended, and subsection
 1362 (5) is added to said section, to read:

1363 517.131 Securities Guaranty Fund.--

1364 (3) Any person is eligible to seek recovery from the
 1365 Securities Guaranty Fund if:

1366 (b) Such person has made all reasonable searches and
 1367 inquiries to ascertain whether the judgment debtor possesses
 1368 real or personal property or other assets subject to being sold
 1369 or applied in satisfaction of the judgment, and by her or his
 1370 search the person has discovered no property or assets; or she
 1371 or he has discovered property and assets and has taken all
 1372 necessary action and proceedings for the application thereof to
 1373 the judgment, but the amount thereby realized was insufficient
 1374 to satisfy the judgment. To verify compliance with such
 1375 condition, the office may require such person to have a writ of
 1376 execution be issued upon such judgment, ~~and~~ may further require
 1377 a showing that no personal or real property of the judgment
 1378 debtor liable to be levied upon in complete satisfaction of the
 1379 judgment can be found, or may require an affidavit from the
 1380 claimant setting forth the reasonable searches and inquires
 1381 undertaken and the result.

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1382 (e) The office waives compliance with the requirements of
 1383 paragraph (a) or paragraph (b). The office may waive such
 1384 compliance if the dealer, investment adviser, or associated
 1385 person which is the subject of the claim filed with the office
 1386 is the subject of any proceeding in which a receiver has been
 1387 appointed by a court of competent jurisdiction. If the office
 1388 waives such compliance, the office may, upon petition by the
 1389 claimant, the debtor, or the court-appointed trustee, examiner,
 1390 or receiver, distribute funds from the Securities Guaranty Fund
 1391 up to the amount allowed under s. 517.141. Any waiver granted
 1392 pursuant to this section shall be considered a judgment for
 1393 purposes of complying with the requirements of this section and
 1394 of s. 517.141.

1395 (5) The commission may by rule specify the procedures for
 1396 complying with the requirements of subsections (2), (3), and
 1397 (4), including rules of the form of submission and guidelines
 1398 for the sufficiency and content of submissions of notices and
 1399 claims.

1400 Section 28. Subsections (2) and (5) of section 517.141,
 1401 Florida Statutes, are amended, and subsection (11) is added to
 1402 said section, to read:

1403 517.141 Payment from the fund.--

1404 (2) Regardless of the number of claims or claimants
 1405 involved, payments for claims shall be limited in the aggregate
 1406 to \$100,000 against any one dealer, investment adviser, or
 1407 associated person. If the total claims exceed the aggregate
 1408 limit of \$100,000, the office shall prorate the payment based
 1409 upon the ratio that the person's claim bears to the total claims
 1410 filed.

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1411 (5) If the final judgment which gave rise to the claim is
 1412 overturned in any appeal or in any collateral proceeding, the
 1413 claimant shall reimburse the fund all amounts paid to the
 1414 claimant on the claim. If the claimant satisfies the judgment
 1415 referred to in s. 517.131(3)(a), the claimant shall reimburse
 1416 the fund all amounts paid to the claimant on the claim. Such
 1417 reimbursement shall be paid to the office within 60 days after
 1418 the final resolution of the appellate or collateral proceedings,
 1419 with the 60-day period commencing on the date the final order or
 1420 decision is entered in such proceedings.

1421 (11) The commission may by rule specify the procedures for
 1422 complying with the requirements of this section, including rules
 1423 of the form of submission and guidelines for the sufficiency and
 1424 content of submissions of notices and claims.

1425 Section 29. Paragraph (n) is added to subsection (1) of
 1426 section 517.161, Florida Statutes, to read:

1427 517.161 Revocation, denial, or suspension of registration
 1428 of dealer, investment adviser, associated person, or branch
 1429 office.--

1430 (1) Registration under s. 517.12 may be denied or any
 1431 registration granted may be revoked, restricted, or suspended by
 1432 the office if the office determines that such applicant or
 1433 registrant:

1434 (n) Made payment to the office for a license or permit
 1435 with a check or electronic transmission of funds that fails to
 1436 clear the applicant's or registrant's financial institutions.

1437 Section 30. Subsection (2) of section 520.03, Florida
 1438 Statutes, is amended to read:

1439 520.03 Licenses.--

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1440 (2) An application for a license under this part must be
1441 submitted to the office in such form as the commission may
1442 prescribe by rule. If the office determines that an application
1443 should be granted, it shall issue the license for a period not
1444 to exceed 2 years. A nonrefundable application fee of \$175 shall
1445 accompany an initial application for the principal place of
1446 business and each application for a branch location of a retail
1447 installment seller who is required to be licensed under this
1448 chapter. An application shall be deemed received for purposes of
1449 s. 120.60 upon receipt of a completed application form as
1450 prescribed by the commission by rule, a nonrefundable
1451 application fee of \$175, and any other fee prescribed by law or
1452 rule.

1453 Section 31. Subsection (2) of section 520.32, Florida
1454 Statutes, is amended to read:

1455 520.32 Licenses.--

1456 (2) An application for a license under this part must be
1457 submitted to the office in such form as the commission may
1458 prescribe by rule. If the office determines that an application
1459 should be granted, it shall issue the license for a period not
1460 to exceed 2 years. A nonrefundable application fee of \$175 shall
1461 accompany an initial application for the principal place of
1462 business and each application for a branch location of a retail
1463 installment seller. An application shall be deemed received for
1464 purposes of s. 120.60 upon receipt of a completed application
1465 form as prescribed by the commission by rule, a nonrefundable
1466 application fee of \$175, and any other fee prescribed by law or
1467 rule.

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1468 Section 32. Subsection (2) of section 520.52, Florida
 1469 Statutes, is amended to read:

1470 520.52 Licensees.--

1471 (2) An application for a license under this part must be
 1472 submitted to the office in such form as the commission may
 1473 prescribe by rule. If the office determines that an application
 1474 should be granted, it shall issue the license for a period not
 1475 to exceed 2 years. A nonrefundable application fee of \$175 shall
 1476 accompany an initial application for the principal place of
 1477 business and each branch location of a sales finance company. An
 1478 application shall be deemed received for purposes of s. 120.60
 1479 upon receipt of a completed application form as prescribed by
 1480 the commission by rule, a nonrefundable application fee of \$175,
 1481 and any other fee prescribed by law or rule.

1482 Section 33. Subsection (2) of section 520.63, Florida
 1483 Statutes, is amended to read:

1484 520.63 Licensees.--

1485 (2) An application for a license under this part must be
 1486 submitted to the office in such form as the commission may
 1487 prescribe by rule. If the office determines that an application
 1488 should be granted, it shall issue the license for a period not
 1489 to exceed 2 years. A nonrefundable application fee of \$175 shall
 1490 accompany an initial application for the principal place of
 1491 business and each application for a branch location of a home
 1492 improvement finance seller. An application shall be deemed
 1493 received for purposes of s. 120.60 upon receipt of a completed
 1494 application form as prescribed by the commission by rule, a
 1495 nonrefundable application fee of \$175, and any other fee
 1496 prescribed by law or rule.

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1497 Section 34. Subsection (5) of section 520.994, Florida
 1498 Statutes, is amended to read:

1499 520.994 Powers of office.--

1500 (5) The office shall administer and enforce this chapter.
 1501 The commission has authority to adopt rules pursuant to ss.
 1502 120.536(1) and 120.54 to implement the provisions of this
 1503 chapter. The commission may adopt rules to require ~~allow~~
 1504 electronic submission of any form, document, or fee required by
 1505 this chapter, provided such rules reasonably accommodate
 1506 technological or financial hardship. The commission may
 1507 prescribe by rule requirements and procedures for obtaining a
 1508 technological or financial hardship exemption.

1509 Section 35. Paragraph (j) is added to subsection (1) of
 1510 section 520.995, Florida Statutes, to read:

1511 520.995 Grounds for disciplinary action.--

1512 (1) The following acts are violations of this chapter and
 1513 constitute grounds for the disciplinary actions specified in
 1514 subsection (2):

1515 (j) Payment to the office for a license or permit with a
 1516 check or electronic transmission of funds that fails to clear
 1517 the applicant's or licensee's financial institution.

1518 Section 36. Subsection (4) of section 520.997, Florida
 1519 Statutes, is amended to read:

1520 520.997 Books, accounts, and records.--

1521 (4) The commission may prescribe by rule the minimum
 1522 information to be shown in the books, accounts, documents, and
 1523 records of licensees so that such records will enable the office
 1524 to determine compliance with the provisions of this chapter. In
 1525 addition, the commission may prescribe by rule the requirements

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1526 for destruction of books, accounts, records, and documents
 1527 retained by the licensee after completion of the time period
 1528 specified in subsection (3). Notwithstanding the 2-year retention
 1529 period specified in subsection (3), if the office identifies a
 1530 statute of limitations in another civil or criminal state or
 1531 federal law or rule that is reasonably related by subject matter
 1532 to the administration of this chapter, the commission may
 1533 identify that statute of limitations by rule and may prohibit the
 1534 destruction of records required to be maintained by this chapter
 1535 for a period of time established by rule that is reasonably
 1536 related to such statute of limitations. The commission shall
 1537 prescribe by rule those documents or records that are to be
 1538 preserved that are related to the identified statute of
 1539 limitations.

1540 Section 37. Subsection (5) of section 537.009, Florida
 1541 Statutes, is amended to read:

1542 537.009 Recordkeeping; reporting; safekeeping of
 1543 property.--

1544 (5) The commission may prescribe by rule the books,
 1545 accounts, documents, and records, and the minimum information to
 1546 be shown in the books, accounts, documents, and records, of
 1547 licensees so that such records will enable the office to
 1548 determine compliance with the provisions of this act. In
 1549 addition, the commission may prescribe by rule the requirements
 1550 for destruction of books, accounts, records, and documents
 1551 retained by the licensee after completion of the time period
 1552 specified in subsection (3). Notwithstanding the 2-year retention
 1553 period specified in subsection (3), if the office identifies a
 1554 statute of limitations in another civil or criminal state or

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1555 federal law or rule that is reasonably related by subject matter
 1556 to the administration of this chapter, the commission may
 1557 identify that statute of limitations by rule and may prohibit the
 1558 destruction of records required to be maintained by this chapter
 1559 for a period of time established by rule that is reasonably
 1560 related to such statute of limitations. The commission shall
 1561 prescribe by rule those documents or records that are to be
 1562 preserved that are related to the identified statute of
 1563 limitations.

1564 Section 38. Subsection (3) is added to section 560.105,
 1565 Florida Statutes, to read:

1566 560.105 Supervisory powers; rulemaking.--

1567 (3) The commission may adopt rules which require electronic
 1568 submission of any forms, documents, or fees required by this act,
 1569 provided such rules reasonably accommodate technological or
 1570 financial hardship. The commission may prescribe by rule
 1571 requirements and procedures for obtaining a technological or
 1572 financial hardship exemption.

1573 Section 39. Paragraph (y) is added to subsection (1) of
 1574 section 560.114, Florida Statutes, to read:

1575 560.114 Disciplinary actions.--

1576 (1) The following actions by a money transmitter or money
 1577 transmitter-affiliated party are violations of the code and
 1578 constitute grounds for the issuance of a cease and desist order,
 1579 the issuance of a removal order, the denial of a registration
 1580 application or the suspension or revocation of any registration
 1581 previously issued pursuant to the code, or the taking of any
 1582 other action within the authority of the office pursuant to the
 1583 code:

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1584 (y) Payment to the office for a license or permit with a
 1585 check or electronic transmission of funds that fails to clear
 1586 the applicant's or licensee's financial institution.

1587 Section 40. Paragraph (b) of subsection (2) of section
 1588 560.118, Florida Statutes, is amended to read:

1589 560.118 Examinations, reports, and internal audits;
 1590 penalty.--

1591 (2)

1592 (b) The commission may, by rule, require each money
 1593 transmitter or authorized vendor to submit quarterly reports to
 1594 the office. The commission may adopt rules which require
 1595 electronic submission of any forms, documents, or fees required
 1596 by this act, provided such rules reasonably accommodate
 1597 technological or financial hardship. The commission may prescribe
 1598 by rule requirements and procedures for obtaining a technological
 1599 or financial hardship exemption. The commission may require that
 1600 each report contain a declaration by an officer, or any other
 1601 responsible person authorized to make such declaration, that the
 1602 report is true and correct to the best of her or his knowledge
 1603 and belief. Such report must include such information as the
 1604 commission by rule requires for that type of money transmitter.

1605 Section 41. Subsection (2) of section 560.121, Florida
 1606 Statutes, is amended to read:

1607 560.121 Records; limited restrictions upon public
 1608 access.--

1609 (2) The commission may prescribe by rule the minimum
 1610 information to be shown in the books, accounts, records, and
 1611 documents of licensees for purposes of enabling the office to
 1612 determine the licensee's compliance with ss. 560.101-560.408. In

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1613 addition, the commission may prescribe by rule the requirements
 1614 for destruction of books, accounts, records, and documents
 1615 retained by the licensee after completion of the time period
 1616 specified in this subsection. Notwithstanding the 3-year
 1617 retention period specified in this subsection, if the office
 1618 identifies a statute of limitations in another civil or criminal
 1619 state or federal law or rule that is reasonably related by
 1620 subject matter to the administration of this chapter, the
 1621 commission may identify that statute of limitations by rule and
 1622 may prohibit the destruction of records required to be maintained
 1623 by this chapter for a period of time established by rule that is
 1624 reasonably related to such statute of limitations. The commission
 1625 shall prescribe by rule those documents or records that are to be
 1626 preserved that are related to the identified statute of
 1627 limitations. Examination reports, investigatory records,
 1628 applications, and related information compiled by the office, or
 1629 photographic copies thereof, shall be retained by the office for
 1630 a period of at least 3 ~~10~~ years after the date the examination
 1631 or investigation is closed or ceases to be active or the
 1632 registration ceases to be active.

1633 Section 42. Section 560.205, Florida Statutes, is amended
 1634 to read:

1635 560.205 Qualifications of applicant for registration;
 1636 contents.--

1637 (1) To qualify for registration under this part, an
 1638 applicant must demonstrate to the office such character and
 1639 general fitness as to command the confidence of the public and
 1640 warrant the belief that the registered business will be operated
 1641 lawfully and fairly. The office may investigate each applicant

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1642 to ascertain whether the qualifications and requirements
1643 prescribed by this part have been met. The office's
1644 investigation may include a criminal background investigation of
1645 all controlling shareholders, principals, officers, directors,
1646 members, and responsible persons of a funds transmitter and a
1647 payment instrument seller and all persons designated by a funds
1648 transmitter or payment instrument seller as an authorized
1649 vendor. Each controlling shareholder, principal, officer,
1650 director, member, and responsible person of a funds transmitter
1651 or payment instrument seller, unless the applicant is a publicly
1652 traded corporation as defined by the commission by rule, a
1653 subsidiary thereof, or a subsidiary of a bank or bank holding
1654 company organized and regulated under the laws of any state or
1655 the United States, shall file a complete set of fingerprints.
1656 Fingerprint cards submitted to the office shall be taken by an
1657 authorized law enforcement officer if such fingerprint card is
1658 submitted to the office in paper form. The commission may
1659 prescribe by rule additional fees for processing the
1660 fingerprints. The commission may prescribe by rule procedures for
1661 submitting fingerprints and fees by electronic means to the
1662 office or to a third party approved by the office. In order to
1663 implement the submission and processing of fingerprints as
1664 specified by rule pursuant to this section, the office may,
1665 without complying with the requirements of chapter 287, contract
1666 with any other state agency that provides fingerprinting
1667 services, either directly or through a third-party vendor under
1668 contract to such state agency. Such fingerprints must be
1669 submitted to the Department of Law Enforcement or the Federal
1670 Bureau of Investigation for state and federal processing. The

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1671 commission may waive by rule the requirement that applicants
 1672 file a set of fingerprints or the requirement that such
 1673 fingerprints be processed by the Department of Law Enforcement
 1674 or the Federal Bureau of Investigation.

1675 (2) Each application for registration must be submitted
 1676 under oath to the office on such forms as the commission
 1677 prescribes by rule and must be accompanied by a nonrefundable
 1678 application fee. The commission may establish by rule procedures
 1679 for depositing fees and filing documents by electronic means.

1680 Such fee may not exceed \$500 for each payment instrument seller
 1681 or funds transmitter and \$50 for each authorized vendor or
 1682 location operating within this state. The application ~~forms~~
 1683 shall contain ~~set forth~~ such information as the commission
 1684 ~~reasonably~~ requires by rule, including, but not limited to:

1685 (a) The name and address of the applicant, including any
 1686 fictitious or trade names used by the applicant in the conduct
 1687 of its business.

1688 (b) The history of the applicant's material litigation,
 1689 criminal convictions, pleas of nolo contendere, and cases of
 1690 adjudication withheld.

1691 (c) A description of the activities conducted by the
 1692 applicant, the applicant's history of operations, and the
 1693 business activities in which the applicant seeks to engage in
 1694 this state.

1695 ~~(d) A list identifying the applicant's proposed authorized~~
 1696 ~~vendors in this state, including the location or locations in~~
 1697 ~~this state at which the applicant and its authorized vendors~~
 1698 ~~propose to conduct registered activities.~~

1699 (d)(e) A sample authorized vendor contract, if applicable.

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1700 (e)~~(f)~~ A sample form of payment instrument, if applicable.

1701 (f)~~(g)~~ The name and address of the clearing financial
 1702 institution or financial institutions through which the
 1703 applicant's payment instruments will be drawn or through which
 1704 such payment instruments will be payable.

1705 (g)~~(h)~~ Documents revealing that the net worth and bonding
 1706 requirements specified in s. 560.209 have been or will be
 1707 fulfilled.

1708 (3) Each application for registration by an applicant that
 1709 is a corporation shall contain ~~also set forth~~ such information
 1710 as the commission ~~reasonably~~ requires by rule, including, but
 1711 not limited to:

1712 (a) The date of the applicant's incorporation and state of
 1713 incorporation.

1714 (b) A certificate of good standing from the state or
 1715 country in which the applicant was incorporated.

1716 (c) A description of the corporate structure of the
 1717 applicant, including the identity of any parent or subsidiary of
 1718 the applicant, and the disclosure of whether any parent or
 1719 subsidiary is publicly traded on any stock exchange.

1720 (d) The name, business and residence addresses, and
 1721 employment history for the past 5 years for each executive
 1722 officer, each director, each controlling shareholder, and the
 1723 responsible person who will be in charge of all the applicant's
 1724 business activities in this state.

1725 (e) The history of material litigation and criminal
 1726 convictions, pleas of nolo contendere, and cases of adjudication
 1727 withheld for each executive officer, each director, each

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1728 controlling shareholder, and the responsible person who will be
 1729 in charge of the applicant's registered activities.

1730 (f) Copies of the applicant's audited financial statements
 1731 for the current year and, if available, for the immediately
 1732 preceding 2-year period. In cases where the applicant is a
 1733 wholly owned subsidiary of another corporation, the parent's
 1734 consolidated audited financial statements may be submitted to
 1735 satisfy this requirement. An applicant who is not required to
 1736 file audited financial statements may satisfy this requirement
 1737 by filing unaudited financial statements verified under penalty
 1738 of perjury, as provided by the commission by rule.

1739 (g) An applicant who is not required to file audited
 1740 financial statements may file copies of the applicant's
 1741 unconsolidated, unaudited financial statements for the current
 1742 year and, if available, for the immediately preceding 2-year
 1743 period.

1744 (h) If the applicant is a publicly traded company, copies
 1745 of all filings made by the applicant with the United States
 1746 Securities and Exchange Commission, or with a similar regulator
 1747 in a country other than the United States, within the year
 1748 preceding the date of filing of the application.

1749 (4) Each application for registration submitted to the
 1750 office by an applicant that is not a corporation shall contain
 1751 ~~also set forth~~ such information as the commission ~~reasonably~~
 1752 requires by rule, including, but not limited to:

1753 (a) Evidence that the applicant is registered to do
 1754 business in this state.

1755 (b) The name, business and residence addresses, personal
 1756 financial statement and employment history for the past 5 years

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1757 for each individual having a controlling ownership interest in
 1758 the applicant, and each responsible person who will be in charge
 1759 of the applicant's registered activities.

1760 (c) The history of material litigation and criminal
 1761 convictions, pleas of nolo contendere, and cases of adjudication
 1762 withheld for each individual having a controlling ownership
 1763 interest in the applicant and each responsible person who will
 1764 be in charge of the applicant's registered activities.

1765 (d) Copies of the applicant's audited financial statements
 1766 for the current year, and, if available, for the preceding 2
 1767 years. An applicant who is not required to file audited
 1768 financial statements may satisfy this requirement by filing
 1769 unaudited financial statements verified under penalty of
 1770 perjury, as provided by the commission by rule.

1771 (5) Each applicant shall designate and maintain an agent
 1772 in this state for service of process.

1773 (6) Changes in registration occasioned by changes in
 1774 personnel of a partnership or in the principals, members,
 1775 copartners, officers, directors, controlling shareholders, or
 1776 responsible persons of a money transmitter or by changes of any
 1777 material fact or method of doing business shall be reported by
 1778 written amendment in such form and at such time as the
 1779 commission shall specify by rule.

1780 Section 43. Subsection (1) of section 560.207, Florida
 1781 Statutes, is amended to read:

1782 560.207 Renewal of registration; registration fee.--

1783 (1) Registration may be renewed for a 24-month period or
 1784 the remainder of any such period without proration following the
 1785 date of its expiration, upon the filing with the office of an

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1786 application and other statements and documents as may reasonably
 1787 be required of registrants by the commission. The commission may
 1788 establish by rule procedures for depositing fees and filing
 1789 documents by electronic means. However, the registrant must
 1790 remain qualified for such registration under the provisions of
 1791 this part.

1792 Section 44. Subsection (1) of section 560.210, Florida
 1793 Statutes, is amended to read:

1794 560.210 Permissible investments.--

1795 (1) A registrant shall at all times possess permissible
 1796 investments with an aggregate market value, calculated in
 1797 accordance with United States generally accepted accounting
 1798 principles, of not less than the aggregate face amount of all
 1799 outstanding funds transmissions ~~transmitted~~ and ~~outstanding~~
 1800 payment instruments issued or sold by the registrant or an
 1801 authorized vendor in the United States.

1802 Section 45. Subsection (2) of section 560.211, Florida
 1803 Statutes, is amended to read:

1804 560.211 Records.--

1805 (2) The records required to be maintained by the code may
 1806 be maintained by the registrant at any location, provided that
 1807 the registrant notifies the office in writing of the location of
 1808 the records in its application or otherwise by amendment as
 1809 prescribed by the commission by rule. The registrant shall make
 1810 such records available to the office for examination and
 1811 investigation in this state, as permitted by the code, within 7
 1812 days after receipt of a written request.

1813 Section 46. Section 560.305, Florida Statutes, is amended
 1814 to read:

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1815 560.305 Application.--Each application for registration
 1816 shall be in writing and under oath to the office, in such form
 1817 as the commission prescribes. The commission may establish by
 1818 rule procedures for depositing fees and filing documents by
 1819 electronic means. The application shall contain such information
 1820 as the commission requires by rule, including, but not limited
 1821 to ~~include the following~~:

1822 (1) The legal name and residence and business addresses of
 1823 the applicant if the applicant is a natural person, or, if the
 1824 applicant is a partnership, association, or corporation, the
 1825 name of every partner, officer, or director thereof.

1826 (2) The location of the principal office of the applicant.

1827 (3) The complete address of any other locations at which
 1828 the applicant proposes to engage in such activities since the
 1829 provisions of registration apply to each and every operating
 1830 location of a registrant.

1831 (4) Such other information as the commission or office
 1832 reasonably requires with respect to the applicant or any money
 1833 transmitter-affiliated party of the applicant; however, the
 1834 commission or office may not require more information than is
 1835 specified in part II.

1836 Section 47. Subsections (1) and (4) of section 560.306,
 1837 Florida Statutes, are amended, and subsection (6) is added to
 1838 said section, to read:

1839 560.306 Standards.--

1840 (1) In order to qualify for registration under this part,
 1841 an applicant must demonstrate to the office that he or she has
 1842 such character and general fitness as will command the
 1843 confidence of the public and warrant the belief that the

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1844 registered business will be operated lawfully and fairly. The
 1845 office may investigate each applicant to ascertain whether the
 1846 qualifications and requirements prescribed by this part have
 1847 been met. The office's investigation may include a criminal
 1848 background investigation of all controlling shareholders,
 1849 principals, officers, directors, members, and responsible
 1850 persons of a check casher and a foreign currency exchanger and
 1851 all persons designated by a foreign currency exchanger or check
 1852 casher as an authorized vendor. Each controlling shareholder,
 1853 principal, officer, director, member, and responsible person of
 1854 a check casher or foreign currency exchanger, unless the
 1855 applicant is a publicly traded corporation as defined by the
 1856 commission by rule, a subsidiary thereof, or a subsidiary of a
 1857 bank or bank holding company organized and regulated under the
 1858 laws of any state or the United States, shall file a complete
 1859 set of fingerprints. Fingerprint cards submitted to the office
 1860 shall be taken by an authorized law enforcement officer if such
 1861 fingerprint card is submitted to the office in paper form. The
 1862 commission may prescribe by rule additional fees for processing
 1863 the fingerprints. The commission may prescribe by rule procedures
 1864 for submitting fingerprints and fees by electronic means to the
 1865 office or to a third party approved by the office. In order to
 1866 implement the submission and processing of fingerprints as
 1867 specified by rule pursuant to this section, the office may,
 1868 without complying with the requirements of chapter 287, contract
 1869 with any other state agency that provides fingerprinting
 1870 services, either directly or through a third-party vendor under
 1871 contract to such state agency. Such fingerprints must be
 1872 submitted to the Department of Law Enforcement or the Federal

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1873 Bureau of Investigation for state and federal processing. The
 1874 commission may waive by rule the requirement that applicants
 1875 file a set of fingerprints or the requirement that such
 1876 fingerprints be processed by the Department of Law Enforcement
 1877 or the Federal Bureau of Investigation.

1878 (4) Each registration application and renewal application
 1879 must specify the location at which the applicant proposes to
 1880 establish its principal place of business and any other
 1881 location, including authorized vendors operating in this state.
 1882 The registrant shall notify the office of any changes to any
 1883 such locations. ~~Any registrant may satisfy this requirement by~~
 1884 ~~providing the office with a list of such locations, including~~
 1885 ~~all authorized vendors operating in this state, not less than~~
 1886 ~~annually.~~ A registrant may not transact business as a check
 1887 cashier or a foreign currency exchanger except pursuant to the
 1888 name under which it is registered.

1889 (6) Changes in registration occasioned by changes in
 1890 personnel of a partnership or in the principals, members,
 1891 copartners, officers, directors, controlling shareholders, or
 1892 responsible persons of a money transmitter or by changes of any
 1893 material fact or method of doing business shall be reported by
 1894 written amendment in such form and at such time as the
 1895 commission shall specify by rule.

1896 Section 48. Subsection (2) of section 560.308, Florida
 1897 Statutes, is amended to read:

1898 560.308 Registration terms; renewal; renewal fees.—

1899 (2) The office shall renew registration upon receipt of a
 1900 completed renewal form and payment of a nonrefundable renewal
 1901 fee not to exceed \$500. The completed renewal form and payment

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1902 of the renewal fee shall occur on or after June 1 of the year in
 1903 which the existing registration expires. The commission may
 1904 establish by rule procedures for depositing fees and filing
 1905 documents by electronic means.

1906 Section 49. Subsection (2) of section 560.310, Florida
 1907 Statutes, is amended to read:

1908 560.310 Records of check cashers and foreign currency
 1909 exchangers.--

1910 (2) The records required to be maintained by the code may
 1911 be maintained by the registrant at any location, provided that
 1912 the registrant notifies the office, in writing, of the location
 1913 of the records in its application or otherwise by amendment as
 1914 prescribed by the commission by rule. The registrant shall make
 1915 such records available to the office for examination and
 1916 investigation in this state, as permitted by the code, within 7
 1917 days after receipt of a written request.

1918 Section 50. Section 626.565, Florida Statutes, is created
 1919 to read:

1920 626.565 Disposition of records.--

1921 (1) An agent or other licensee of the department or office
 1922 shall be responsible for the prudent disposition of records
 1923 containing personal financial or health information regarding a
 1924 consumer, policyholder, applicant, or insured after any
 1925 applicable retention requirement has been met. Disposition shall
 1926 be by a method which protects the confidentiality of any of the
 1927 personal financial or health information. Each appointing entity
 1928 shall require compliance with this requirement by the licensee
 1929 in any appointment or representation agreement between the
 1930 appointing entity and the licensee.

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1931 (2) The department or commission may adopt rules governing
 1932 the disposition of records of personal financial or health
 1933 information of a consumer, policyholder, applicant, or insured
 1934 by agents and other licensees. The rules shall be designed to
 1935 protect the confidential and sensitive nature of the information
 1936 and to avoid identity theft.

1937 Section 51. This act shall take effect October 1, 2004.