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Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to loan originators, mortgage brokers,
and mortgage lenders; amending s. 494.001, F.S.;
adding and revising definitions; amending s. 494.0012,
F.S.; authorizing the Office of Financial Regulation
to conduct joint or concurrent examinations with other
state or federal regulatory agencies; amending s.
494.00255, F.S.; providing additional grounds for
disciplinary action against a licensee or person
required to be licensed; reenacting s.
494.00255(1)(m), F.S., relating to grounds for which
disciplinary actions may be taken against licensees or
persons required to be licensed, to incorporate the
amendments made to s. 494.00255, F.S.; amending s.
494.00313, F.S.; providing additional requirements,
fees, and consequences for failing to renew a loan
originator license by a certain date; amending s.
494.00322, F.S.; providing additional requirements,
fees, and consequences for a mortgage broker license
renewal that is not submitted by a certain date;
amending s. 494.0036, F.S.; specifying requirements
for the renewal of a mortgage broker branch office
license; providing additional requirements, fees, and
consequences for failing to renew a branch office
license that is not submitted by a certain date;
amending s. 494.0038, F.S.; deleting certain
disclosure requirements relating to mortgage broker



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28 agreements; amending s. 494.004, F.S.; deleting
29 certain notification requirements relating to mortgage
30 loan transactions; authorizing the Financial Service
31 Commission to specify a deadline for submitting
32 reports of condition to the registry; amending s.
33 494.0042, F.S.; deleting a cross-reference; repealing
34 s. 494.00421, F.S., relating to fee disclosure
35 requirements in a mortgage broker agreement; amending
36 s. 494.00611, F.S.; correcting a cross-reference;
37 amending s. 494.00612, F.S.; providing additional
38 requirements, fees, and consequences for failing to
39 renew a mortgage lender license that is not submitted
40 by a certain date; amending s. 494.0066, F.S.;
41 specifying mortgage lender branch office license
42 renewal requirements; amending s. 494.0067, F.S.;
43 deleting disclosure requirements relating to the
44 provision of costs estimates for a mortgage loan;
45 repealing s. 494.0068, F.S., relating to disclosure
46 requirements in the loan application process; amending
47 s. 494.007, F.S.; deleting a disclosure requirement
48 relating to commitment fees; amending s. 494.0073,
49 F.S.; deleting a cross-reference; repealing ss.
50 494.0078, 494.0079, 494.00791, 494.00792, 494.00793,
51 494.00794, 494.00795, 494.00796, and 494.00797, F.S.,
52 relating to the Florida Fair Lending Act; repealing s.
53 494.008, F.S., relating to Loans under Florida Uniform
54 Land Sales Practices Law; providing an effective date.

55
56 Be It Enacted by the Legislature of the State of Florida:



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57
58 Section 1. Present subsections (12) through (36) of section
59 494.001, Florida Statutes, are redesignated as subsections (13)
60 through (37), respectively, a new subsection (12) is added to
61 that section, and present subsection (15) of that section is
62 amended, to read:

63 494.001 Definitions.—As used in ss. 494.001-494.0077, the
64 term:

65 (12) "Indirect owner" means, with respect to direct and
66 indirect owners in a multilayered organization:

67 (a) If an owner is a corporation, each of its shareholders
68 that beneficially owns, has the right to vote, or has the power
69 to sell or direct the sale of 25 percent or more of voting
70 security of the corporation.

71 (b) If an owner is a partnership, all general partners and
72 those limited and special partners that have the right to
73 receive upon dissolution, or have contributed, 25 percent or
74 more of the partnership's capital.

75 (c) If an owner is a trust, the trust and each trustee.

76 (d) If an owner is a limited liability company:

77 1. Those members that have the right to receive upon
78 dissolution, or have contributed, 25 percent or more of the
79 limited liability corporation's capital; and

80 2. If managed by elected managers or appointed managers,
81 all elected or appointed managers.

82 (e) If an indirect owner, the parent owners of 25 percent
83 or more of their subsidiary.

84 (16)-(15) "Loan origination fee" means the total
85 compensation from any source received by a mortgage broker



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86 acting as a loan originator. ~~Any payment for processing mortgage~~
87 ~~loan applications must be included in the fee and must be paid~~
88 ~~to the mortgage broker.~~

89 Section 2. Subsection (4) is added to section 494.0012,
90 Florida Statutes, to read:

91 494.0012 Investigations; complaints; examinations.—

92 (4) In order to reduce the burden on persons subject to
93 regulation under this chapter, the office may conduct a joint or
94 concurrent examination with any state or federal regulatory
95 agency and may furnish a copy of all examinations to an
96 appropriate regulator if the regulator agrees to abide by the
97 confidentiality requirements applicable to such examinations,
98 which are provided pursuant to chapter 119 and this chapter. The
99 office may also accept an examination from an appropriate
100 regulator.

101 Section 3. Paragraph (m) of subsection (1) of section
102 494.00255, Florida Statutes, is reenacted and paragraph (y) is
103 added to that subsection, to read:

104 494.00255 Administrative penalties and fines; license
105 violations.—

106 (1) Each of the following acts constitutes a ground for
107 which the disciplinary actions specified in subsection (2) may
108 be taken against a person licensed or required to be licensed
109 under part II or part III of this chapter:

110 (m) In any mortgage transaction, violating any provision of
111 the federal Real Estate Settlement Procedures Act, as amended,
112 12 U.S.C. ss. 2601 et seq.; the federal Truth in Lending Act, as
113 amended, 15 U.S.C. ss. 1601 et seq.; or any regulations adopted
114 under such acts.



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115 (y) Pursuant to an investigation by the Mortgage Testing
116 and Education Board acting on behalf of the registry, being
117 found in violation of the Nationwide Mortgage Licensing System
118 and Registry Rules of Conduct.

119 Section 4. Section 494.00313, Florida Statutes, is amended
120 to read:

121 494.00313 Loan originator license renewal.-

122 (1) In order to annually renew a loan originator license, a
123 loan originator must, by December 31:

124 (a) Submit a completed license renewal form as prescribed
125 by commission rule.

126 (b) Submit a nonrefundable renewal fee of \$150, the \$20
127 nonrefundable fee if required by s. 494.00172, and nonrefundable
128 fees to cover the cost of further fingerprint processing and
129 retention as prescribed by ~~set forth in~~ commission rule.

130 (c) Provide documentation of completion of at least 8 hours
131 of continuing education in courses reviewed and approved by the
132 registry.

133 (d) Authorize the registry to obtain an independent credit
134 report on the licensee from a consumer reporting agency, and
135 transmit or provide access to the report to the office. The cost
136 of the credit report shall be borne by the licensee.

137 (e) Submit any additional information or documentation
138 requested by the office and required by rule concerning the
139 licensee. Additional information may include documentation of
140 pending and prior disciplinary and criminal history events,
141 including arrest reports and certified copies of charging
142 documents, plea agreements, judgments and sentencing documents,
143 documents relating to pretrial intervention, orders terminating



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144 probation or supervised release, final administrative agency
145 orders, or other comparable documents that may provide the
146 office with the appropriate information to determine eligibility
147 for renewal of licensure.

148 (2) The office may not renew a loan originator license
149 unless the loan originator continues to meet the minimum
150 requirements for initial licensure pursuant to s. 494.00312 and
151 adopted rule.

152 (3) A licensed loan originator who fails to meet the
153 requirements under this section for annual license renewal on or
154 before December 31, but who meets such requirements after
155 December 31 but before March 1, shall have such license status
156 changed to "failed to renew" pending review and renewal by the
157 office. A nonrefundable reinstatement fee of \$150 shall be
158 charged in addition to and apart from any registry fees. The
159 license status may not be changed until the requirements of this
160 section have been met and all fees have been paid. If the
161 licensee fails to submit the required information and pay the
162 required fees by March 1, such license is expired and such
163 individual must apply for a new loan originator license under s.
164 494.00312.

165 Section 5. Section 494.00322, Florida Statutes, is amended
166 to read:

167 494.00322 Mortgage broker license renewal.-

168 (1) In order to annually renew a mortgage broker license, a
169 mortgage broker must, by December 31:

170 (a) Submit a completed license renewal form as prescribed
171 by commission rule.

172 (b) Submit a nonrefundable renewal fee of \$375, the \$100



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173 nonrefundable fee if required by s. 494.00172, and nonrefundable
174 fees to cover the cost of further fingerprint processing and
175 retention as prescribed by ~~set forth in~~ commission rule.

176 (c) Submit fingerprints in accordance with s.
177 494.00321(2)(d) for any new control persons who have not been
178 screened.

179 (d) Authorize the registry to obtain an independent credit
180 report on each of the licensee's control persons from a consumer
181 reporting agency, and transmit or provide access to the report
182 to the office. The cost of the credit report shall be borne by
183 the licensee.

184 (e) Submit any additional information or documentation
185 requested by the office and required by rule concerning the
186 licensee or a control person of the licensee. Additional
187 information may include documentation of pending and prior
188 disciplinary and criminal history events, including arrest
189 reports and certified copies of charging documents, plea
190 agreements, judgments and sentencing documents, documents
191 relating to pretrial intervention, orders terminating probation
192 or supervised release, final administrative agency orders, or
193 other comparable documents that may provide the office with the
194 appropriate information to determine eligibility for renewal of
195 licensure.

196 (2) The office may not renew a mortgage broker license
197 unless the licensee continues to meet the minimum requirements
198 for initial licensure pursuant to s. 494.00321 and adopted rule.

199 (3) A licensed mortgage broker that fails to meet the
200 requirements under this section for annual license renewal on or
201 before December 31, but that meets such requirements after



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202 December 31 but before March 1, shall have such license status
203 changed to "failed to renew" pending review and renewal by the
204 office. A nonrefundable reinstatement fee of \$250 shall be
205 charged in addition to and apart from any registry fees. The
206 license status may not be changed until the requirements of this
207 section have been met and all fees have been paid. If the
208 licensee fails to submit the required information and pay the
209 required fees by March 1, such license is expired and such
210 person must apply for a new mortgage broker license under s.
211 494.00321.

212 Section 6. Section 494.0036, Florida Statutes, is amended
213 to read:

214 494.0036 Mortgage broker branch office license and license
215 renewal.—

216 (1) Each branch office of a mortgage broker must be
217 licensed under this section.

218 (2) The office shall issue a mortgage broker branch office
219 license to a mortgage broker licensee after the office
220 determines that the licensee has submitted a completed
221 application for a branch office in a form prescribed by
222 commission rule and payment of an initial nonrefundable branch
223 office license fee of \$225 per branch office. Application fees
224 may not be prorated for partial years of licensure. The branch
225 office license shall be issued in the name of the mortgage
226 broker that maintains the branch office. An application is
227 considered received for purposes of s. 120.60 upon receipt of a
228 completed application form as prescribed by commission rule, and
229 the required fees.

230 (3) A mortgage broker branch office license must be renewed



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231 annually at the time of renewing the mortgage broker license
232 under s. 494.00322.

233 (a) In order to renew a branch office license, a mortgage
234 broker must, by December 31:

235 1. Submit a completed license renewal form as prescribed by
236 commission rule.

237 2. Submit a nonrefundable branch renewal fee of \$225 per
238 branch office ~~must be submitted at the time of renewal.~~

239 3. Submit additional information or documentation requested
240 by the office and required by rule concerning the licensee.
241 Additional information may include documents that may assist the
242 office in determining the applicant's eligibility for licensure
243 renewal.

244 (b) The office may not renew a branch office license unless
245 the mortgage broker continues to meet the minimum requirements
246 for initial licensure pursuant to subsection (2) and commission
247 rule.

248 (c) A licensed branch office that fails to meet the
249 requirements under this section for annual license renewal on or
250 before December 31, but that meets such requirements after
251 December 31 but before March 1, shall have such license status
252 changed to "failed to renew" pending review and renewal by the
253 office. A nonrefundable reinstatement fee of \$225 shall be
254 charged in addition to and apart from any registry fees. The
255 license status may not be changed until the requirements of this
256 section have been met and all fees have been paid. If the
257 licensee fails to submit the required information and pay the
258 required fees by March 1, such license is expired and the
259 mortgage broker licensee must apply for a new mortgage broker



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260 branch office license under subsection (2).

261 Section 7. Section 494.0038, Florida Statutes, is amended
262 to read:

263 494.0038 ~~Loan origination and Mortgage broker fees and~~
264 ~~commissions disclosures.-~~

265 ~~(1) A loan origination fee may not be paid except pursuant~~
266 ~~to a written mortgage broker agreement between the mortgage~~
267 ~~broker and the borrower which is signed and dated by the~~
268 ~~principal loan originator or branch manager, and the borrower.~~
269 ~~The unique registry identifier of each loan originator~~
270 ~~responsible for providing loan originator services must be~~
271 ~~printed on the mortgage broker agreement.~~

272 ~~(a) The written mortgage broker agreement must describe the~~
273 ~~services to be provided by the mortgage broker and specify the~~
274 ~~amount and terms of the loan origination fee that the mortgage~~
275 ~~broker is to receive.~~

276 ~~1. Except for application and third-party fees, all fees~~
277 ~~received by a mortgage broker from a borrower must be identified~~
278 ~~as a loan origination fee.~~

279 ~~2. All fees on the mortgage broker agreement must be~~
280 ~~disclosed in dollar amounts.~~

281 ~~3. All loan origination fees must be paid to a mortgage~~
282 ~~broker.~~

283 ~~(b) The agreement must be executed within 3 business days~~
284 ~~after a mortgage loan application is accepted if the borrower is~~
285 ~~present when the mortgage loan application is accepted. If the~~
286 ~~borrower is not present, the licensee shall forward the~~
287 ~~agreement to the borrower within 3 business days after the~~
288 ~~licensee's acceptance of the application and the licensee bears~~



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289 ~~the burden of proving that the borrower received and approved~~
290 ~~the agreement.~~

291 ~~(2) If the mortgage broker is to receive any payment of any~~
292 ~~kind from the mortgage lender, the maximum total dollar amount~~
293 ~~of the payment must be disclosed to the borrower in the written~~
294 ~~mortgage broker agreement as described in paragraph (1) (a). The~~
295 ~~commission may prescribe by rule an acceptable form for~~
296 ~~disclosure of brokerage fees received from the lender. The~~
297 ~~agreement must state the nature of the relationship with the~~
298 ~~lender, describe how compensation is paid by the lender, and~~
299 ~~describe how the mortgage interest rate affects the compensation~~
300 ~~paid to the mortgage broker.~~

301 ~~(a) The exact amount of any payment of any kind by the~~
302 ~~lender to the mortgage broker must be disclosed in writing to~~
303 ~~the borrower within 3 business days after the mortgage broker is~~
304 ~~made aware of the exact amount of the payment from the lender~~
305 ~~but not less than 3 business days before the execution of the~~
306 ~~closing or settlement statement. The licensee bears the burden~~
307 ~~of proving such notification was provided to the borrower.~~
308 ~~Notification is waived if the exact amount of the payment is~~
309 ~~accurately disclosed in the written mortgage broker agreement.~~

310 ~~(b) The commission may prescribe by rule the form of~~
311 ~~disclosure of brokerage fees.~~

312 ~~(3) At the time a written mortgage broker agreement is~~
313 ~~signed by the borrower or forwarded to the borrower for~~
314 ~~signature, or at the time the mortgage broker business accepts~~
315 ~~an application fee, credit report fee, property appraisal fee,~~
316 ~~or any other third-party fee, but at least 3 business days~~
317 ~~before execution of the closing or settlement statement, the~~



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318 ~~mortgage broker shall disclose in writing to any applicant for a~~
319 ~~mortgage loan the following information:~~

320 ~~(a) That the mortgage broker may not make mortgage loans or~~
321 ~~commitments. The mortgage broker may make a commitment and may~~
322 ~~furnish a lock-in of the rate and program on behalf of the~~
323 ~~lender if the mortgage broker has obtained a written commitment~~
324 ~~or lock-in for the loan from the lender on behalf of the~~
325 ~~borrower for the loan. The commitment must be in the same form~~
326 ~~and substance as issued by the lender.~~

327 ~~(b) That the mortgage broker cannot guarantee acceptance~~
328 ~~into any particular loan program or promise any specific loan~~
329 ~~terms or conditions.~~

330 ~~(c) A good faith estimate that discloses settlement charges~~
331 ~~and loan terms.~~

332 ~~1. Any amount collected in excess of the actual cost shall~~
333 ~~be returned within 60 days after rejection, withdrawal, or~~
334 ~~closing.~~

335 ~~2. At the time a good faith estimate is provided to the~~
336 ~~borrower, the loan originator must identify in writing an~~
337 ~~itemized list that provides the recipient of all payments~~
338 ~~charged the borrower, which, except for all fees to be received~~
339 ~~by the mortgage broker, may be disclosed in generic terms, such~~
340 ~~as, but not limited to, paid to lender, appraiser, officials,~~
341 ~~title company, or any other third-party service provider. This~~
342 ~~requirement does not supplant or is not a substitute for the~~
343 ~~written mortgage broker agreement described in subsection (1).~~
344 ~~The disclosure required under this subparagraph must be signed~~
345 ~~and dated by the borrower.~~

346 ~~(4) The disclosures required by this subsection must be~~



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347 ~~furnished in writing at the time an adjustable rate mortgage~~
348 ~~loan is offered to the borrower and whenever the terms of the~~
349 ~~adjustable rate mortgage loan offered materially change prior to~~
350 ~~closing. The mortgage broker shall furnish the disclosures~~
351 ~~relating to adjustable rate mortgages in a format prescribed by~~
352 ~~ss. 226.18 and 226.19 of Regulation Z of the Board of Governors~~
353 ~~of the Federal Reserve System, as amended; its commentary, as~~
354 ~~amended; and the federal Truth in Lending Act, 15 U.S.C. ss.~~
355 ~~1601 et seq., as amended; together with the Consumer Handbook on~~
356 ~~Adjustable Rate Mortgages, as amended; published by the Federal~~
357 ~~Reserve Board and the Federal Home Loan Bank Board. The licensee~~
358 ~~bears the burden of proving such disclosures were provided to~~
359 ~~the borrower.~~

360 ~~(5) If the mortgage broker agreement includes a~~
361 ~~nonrefundable application fee, the following requirements are~~
362 ~~applicable:~~

363 ~~(a) The amount of the application fee, which must be~~
364 ~~clearly denominated as such, must be clearly disclosed.~~

365 ~~(b) The specific services that will be performed in~~
366 ~~consideration for the application fee must be disclosed.~~

367 ~~(c) The application fee must be reasonably related to the~~
368 ~~services to be performed and may not be based upon a percentage~~
369 ~~of the principal amount of the loan or the amount financed.~~

370 ~~(6) A mortgage broker may not accept any fee in connection~~
371 ~~with a mortgage loan other than an application fee, credit~~
372 ~~report fee, property appraisal fee, or other third-party fee~~
373 ~~before obtaining a written commitment from a qualified lender.~~

374 ~~(1)(7) A~~ Any third-party fee entrusted to a mortgage broker
375 must immediately, upon receipt, be placed into a segregated



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376 account with a financial institution located in the state the
377 accounts of which are insured by the Federal Government. Such
378 funds shall be held in trust for the payor and shall be kept in
379 the account until disbursement. Such funds may be placed in one
380 account if adequate accounting measures are taken to identify
381 the source of the funds.

382 ~~(2)~~ ~~(8)~~ A mortgage broker may not pay a commission to a ~~any~~
383 person not licensed pursuant to this chapter.

384 ~~(3)~~ ~~(9)~~ This section does not prohibit a mortgage broker
385 from offering products and services, in addition to those
386 offered in conjunction with the loan origination process, for a
387 fee or commission.

388 Section 8. Subsections (2), (3), and (4) of section
389 494.004, Florida Statutes, are amended to read:

390 494.004 Requirements of licensees.—

391 ~~(2) In every mortgage loan transaction, each licensee under~~
392 ~~this part must notify a borrower of any material changes in the~~
393 ~~terms of a mortgage loan previously offered to the borrower~~
394 ~~within 3 business days after being made aware of such changes by~~
395 ~~the mortgage lender but at least 3 business days before the~~
396 ~~signing of the settlement or closing statement. The licensee~~
397 ~~bears the burden of proving such notification was provided and~~
398 ~~accepted by the borrower. A borrower may waive the right to~~
399 ~~receive notice of a material change if the borrower determines~~
400 ~~that the extension of credit is needed to meet a bona fide~~
401 ~~personal financial emergency and the right to receive notice~~
402 ~~would delay the closing of the mortgage loan. The imminent sale~~
403 ~~of the borrower's home at foreclosure during the 3-day period~~
404 ~~before the signing of the settlement or closing statement is an~~



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405 ~~example of a bona fide personal financial emergency. In order to~~
406 ~~waive the borrower's right to receive notice, the borrower must~~
407 ~~provide the licensee with a dated written statement that~~
408 ~~describes the personal financial emergency, waives the right to~~
409 ~~receive the notice, bears the borrower's signature, and is not~~
410 ~~on a printed form prepared by the licensee for the purpose of~~
411 ~~such a waiver.~~

412 (2)~~(3)~~ Each mortgage broker shall submit to the registry
413 reports of condition, which must be in such form and ~~shall~~
414 contain such information as the registry may require. The
415 commission may prescribe by rule the deadline by which a
416 mortgage broker must file a report of condition. For purposes of
417 this section, the report of condition is synonymous with the
418 registry's Mortgage Call Report.

419 (3)~~(4)~~ A license issued under this part is not transferable
420 or assignable.

421 Section 9. Subsection (3) of section 494.0042, Florida
422 Statutes, is amended to read:

423 494.0042 Loan origination fees.-

424 (3) At the time of accepting a mortgage loan application, a
425 mortgage broker may receive from the borrower a nonrefundable
426 application fee. If the mortgage loan is funded, the
427 nonrefundable application fee shall be credited against the
428 amount owed as a result of the loan being funded. A person may
429 not receive any form of compensation for acting as a loan
430 originator other than a nonrefundable application fee or, a fee
431 based on the mortgage amount being funded, ~~or a fee which~~
432 ~~complies with s. 494.00421.~~

433 Section 10. Section 494.00421, Florida Statutes, is



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434 repealed.

435 Section 11. Paragraph (b) of subsection (2) of section
436 494.00611, Florida Statutes, is amended to read:

437 494.00611 Mortgage lender license.—

438 (2) In order to apply for a mortgage lender license, an
439 applicant must:

440 (b) Designate a qualified principal loan originator who
441 meets the requirements of s. 494.00665 ~~s. 494.0035~~ on the
442 application form.

443 Section 12. Section 494.00612, Florida Statutes, is amended
444 to read:

445 494.00612 Mortgage lender license renewal.—

446 (1) In order to annually renew a mortgage lender license, a
447 mortgage lender must, by December 31:

448 (a) Submit a completed license renewal form as prescribed
449 by commission rule.

450 (b) Submit a nonrefundable renewal fee of \$475, the \$100
451 nonrefundable fee if required by s. 494.00172, and nonrefundable
452 fees to cover the cost of further fingerprint processing and
453 retention as prescribed by ~~set forth in~~ commission rule.

454 (c) Submit fingerprints in accordance with s.
455 494.00611(2) (d) for any new control persons who have not been
456 screened.

457 (d) Provide proof that the mortgage lender continues to
458 meet the applicable net worth requirement in a form prescribed
459 by commission rule.

460 (e) Authorize the registry to obtain an independent credit
461 report on each of the mortgage lender's control persons from a
462 consumer reporting agency, and transmit or provide access to the



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463 report to the office. The cost of the credit report shall be
464 borne by the licensee.

465 (f) Submit any additional information or documentation
466 requested by the office and required by rule concerning the
467 licensee. Additional information may include documentation of
468 pending and prior disciplinary and criminal history events,
469 including arrest reports and certified copies of charging
470 documents, plea agreements, judgments and sentencing documents,
471 documents relating to pretrial intervention, orders terminating
472 probation or supervised release, final administrative agency
473 orders, or other comparable documents that may provide the
474 office with the appropriate information to determine eligibility
475 for renewal of licensure.

476 (2) The office may not renew a mortgage lender license
477 unless the mortgage lender continues to meet the minimum
478 requirements for initial licensure pursuant to s. 494.00611 and
479 adopted rule.

480 (3) A licensed mortgage lender that fails to meet the
481 requirements under this section for annual license renewal on or
482 before December 31, but that meets such requirements after
483 December 31 but before March 1, shall have such license status
484 changed to "failed to renew" pending review and renewal by the
485 office. A nonrefundable reinstatement fee of \$475 shall be
486 charged in addition to and apart from any registry fees. The
487 license status may not be changed until the requirements of this
488 section have been met and all fees have been paid. If the
489 licensee fails to submit the required information and pay the
490 required fees by March 1, such license is expired and such
491 person must apply for a new mortgage lender license under s.



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492 494.00611.

493 Section 13. Section 494.0066, Florida Statutes, is amended
494 to read:

495 494.0066 Mortgage lender branch office license and license
496 renewal offices.—

497 (1) Each branch office of a mortgage lender must be
498 licensed under this section.

499 (2) The office shall issue a mortgage lender branch office
500 license to a mortgage lender licensee after the office
501 determines that the mortgage lender has submitted a completed
502 branch office application form as prescribed by commission rule
503 ~~by the commission~~ and an initial nonrefundable branch office
504 license fee of \$225 per branch office. Application fees may not
505 be prorated for partial years of licensure. The branch office
506 application must include the name and license number of the
507 mortgage lender under this part, the name of the branch manager
508 in charge of the branch office, and the address of the branch
509 office. The branch office license shall be issued in the name of
510 the mortgage lender and must be renewed in conjunction with the
511 license renewal. An application is considered received for
512 purposes of s. 120.60 upon receipt of a completed branch office
513 renewal form, as prescribed by commission rule, and the required
514 fees.

515 (3) A mortgage lender branch office license must be renewed
516 annually at the time of renewing the mortgage lender license.

517 (a) In order to renew a branch office license, a mortgage
518 lender must, by December 31:

519 1. Submit a completed license renewal form as prescribed by
520 commission rule.



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521 2. Submit a nonrefundable fee of \$225 per branch office
522 ~~must be submitted at the time of renewal.~~

523 3. Submit additional information or documentation requested
524 by the office and required by rule concerning the licensee.
525 Additional information may include documents that may provide
526 the office with the appropriate information to determine
527 eligibility for licensure renewal.

528 (b) The office may not renew a branch office license unless
529 the mortgage lender licensee continues to meet the minimum
530 requirements for initial licensure pursuant to this section and
531 adopted rule.

532 (c) A licensed branch office that fails to meet the
533 requirements under this section for annual license renewal on or
534 before December 31, but that meets such requirements after
535 December 31 but before March 1, shall have such license status
536 changed to "failed to renew" pending review and renewal by the
537 office. A nonrefundable reinstatement fee of \$225 shall be
538 charged in addition to and apart from any registry fees. The
539 license status may not be changed until the requirements of this
540 section have been met and all fees have been paid. If the
541 licensee fails to submit the required information and pay the
542 required fees by March 1, such license is expired and the
543 mortgage lender licensee must apply for a new mortgage lender
544 branch office license under subsection (2).

545 Section 14. Subsections (8) through (13) of section
546 494.0067, Florida Statutes, are amended to read:

547 494.0067 Requirements of mortgage lenders.—

548 ~~(8) Each mortgage lender shall provide an applicant for a~~
549 ~~mortgage loan a good faith estimate of the costs the applicant~~



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550 ~~can reasonably expect to pay in obtaining a mortgage loan. The~~
551 ~~good faith estimate of costs must be mailed or delivered to the~~
552 ~~applicant within 3 business days after the licensee receives a~~
553 ~~written loan application from the applicant. The estimate of~~
554 ~~costs may be provided to the applicant by a person other than~~
555 ~~the licensee making the loan. The good faith estimate must~~
556 ~~identify the recipient of all payments charged to the borrower~~
557 ~~and, except for all fees to be received by the mortgage broker~~
558 ~~and the mortgage lender, may be disclosed in generic terms, such~~
559 ~~as, but not limited to, paid to appraiser, officials, title~~
560 ~~company, or any other third-party service provider. The licensee~~
561 ~~bears the burden of proving such disclosures were provided to~~
562 ~~the borrower. The commission may adopt rules that set forth the~~
563 ~~disclosure requirements of this section.~~

564 ~~(9) The disclosures in this subsection must be furnished in~~
565 ~~writing at the time an adjustable rate mortgage loan is offered~~
566 ~~to the borrower and whenever the terms of the adjustable rate~~
567 ~~mortgage loan offered have a material change prior to closing.~~
568 ~~The lender shall furnish the disclosures relating to adjustable~~
569 ~~rate mortgages in a format prescribed by ss. 226.18 and 226.19~~
570 ~~of Regulation Z of the Board of Governors of the Federal Reserve~~
571 ~~System, as amended; its commentary, as amended; and the federal~~
572 ~~Truth in Lending Act, 15 U.S.C. ss. 1601 et seq., as amended;~~
573 ~~together with the Consumer Handbook on Adjustable Rate~~
574 ~~Mortgages, as amended; published by the Federal Reserve Board~~
575 ~~and the Federal Home Loan Bank Board. The licensee bears the~~
576 ~~burden of proving such disclosures were provided to the~~
577 ~~borrower.~~

578 ~~(10) In every mortgage loan transaction, each mortgage~~



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579 ~~lender shall notify a borrower of any material changes in the~~
580 ~~terms of a mortgage loan previously offered to the borrower~~
581 ~~within 3 business days after being made aware of such changes by~~
582 ~~the lender but at least 3 business days before signing the~~
583 ~~settlement or closing statement. The licensee bears the burden~~
584 ~~of proving such notification was provided and accepted by the~~
585 ~~borrower. A borrower may waive the right to receive notice of a~~
586 ~~material change if the borrower determines that the extension of~~
587 ~~credit is needed to meet a bona fide personal financial~~
588 ~~emergency and the right to receive notice would delay the~~
589 ~~closing of the mortgage loan. The imminent sale of the~~
590 ~~borrower's home at foreclosure during the 3-day period before~~
591 ~~the signing of the settlement or closing statement constitutes~~
592 ~~an example of a bona fide personal financial emergency. In order~~
593 ~~to waive the borrower's right to receive notice, the borrower~~
594 ~~must provide the licensee with a dated written statement that~~
595 ~~describes the personal financial emergency, waives the right to~~
596 ~~receive the notice, bears the borrower's signature, and is not~~
597 ~~on a printed form prepared by the licensee for the purpose of~~
598 ~~such a waiver.~~

599 ~~(8)~~(11) A mortgage lender may close loans in its own name
600 but may not service the loan for more than 4 months unless the
601 lender has a servicing endorsement. Only a mortgage lender who
602 continuously maintains a net worth of at least \$250,000 may
603 obtain a servicing endorsement.

604 ~~(9)~~(12) A mortgage lender must report to the office the
605 failure to meet the applicable net worth requirements of s.
606 494.00611 within 2 days after the mortgage lender's knowledge of
607 such failure or after the mortgage lender should have known of



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608 such failure.

609 ~~(10)(13)~~ Each mortgage lender shall submit to the registry
610 reports of condition which are in a form and which contain such
611 information as the registry may require. The commission may
612 prescribe by rule the deadline by which a mortgage lender must
613 file a report of condition. For purposes of this section, the
614 report of condition is synonymous with the registry's Mortgage
615 Call Report.

616 Section 15. Section 494.0068, Florida Statutes, is
617 repealed.

618 Section 16. Subsection (1) of section 494.007, Florida
619 Statutes, is amended to read:

620 494.007 Commitment process.—

621 (1) If a commitment is issued, the mortgage lender shall
622 disclose in writing:

623 (a) The expiration date of the commitment;

624 (b) The mortgage amount, meaning the face amount of credit
625 provided to the borrower or in the borrower's behalf;

626 (c) If the interest rate or other terms are subject to
627 change before expiration of the commitment:

628 1. The basis, index, or method, if any, which will be used
629 to determine the rate at closing. Such basis, index, or method
630 shall be established and disclosed with direct reference to the
631 movement of an interest rate index or of a national or regional
632 index that is available to and verifiable by the borrower and
633 beyond the control of the lender; or

634 2. The following statement, in at least 10-point bold type:
635 "The interest rate will be the rate established by the lender in
636 its discretion as its prevailing rate . . . days before



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637 closing."; and

638 ~~(d) The amount of the commitment fee, if any, and whether~~
639 ~~and under what circumstances the commitment fee is refundable;~~
640 ~~and~~

641 (d)(e) The time, if any, within which the commitment must
642 be accepted by the borrower.

643 Section 17. Section 494.0073, Florida Statutes, is amended
644 to read:

645 494.0073 Mortgage lender when acting as a mortgage broker.—
646 The provisions of this part do not prohibit a mortgage lender
647 from acting as a mortgage broker. However, in mortgage
648 transactions in which a mortgage lender acts as a mortgage
649 broker, the provisions of ss. 494.0038, ~~494.004(2)~~, 494.0042,
650 and 494.0043(1), (2), and (3) apply.

651 Section 18. Sections 494.0078, 494.0079, 494.00791,
652 494.00792, 494.00793, 494.00794, 494.00795, 494.00796, and
653 494.00797, Florida Statutes, are repealed.

654 Section 19. Section 494.008, Florida Statutes, is repealed.

655 Section 20. This act shall take effect July 1, 2014.