

By Senator Detert

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1                                   A bill to be entitled  
2       An act relating to loan originators, mortgage brokers,  
3       and mortgage lenders; amending s. 494.001, F.S.;  
4       adding and revising definitions; amending s. 494.0012,  
5       F.S.; authorizing the Office of Financial Regulation  
6       to conduct joint or concurrent examinations with other  
7       state or federal regulatory agencies; amending s.  
8       494.00255, F.S.; providing additional grounds for  
9       disciplinary action against a licensee or person  
10      required to be licensed based on certain violations of  
11      the Nationwide Mortgage Licensing System and  
12      Registry's Rules of Conduct for Test Takers; repealing  
13      s. 494.0028, F.S., relating to arbitration  
14      requirements included in certain agreements or  
15      applications; amending s. 494.00313, F.S.; providing  
16      additional requirements, fees, and consequences for  
17      failing to renew a loan originator license by a  
18      certain date; amending s. 494.00322, F.S.; providing  
19      additional requirements, fees, and consequences for a  
20      mortgage broker license renewal that is not submitted  
21      by a certain date; amending s. 494.0036, F.S.;  
22      specifying requirements for the renewal of a mortgage  
23      broker branch office license; providing additional  
24      requirements, fees, and consequences for failing to  
25      renew a branch office license that is not submitted by  
26      a certain date; amending s. 494.0038, F.S.; deleting  
27      certain disclosure requirements relating to mortgage  
28      broker agreements; amending s. 494.004, F.S.; deleting  
29      certain notification requirements relating to mortgage

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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:  
57

58 Section 1. Present subsections (12) through (36) of section

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

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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 (y) is added to subsection (1) of  
102 section 494.00255, Florida Statutes, to read:

103 494.00255 Administrative penalties and fines; license  
104 violations.-

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

109 (y) Violating the registry's Rules of Conduct for Test  
110 Takers in connection with a prelicensing test.

111 Section 4. Section 494.0028, Florida Statutes, is repealed.

112 Section 5. Section 494.00313, Florida Statutes, is amended  
113 to read:

114 494.00313 Loan originator license renewal.-

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

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117 (a) Submit a completed license renewal form as prescribed  
118 by commission rule.

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

123 (c) Provide documentation of completion of at least 8 hours  
124 of continuing education in courses reviewed and approved by the  
125 registry.

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

130 (e) Submit any additional information or documentation  
131 requested by the office and required by rule concerning the  
132 licensee. Additional information may include documentation of  
133 pending and prior disciplinary and criminal history events,  
134 including arrest reports and certified copies of charging  
135 documents, plea agreements, judgments and sentencing documents,  
136 documents relating to pretrial intervention, orders terminating  
137 probation or supervised release, final administrative agency  
138 orders, or other comparable documents that may provide the  
139 office with the appropriate information to determine eligibility  
140 for renewal of licensure.

141 (2) The office may not renew a loan originator license  
142 unless the loan originator continues to meet the minimum  
143 requirements for initial licensure pursuant to s. 494.00312 and  
144 adopted rule.

145 (3) A licensed loan originator who fails to meet the

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146 requirements under this section for annual license renewal on or  
147 before December 31, but who meets such requirements after  
148 December 31 but before February 28, shall have such license  
149 status changed to "failed to renew" pending review and renewal  
150 by the office. A nonrefundable reinstatement fee of \$150 shall  
151 be charged in addition to and apart from any registry fees. The  
152 license status may not be changed until the requirements of this  
153 section have been met and all fees have been paid. If the  
154 licensee fails to submit the required information and pay the  
155 required fees by February 28, such license is expired and such  
156 individual must apply for a new loan originator license under s.  
157 494.00312.

158 Section 6. Section 494.00322, Florida Statutes, is amended  
159 to read:

160 494.00322 Mortgage broker license renewal.—

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

163 (a) Submit a completed license renewal form as prescribed  
164 by commission rule.

165 (b) Submit a nonrefundable renewal fee of \$375, the \$100  
166 nonrefundable fee if required by s. 494.00172, and nonrefundable  
167 fees to cover the cost of further fingerprint processing and  
168 retention as prescribed by ~~set forth in~~ commission rule.

169 (c) Submit fingerprints in accordance with s.  
170 494.00321(2) (d) for any new control persons who have not been  
171 screened.

172 (d) Authorize the registry to obtain an independent credit  
173 report on each of the licensee's control persons from a consumer  
174 reporting agency, and transmit or provide access to the report

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175 to the office. The cost of the credit report shall be borne by  
176 the licensee.

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

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

192 (3) A licensed mortgage broker that fails to meet the  
193 requirements under this section for annual license renewal on or  
194 before December 31, but that meets such requirements after  
195 December 31 but before February 28, shall have such license  
196 status changed to "failed to renew" pending review and renewal  
197 by the office. A nonrefundable reinstatement fee of \$250 shall  
198 be charged in addition to and apart from any registry fees. The  
199 license status may not be changed until the requirements of this  
200 section have been met and all fees have been paid. If the  
201 licensee fails to submit the required information and pay the  
202 required fees by February 28, such license is expired and such  
203 person must apply for a new mortgage broker license under s.

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204 494.00321.

205 Section 7. Section 494.0036, Florida Statutes, is amended  
206 to read:

207 494.0036 Mortgage broker branch office license and license  
208 renewal.—

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

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

223 (3) A mortgage broker branch office license must be renewed  
224 annually at the time of renewing the mortgage broker license  
225 under s. 494.00322.

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

228 1. Submit a completed license renewal form as prescribed by  
229 commission rule.

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

232 3. Submit additional information or documentation requested



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233 by the office and required by rule concerning the licensee.  
234 Additional information may include documents that may assist the  
235 office in determining the applicant's eligibility for licensure  
236 renewal.

237 (b) The office may not renew a branch office license unless  
238 the mortgage broker continues to meet the minimum requirements  
239 for initial licensure pursuant to subsection (2) and commission  
240 rule.

241 (c) A licensed branch office that fails to meet the  
242 requirements under this section for annual license renewal on or  
243 before December 31, but that meets such requirements after  
244 December 31 but before February 28, shall have such license  
245 status changed to "failed to renew" pending review and renewal  
246 by the office. A nonrefundable reinstatement fee of \$225 shall  
247 be charged in addition to and apart from any registry fees. The  
248 license status may not be changed until the requirements of this  
249 section have been met and all fees have been paid. If the  
250 licensee fails to submit the required information and pay the  
251 required fees by February 28, such license is expired and the  
252 mortgage broker licensee must apply for a new mortgage broker  
253 branch office license under subsection (2).

254 Section 8. Section 494.0038, Florida Statutes, is amended  
255 to read:

256 494.0038 ~~Loan origination and~~ Mortgage broker fees and  
257 commissions disclosures.-

258 ~~(1) A loan origination fee may not be paid except pursuant~~  
259 ~~to a written mortgage broker agreement between the mortgage~~  
260 ~~broker and the borrower which is signed and dated by the~~  
261 ~~principal loan originator or branch manager, and the borrower.~~

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262 ~~The unique registry identifier of each loan originator~~  
263 ~~responsible for providing loan originator services must be~~  
264 ~~printed on the mortgage broker agreement.~~

265 ~~(a) The written mortgage broker agreement must describe the~~  
266 ~~services to be provided by the mortgage broker and specify the~~  
267 ~~amount and terms of the loan origination fee that the mortgage~~  
268 ~~broker is to receive.~~

269 ~~1. Except for application and third party fees, all fees~~  
270 ~~received by a mortgage broker from a borrower must be identified~~  
271 ~~as a loan origination fee.~~

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

274 ~~3. All loan origination fees must be paid to a mortgage~~  
275 ~~broker.~~

276 ~~(b) The agreement must be executed within 3 business days~~  
277 ~~after a mortgage loan application is accepted if the borrower is~~  
278 ~~present when the mortgage loan application is accepted. If the~~  
279 ~~borrower is not present, the licensee shall forward the~~  
280 ~~agreement to the borrower within 3 business days after the~~  
281 ~~licensee's acceptance of the application and the licensee bears~~  
282 ~~the burden of proving that the borrower received and approved~~  
283 ~~the agreement.~~

284 ~~(2) If the mortgage broker is to receive any payment of any~~  
285 ~~kind from the mortgage lender, the maximum total dollar amount~~  
286 ~~of the payment must be disclosed to the borrower in the written~~  
287 ~~mortgage broker agreement as described in paragraph (1) (a). The~~  
288 ~~commission may prescribe by rule an acceptable form for~~  
289 ~~disclosure of brokerage fees received from the lender. The~~  
290 ~~agreement must state the nature of the relationship with the~~

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291 ~~lender, describe how compensation is paid by the lender, and~~  
292 ~~describe how the mortgage interest rate affects the compensation~~  
293 ~~paid to the mortgage broker.~~

294 ~~(a) The exact amount of any payment of any kind by the~~  
295 ~~lender to the mortgage broker must be disclosed in writing to~~  
296 ~~the borrower within 3 business days after the mortgage broker is~~  
297 ~~made aware of the exact amount of the payment from the lender~~  
298 ~~but not less than 3 business days before the execution of the~~  
299 ~~closing or settlement statement. The licensee bears the burden~~  
300 ~~of proving such notification was provided to the borrower.~~

301 ~~Notification is waived if the exact amount of the payment is~~  
302 ~~accurately disclosed in the written mortgage broker agreement.~~

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

305 ~~(3) At the time a written mortgage broker agreement is~~  
306 ~~signed by the borrower or forwarded to the borrower for~~  
307 ~~signature, or at the time the mortgage broker business accepts~~  
308 ~~an application fee, credit report fee, property appraisal fee,~~  
309 ~~or any other third-party fee, but at least 3 business days~~  
310 ~~before execution of the closing or settlement statement, the~~  
311 ~~mortgage broker shall disclose in writing to any applicant for a~~  
312 ~~mortgage loan the following information:~~

313 ~~(a) That the mortgage broker may not make mortgage loans or~~  
314 ~~commitments. The mortgage broker may make a commitment and may~~  
315 ~~furnish a lock-in of the rate and program on behalf of the~~  
316 ~~lender if the mortgage broker has obtained a written commitment~~  
317 ~~or lock-in for the loan from the lender on behalf of the~~  
318 ~~borrower for the loan. The commitment must be in the same form~~  
319 ~~and substance as issued by the lender.~~

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320 ~~(b) That the mortgage broker cannot guarantee acceptance~~  
321 ~~into any particular loan program or promise any specific loan~~  
322 ~~terms or conditions.~~

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

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

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

339 ~~(4) The disclosures required by this subsection must be~~  
340 ~~furnished in writing at the time an adjustable rate mortgage~~  
341 ~~loan is offered to the borrower and whenever the terms of the~~  
342 ~~adjustable rate mortgage loan offered materially change prior to~~  
343 ~~closing. The mortgage broker shall furnish the disclosures~~  
344 ~~relating to adjustable rate mortgages in a format prescribed by~~  
345 ~~ss. 226.18 and 226.19 of Regulation Z of the Board of Governors~~  
346 ~~of the Federal Reserve System, as amended; its commentary, as~~  
347 ~~amended; and the federal Truth in Lending Act, 15 U.S.C. ss.~~  
348 ~~1601 et seq., as amended; together with the Consumer Handbook on~~

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349 ~~Adjustable Rate Mortgages, as amended, published by the Federal~~  
350 ~~Reserve Board and the Federal Home Loan Bank Board. The licensee~~  
351 ~~bears the burden of proving such disclosures were provided to~~  
352 ~~the borrower.~~

353 ~~(5) If the mortgage broker agreement includes a~~  
354 ~~nonrefundable application fee, the following requirements are~~  
355 ~~applicable:~~

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

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

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

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

367 ~~(1)-(7)~~ A Any third-party fee entrusted to a mortgage broker  
368 must immediately, upon receipt, be placed into a segregated  
369 account with a financial institution located in the state the  
370 accounts of which are insured by the Federal Government. Such  
371 funds shall be held in trust for the payor and shall be kept in  
372 the account until disbursement. Such funds may be placed in one  
373 account if adequate accounting measures are taken to identify  
374 the source of the funds.

375 ~~(2)-(8)~~ A mortgage broker may not pay a commission to a any  
376 person not licensed pursuant to this chapter.

377 ~~(3)-(9)~~ This section does not prohibit a mortgage broker

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378 from offering products and services, in addition to those  
379 offered in conjunction with the loan origination process, for a  
380 fee or commission.

381 Section 9. Subsections (2), (3), and (4) of section  
382 494.004, Florida Statutes, are amended to read:

383 494.004 Requirements of licensees.—

384 ~~(2) In every mortgage loan transaction, each licensee under~~  
385 ~~this part must notify a borrower of any material changes in the~~  
386 ~~terms of a mortgage loan previously offered to the borrower~~  
387 ~~within 3 business days after being made aware of such changes by~~  
388 ~~the mortgage lender but at least 3 business days before the~~  
389 ~~signing of the settlement or closing statement. The licensee~~  
390 ~~bears the burden of proving such notification was provided and~~  
391 ~~accepted by the borrower. A borrower may waive the right to~~  
392 ~~receive notice of a material change if the borrower determines~~  
393 ~~that the extension of credit is needed to meet a bona fide~~  
394 ~~personal financial emergency and the right to receive notice~~  
395 ~~would delay the closing of the mortgage loan. The imminent sale~~  
396 ~~of the borrower's home at foreclosure during the 3-day period~~  
397 ~~before the signing of the settlement or closing statement is an~~  
398 ~~example of a bona fide personal financial emergency. In order to~~  
399 ~~waive the borrower's right to receive notice, the borrower must~~  
400 ~~provide the licensee with a dated written statement that~~  
401 ~~describes the personal financial emergency, waives the right to~~  
402 ~~receive the notice, bears the borrower's signature, and is not~~  
403 ~~on a printed form prepared by the licensee for the purpose of~~  
404 ~~such a waiver.~~

405 (2)~~(3)~~ Each mortgage broker shall submit to the registry  
406 reports of condition, which must be in such form and ~~shall~~

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407 contain such information as the registry may require. The  
408 commission may prescribe by rule the deadline by which a  
409 mortgage broker must file a report of condition. For purposes of  
410 this section, the report of condition is synonymous with the  
411 registry's Mortgage Call Report.

412 (3)~~(4)~~ A license issued under this part is not transferable  
413 or assignable.

414 Section 10. Subsection (3) of section 494.0042, Florida  
415 Statutes, is amended to read:

416 494.0042 Loan origination fees.—

417 (3) At the time of accepting a mortgage loan application, a  
418 mortgage broker may receive from the borrower a nonrefundable  
419 application fee. If the mortgage loan is funded, the  
420 nonrefundable application fee shall be credited against the  
421 amount owed as a result of the loan being funded. A person may  
422 not receive any form of compensation for acting as a loan  
423 originator other than a nonrefundable application fee or~~7~~ a fee  
424 based on the mortgage amount being funded, ~~or a fee which~~  
425 ~~complies with s. 494.00421.~~

426 Section 11. Section 494.00421, Florida Statutes, is  
427 repealed.

428 Section 12. Paragraph (b) of subsection (2) of section  
429 494.00611, Florida Statutes, is amended to read:

430 494.00611 Mortgage lender license.—

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

433 (b) Designate a qualified principal loan originator who  
434 meets the requirements of s. 494.00665 ~~s. 494.0035~~ on the  
435 application form.

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436 Section 13. Section 494.00612, Florida Statutes, is amended  
437 to read:

438 494.00612 Mortgage lender license renewal.—

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

441 (a) Submit a completed license renewal form as prescribed  
442 by commission rule.

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

447 (c) Submit fingerprints in accordance with s.  
448 494.00611(2) (d) for any new control persons who have not been  
449 screened.

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

453 (e) Authorize the registry to obtain an independent credit  
454 report on each of the mortgage lender's control persons from a  
455 consumer reporting agency, and transmit or provide access to the  
456 report to the office. The cost of the credit report shall be  
457 borne by the licensee.

458 (f) Submit any additional information or documentation  
459 requested by the office and required by rule concerning the  
460 licensee. Additional information may include documentation of  
461 pending and prior disciplinary and criminal history events,  
462 including arrest reports and certified copies of charging  
463 documents, plea agreements, judgments and sentencing documents,  
464 documents relating to pretrial intervention, orders terminating



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465 probation or supervised release, final administrative agency  
 466 orders, or other comparable documents that may provide the  
 467 office with the appropriate information to determine eligibility  
 468 for renewal of licensure.

469 (2) The office may not renew a mortgage lender license  
 470 unless the mortgage lender continues to meet the minimum  
 471 requirements for initial licensure pursuant to s. 494.00611 and  
 472 adopted rule.

473 (3) A licensed mortgage lender that fails to meet the  
 474 requirements under this section for annual license renewal on or  
 475 before December 31, but that meets such requirements after  
 476 December 31 but before February 28, shall have such license  
 477 status changed to "failed to renew" pending review and renewal  
 478 by the office. A nonrefundable reinstatement fee of \$475 shall  
 479 be charged in addition to and apart from any registry fees. The  
 480 license status may not be changed until the requirements of this  
 481 section have been met and all fees have been paid. If the  
 482 licensee fails to submit the required information and pay the  
 483 required fees by February 28, such license is expired and such  
 484 person must apply for a new mortgage lender license under s.  
 485 494.00611.

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

488 494.0066 Mortgage lender branch office license and license  
 489 renewal offices.-

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

492 (2) The office shall issue a mortgage lender branch office  
 493 license to a mortgage lender licensee after the office

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

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

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

512 1. Submit a completed license renewal form as prescribed by  
513 commission rule.

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

516 3. Submit additional information or documentation requested  
517 by the office and required by rule concerning the licensee.  
518 Additional information may include documents that may provide  
519 the office with the appropriate information to determine  
520 eligibility for licensure renewal.

521 (b) The office may not renew a branch office license unless  
522 the mortgage lender licensee continues to meet the minimum

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523 requirements for initial licensure pursuant to this section and  
524 adopted rule.

525 (c) A licensed branch office that fails to meet the  
526 requirements under this section for annual license renewal on or  
527 before December 31, but that meets such requirements after  
528 December 31 but before February 28, shall have such license  
529 status changed to "failed to renew" pending review and renewal  
530 by the office. A nonrefundable reinstatement fee of \$225 shall  
531 be charged in addition to and apart from any registry fees. The  
532 license status may not be changed until the requirements of this  
533 section have been met and all fees have been paid. If the  
534 licensee fails to submit the required information and pay the  
535 required fees by February 28, such license is expired and the  
536 mortgage lender licensee must apply for a new mortgage lender  
537 branch office license under subsection (2).

538 Section 15. Subsections (8) through (13) of section  
539 494.0067, Florida Statutes, are amended to read:

540 494.0067 Requirements of mortgage lenders.-

541 ~~(8) Each mortgage lender shall provide an applicant for a~~  
542 ~~mortgage loan a good faith estimate of the costs the applicant~~  
543 ~~can reasonably expect to pay in obtaining a mortgage loan. The~~  
544 ~~good faith estimate of costs must be mailed or delivered to the~~  
545 ~~applicant within 3 business days after the licensee receives a~~  
546 ~~written loan application from the applicant. The estimate of~~  
547 ~~costs may be provided to the applicant by a person other than~~  
548 ~~the licensee making the loan. The good faith estimate must~~  
549 ~~identify the recipient of all payments charged to the borrower~~  
550 ~~and, except for all fees to be received by the mortgage broker~~  
551 ~~and the mortgage lender, may be disclosed in generic terms, such~~

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552 ~~as, but not limited to, paid to appraiser, officials, title~~  
553 ~~company, or any other third-party service provider. The licensee~~  
554 ~~bears the burden of proving such disclosures were provided to~~  
555 ~~the borrower. The commission may adopt rules that set forth the~~  
556 ~~disclosure requirements of this section.~~

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

571 ~~(10) In every mortgage loan transaction, each mortgage~~  
572 ~~lender shall notify a borrower of any material changes in the~~  
573 ~~terms of a mortgage loan previously offered to the borrower~~  
574 ~~within 3 business days after being made aware of such changes by~~  
575 ~~the lender but at least 3 business days before signing the~~  
576 ~~settlement or closing statement. The licensee bears the burden~~  
577 ~~of proving such notification was provided and accepted by the~~  
578 ~~borrower. A borrower may waive the right to receive notice of a~~  
579 ~~material change if the borrower determines that the extension of~~  
580 ~~credit is needed to meet a bona fide personal financial~~

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581 ~~emergency and the right to receive notice would delay the~~  
582 ~~closing of the mortgage loan. The imminent sale of the~~  
583 ~~borrower's home at foreclosure during the 3-day period before~~  
584 ~~the signing of the settlement or closing statement constitutes~~  
585 ~~an example of a bona fide personal financial emergency. In order~~  
586 ~~to waive the borrower's right to receive notice, the borrower~~  
587 ~~must provide the licensee with a dated written statement that~~  
588 ~~describes the personal financial emergency, waives the right to~~  
589 ~~receive the notice, bears the borrower's signature, and is not~~  
590 ~~on a printed form prepared by the licensee for the purpose of~~  
591 ~~such a waiver.~~

592 (8) ~~(11)~~ A mortgage lender may close loans in its own name  
593 but may not service the loan for more than 4 months unless the  
594 lender has a servicing endorsement. Only a mortgage lender who  
595 continuously maintains a net worth of at least \$250,000 may  
596 obtain a servicing endorsement.

597 (9) ~~(12)~~ A mortgage lender must report to the office the  
598 failure to meet the applicable net worth requirements of s.  
599 494.00611 within 2 days after the mortgage lender's knowledge of  
600 such failure or after the mortgage lender should have known of  
601 such failure.

602 (10) ~~(13)~~ Each mortgage lender shall submit to the registry  
603 reports of condition which are in a form and which contain such  
604 information as the registry may require. The commission may  
605 prescribe by rule the deadline by which a mortgage lender must  
606 file a report of condition. For purposes of this section, the  
607 report of condition is synonymous with the registry's Mortgage  
608 Call Report.

609 Section 16. Section 494.0068, Florida Statutes, is

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610 repealed.

611 Section 17. Subsection (1) of section 494.007, Florida  
612 Statutes, is amended to read:

613 494.007 Commitment process.—

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

616 (a) The expiration date of the commitment;

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

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

621 1. The basis, index, or method, if any, which will be used  
622 to determine the rate at closing. Such basis, index, or method  
623 shall be established and disclosed with direct reference to the  
624 movement of an interest rate index or of a national or regional  
625 index that is available to and verifiable by the borrower and  
626 beyond the control of the lender; or

627 2. The following statement, in at least 10-point bold type:  
628 "The interest rate will be the rate established by the lender in  
629 its discretion as its prevailing rate . . . days before  
630 closing."; and

631 ~~(d) The amount of the commitment fee, if any, and whether~~  
632 ~~and under what circumstances the commitment fee is refundable;~~  
633 ~~and~~

634 (d) ~~(e)~~ The time, if any, within which the commitment must  
635 be accepted by the borrower.

636 Section 18. Section 494.0073, Florida Statutes, is amended  
637 to read:

638 494.0073 Mortgage lender when acting as a mortgage broker.—

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639 The provisions of this part do not prohibit a mortgage lender  
640 from acting as a mortgage broker. However, in mortgage  
641 transactions in which a mortgage lender acts as a mortgage  
642 broker, the provisions of ss. 494.0038, ~~494.004(2)~~, 494.0042,  
643 and 494.0043(1), (2), and (3) apply.

644 Section 19. Sections 494.0078, 494.0079, 494.00791,  
645 494.00792, 494.00793, 494.00794, 494.00795, 494.00796, and  
646 494.00797, Florida Statutes, are repealed.

647 Section 20. Section 494.008, Florida Statutes, is repealed.

648 Section 21. This act shall take effect July 1, 2014.