

By Senator Taddeo

40-01320A-19

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1 A bill to be entitled
2 An act relating to mortgage lending; amending s.
3 494.001, F.S.; revising the definition of the term
4 “mortgage loan” to remove a condition that residential
5 loans be primarily for personal, family, or household
6 use; correcting a cross-reference; providing an
7 effective date.
8

9 WHEREAS, the Legislature finds that Florida borrowers who
10 apply for and receive business purpose loans, which are mortgage
11 loans for business purposes which are secured by dwellings, are
12 afforded limited consumer protection, and

13 WHEREAS, the Legislature finds it is in the public interest
14 to provide regulatory oversight over persons originating,
15 brokering, or lending such business purpose loans, NOW,
16 THEREFORE,

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18 Be It Enacted by the Legislature of the State of Florida:
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20 Section 1. Subsection (25) of section 494.001, Florida
21 Statutes, as amended by section 1 of chapter 2018-61, Laws of
22 Florida, is amended to read:

23 494.001 Definitions.—As used in this chapter, the term:

24 (25) “Mortgage loan” means any:

25 (a) Residential loan that ~~primarily for personal, family,~~
26 ~~or household use which~~ is secured by a mortgage, deed of trust,
27 or other equivalent consensual security interest on a dwelling,
28 as defined in s. 103(w) ~~s. 103(v)~~ of the federal Truth in
29 Lending Act, 15 U.S.C. s. 1602(w), or for the purchase of

40-01320A-19

20191632__

30 residential real estate upon which a dwelling is to be
31 constructed;

32 (b) Loan on commercial real property if the borrower is an
33 individual or the lender is a noninstitutional investor; or

34 (c) Loan on improved real property consisting of five or
35 more dwelling units if the borrower is an individual or the
36 lender is a noninstitutional investor.

37 Section 2. This act shall take effect July 1, 2019.