

1 A bill to be entitled
2 An act relating to servicers and lenders of
3 residential mortgage loans; amending s. 494.001, F.S.;
4 revising and providing definitions; creating s.
5 494.00163, F.S.; requiring periodic statements for
6 residential mortgage loans to follow specified laws;
7 providing exceptions to such laws; defining the term
8 "small mortgage servicer"; creating s. 494.00225,
9 F.S.; requiring mortgage servicers and mortgage
10 lenders to assume duties and obligations relating to
11 previously approved first lien loan modifications,
12 foreclosure prevention alternatives, and other loan
13 modifications under certain circumstances; creating s.
14 494.0027, F.S.; defining terms; prohibiting mortgage
15 servicers and mortgage lenders from commencing certain
16 civil actions, recording specified notices, and
17 conducting foreclosures of sale unless specified
18 conditions are met; requiring mortgage servicers and
19 mortgage lenders to establish single points of contact
20 and provide to borrowers direct means of communication
21 with the single points of contact upon request;
22 providing requirements and duties of single points of
23 contact; requiring mortgage servicers and mortgage
24 lenders to send written acknowledgment of application
25 receipt to foreclosure prevention alternative

26 applicants in specified manners within a specified
27 timeframe; providing requirements for statements,
28 documents, and information that mortgage servicers and
29 mortgage lenders must send to applicants under various
30 circumstances; providing timelines for mortgage
31 servicers and mortgage lenders to commence civil
32 actions against residential mortgage loan borrowers;
33 providing that mortgage servicers and mortgage lenders
34 are not required to evaluate foreclosure prevention
35 alternative applications under certain circumstances;
36 providing an exception; prohibiting mortgage servicers
37 and mortgage lenders from charging specified fees;
38 creating ss. 627.4055 and 635.0215, F.S.; defining
39 terms; prohibiting insurers and insurance agents from
40 engaging in certain acts relating to lender-placed
41 insurance for residential mortgage loan guaranty;
42 creating s. 702.013, F.S.; defining terms; prohibiting
43 mortgage servicers and mortgage lenders from
44 commencing certain civil actions, recording specified
45 notices, and conducting foreclosures of sale unless
46 specified conditions are met; requiring mortgage
47 servicers and mortgage lenders to establish single
48 points of contact and to provide to borrowers direct
49 means of communication with the single points of
50 contact upon request; providing requirements and

51 duties of single points of contact; requiring mortgage
52 servicers and mortgage lenders to send written
53 acknowledgment of application receipt to foreclosure
54 prevention alternative applicants in specified manners
55 within a specified timeframe; providing requirements
56 for statements, documents, and information that
57 mortgage servicers and mortgage lenders must send to
58 applicants under various circumstances; providing
59 timelines for mortgage servicers and mortgage lenders
60 to commence civil actions against residential mortgage
61 loan borrowers; providing that mortgage servicers and
62 mortgage lenders are not required to evaluate
63 foreclosure prevention alternative applications under
64 certain circumstances; providing an exception;
65 prohibiting mortgage servicers and mortgage lenders
66 from charging specified fees; amending ss. 494.00115
67 and 494.0025, F.S.; conforming cross-references;
68 providing an effective date.

69
70 Be It Enacted by the Legislature of the State of Florida:
71

72 Section 1. Subsections (12) through (26) and (27) through
73 (38) of section 494.001, Florida Statutes, are renumbered as
74 subsections (13) through (27) and subsections (29) through (40),
75 respectively, subsection (1) of that section is amended, and new

76 subsections (12) and (28) are added to that section, to read:

77 494.001 Definitions.—As used in this chapter, the term:

78 (1) "Borrower" means:

79 (a) A person obligated to repay a mortgage loan and
 80 includes, but is not limited to, a coborrower or cosignor; or

81 (b) A natural person who is a mortgagor under a
 82 residential mortgage loan.

83 (12) "Foreclosure prevention alternative" means a
 84 modification of a residential mortgage loan term.

85 (28) "Mortgage servicer" means a person or entity that
 86 directly services, or is contracted as a subservicing agent to a
 87 master servicer to service, a residential mortgage loan or
 88 manages a residential mortgage loan, which services or
 89 management may include, but is not limited to, the following
 90 responsibilities:

91 (a) Interacting with the borrower; managing the borrower's
 92 loan account daily, including, but not limited to, collecting
 93 and crediting loan payments that include principals and
 94 interests paid, and generating periodic billing and account
 95 statements; and managing the borrower's escrow account, if
 96 applicable; or

97 (b) Enforcing the note and security instrument as the
 98 current owner of the promissory note or as the authorized agent
 99 of the current owner of the promissory note.

100 Section 2. Section 494.00163, Florida Statutes, is created

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101 to read:

102 494.00163 Periodic statements for residential mortgage
103 loans; small mortgage servicers.-Periodic statements for
104 residential mortgage loans in the state must follow all the
105 provisions set forth in 12 C.F.R. s. 1026.41, except that a
106 reverse mortgage or a small mortgage servicer is not exempt from
107 the requirements of 12 C.F.R. s. 1026.41. As used in this
108 section, the term "small mortgage servicer" means a mortgage
109 servicer that, together with any affiliates, services up to
110 5,000 residential mortgage loans, all of which have the mortgage
111 servicer or its affiliate as the creditor or assignee.

112 Section 3. Section 494.00225, Florida Statutes, is created
113 to read:

114 494.00225 Residential mortgage loan modifications to avoid
115 foreclosure; transfers of duties and obligations of mortgage
116 servicers and mortgage lenders.-If a borrower of a residential
117 mortgage loan has been approved in writing for a first lien loan
118 modification, a foreclosure prevention alternative under s.
119 494.0027, or other loan modification to avoid foreclosure and if
120 the servicing of the borrower's mortgage loan is transferred or
121 sold, the mortgage servicer or mortgage lender to whom the
122 mortgage loan is transferred or sold shall assume all duties and
123 obligations related to such previously approved first lien loan
124 modification, foreclosure prevention alternative, or other loan
125 modification.

126 Section 4. Section 494.0027, Florida Statutes, is created
 127 to read:

128 494.0027 Foreclosure prevention alternatives for
 129 residential mortgage loans.-

130 (1) As used in this section, the term:

131 (a) "Complete application" means an application for a
 132 foreclosure prevention alternative for which the borrower has
 133 provided all documents required by the mortgage servicer or
 134 mortgage lender within the reasonable timeframe specified by the
 135 mortgage servicer or mortgage lender.

136 (b) "Single point of contact" means a person who has, or a
 137 team of personnel whose each member has, the ability, authority,
 138 and responsibility to:

139 1. Communicate the process by which a borrower may apply
 140 for an available foreclosure prevention alternative and the
 141 deadline for any required submission to be considered for the
 142 foreclosure prevention alternative.

143 2. Coordinate receipt of all documents associated with the
 144 available foreclosure prevention alternatives and notify the
 145 borrower of any missing document necessary to complete an
 146 application for a foreclosure prevention alternative.

147 3. Have access to current information and sufficient
 148 personnel to timely, accurately, and adequately inform the
 149 borrower of the current status of the foreclosure prevention
 150 alternative.

151 4. Ensure that the borrower is considered for all
152 foreclosure prevention alternatives offered by, or through, the
153 mortgage servicer or mortgage lender and for which the borrower
154 is or may be eligible.

155 5. Have access to the person who has the ability and
156 authority to stop the foreclosure process when necessary.

157 (2)(a) A mortgage servicer or mortgage lender may not
158 commence a civil action for the recovery of any debt, or for the
159 enforcement of any right, under a residential mortgage loan
160 which is not barred by this chapter or chapter 702 or any other
161 provision of law, record a notice of default or a notice of
162 sale, or conduct a foreclosure sale, if a borrower submits an
163 application for a foreclosure prevention alternative offered by,
164 or through, the borrower's mortgage servicer or mortgage lender,
165 unless one of the following has occurred:

166 1. The borrower fails to submit all documents or
167 information required to complete the application within the
168 allotted timeframe authorized by the mortgage servicer or
169 mortgage lender, which must be at least 30 calendar days after
170 the date of the initial acknowledgment of receipt of the
171 application sent to the borrower.

172 2. The mortgage servicer or mortgage lender makes a
173 written determination that the borrower is not eligible for a
174 foreclosure prevention alternative, and any appeal period under
175 subsection (5) has expired.

176 3. The borrower does not accept a written offer for a
177 foreclosure prevention alternative within 30 calendar days after
178 the date of the offer.

179 4. The borrower accepts a written offer for a foreclosure
180 prevention alternative, but defaults on or otherwise breaches
181 the borrower's obligations under the foreclosure prevention
182 alternative.

183 (b)1. If a borrower requests a foreclosure prevention
184 alternative, the mortgage servicer or mortgage lender shall
185 promptly establish a single point of contact and provide to the
186 borrower one or more direct means of communication with the
187 single point of contact.

188 2. A single point of contact must remain assigned to the
189 borrower's account until the mortgage servicer or mortgage
190 lender determines that all foreclosure prevention alternatives
191 offered by, or through, the mortgage servicer or mortgage lender
192 have been exhausted or the borrower's account becomes current.

193 3. The mortgage servicer or mortgage lender shall ensure
194 that a single point of contact refers and transfers the borrower
195 to an appropriate supervisor upon the borrower's request, if the
196 single point of contact has a supervisor.

197 4. If the responsibilities of a single point of contact
198 are performed by a team of personnel, the mortgage servicer or
199 mortgage lender shall ensure that each member of the team is
200 knowledgeable about the borrower's situation and current status

201 in the process of seeking a foreclosure prevention alternative.

202 (3) Within 7 business days after receiving an application
203 for a foreclosure prevention alternative or any document in
204 connection with a foreclosure prevention alternative application
205 for a residential mortgage loan, a mortgage servicer or mortgage
206 lender shall send to the borrower, by first-class mail or, if an
207 electronic mail address is provided, by electronic mail, written
208 acknowledgment of the receipt of the application or document.

209 (a) Upon receipt of an application for a foreclosure
210 prevention alternative, the mortgage servicer or mortgage lender
211 shall include in the initial acknowledgment of receipt of the
212 application:

213 1. A description of the process for considering the
214 application, including, without limitation, an estimate of when
215 a decision on the application will be made and the length of
216 time the borrower will have to consider an offer for a
217 foreclosure prevention alternative.

218 2. A statement of any deadlines that affect the processing
219 of an application for a foreclosure prevention alternative,
220 including, without limitation, the deadline for submitting any
221 missing document.

222 3. A statement of the expiration dates for any documents
223 submitted by the borrower.

224 (b) If a borrower submits an application for a foreclosure
225 prevention alternative but does not initially submit all the

226 documents or information required to complete the application,
227 the mortgage servicer or mortgage lender shall include in the
228 initial acknowledgment of receipt of the application:

229 1. A statement of any deficiency in the borrower's
230 application and allow the borrower at least 30 calendar days to
231 submit any missing document or information required to complete
232 the application.

233 2. All the information required under subparagraphs (a)1.,
234 (a)2., and (a)3.

235 (4) If a borrower accepts an offer for a foreclosure
236 prevention alternative for a residential mortgage loan, the
237 mortgage servicer or mortgage lender shall provide the borrower
238 with a copy of the complete agreement of the foreclosure
239 prevention alternative signed by the mortgage lender or an agent
240 or authorized representative of the mortgage lender.

241 (5) If a borrower submits a complete application for a
242 foreclosure prevention alternative for a residential mortgage
243 loan and the borrower's application is denied, the mortgage
244 servicer or mortgage lender shall send to the borrower a written
245 statement of:

246 (a) The reason for the denial.

247 (b) The length of time the borrower has to request an
248 appeal of the denial, which must be at least 30 calendar days.

249 (c) Instructions regarding how to appeal the denial,
250 including, without limitation, how to provide evidence that the

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251 denial was in error.

252 (6) If a borrower of a residential mortgage loan submits a
253 complete application for a foreclosure prevention alternative
254 and the borrower's application is denied, the mortgage servicer
255 or mortgage lender may not commence a civil action for the
256 recovery of any debt, or for the enforcement of any right, under
257 a residential mortgage loan which is not barred by this chapter
258 or chapter 702 or any other provision of law, record a notice of
259 default or a notice of sale, or conduct a foreclosure sale until
260 the later of:

261 (a) Sixty calendar days after the borrower is sent the
262 written statement required by subsection (5); or

263 (b) If the borrower appeals the denial, the later of:

264 1. Fifteen calendar days after the denial of the appeal;

265 or

266 2. If the appeal is successful:

267 a. Fourteen calendar days after a foreclosure prevention
268 alternative offered after the appeal is declined by the
269 borrower; or

270 3. If a foreclosure prevention alternative offered after
271 the appeal is accepted, the date on which the borrower fails to
272 timely submit the first payment or otherwise breaches the terms
273 of the offer.

274 (7) A mortgage servicer or mortgage lender is not required
275 to evaluate a foreclosure prevention alternative application

276 from a borrower of a residential mortgage loan who has already
 277 been evaluated or afforded a fair opportunity to be evaluated
 278 for a foreclosure prevention alternative or who has been
 279 evaluated or afforded a fair opportunity to be evaluated
 280 consistent with the requirements of this section, unless:

281 (a) There has been a material change in the borrower's
 282 financial circumstances since the date of the borrower's
 283 previous application.

284 (b) The change in paragraph (a) is documented by the
 285 borrower and submitted to the mortgage servicer or mortgage
 286 lender.

287 (8) A mortgage servicer or mortgage lender may not charge
 288 or collect:

289 (a) An application fee, processing fee, or other fee for a
 290 foreclosure prevention alternative; or

291 (b) Late fees for periods during which:

292 1. A foreclosure prevention alternative is under
 293 consideration or a denial is being appealed;

294 2. The borrower is making timely payments under a
 295 foreclosure prevention alternative; or

296 3. A foreclosure prevention alternative is being evaluated
 297 or exercised.

298 Section 5. Section 627.4055, Florida Statutes, is created
 299 to read:

300 627.4055 Lender-placed insurance for residential mortgage

301 loan guaranty.—

302 (1) As used in this section, the term:

303 (a) "Affiliate" has the same meaning as in s. 624.10.

304 (b) "Lender-placed insurance" means insurance obtained by
 305 a mortgage servicer or mortgage lender when a borrower of a
 306 residential mortgage loan does not maintain valid or sufficient
 307 insurance upon the mortgaged real property as required by the
 308 terms of the mortgage agreement.

309 (c) "Mortgage servicer" has the same meaning as in s.
 310 494.001.

311 (d) "Person affiliated" means an affiliate or affiliated
 312 person, as the terms are defined in s. 624.10.

313 (2)(a) An insurer or insurance agent may not:

314 1. Issue lender-placed insurance on a mortgaged property
 315 if the insurer or insurance agent or an affiliate of the insurer
 316 or insurance agent owns, performs the servicing for, or owns the
 317 servicing right to, the mortgaged property.

318 2. Except for payment to a mortgage lender for any loss
 319 resulting from a mortgage default or property foreclosure:

320 a. Compensate any mortgage lender, insurer, investor, or
 321 mortgage servicer, including, but not limited to, through
 322 payment of commissions, on a lender-placed insurance policy
 323 issued by the insurer or insurance agent.

324 b. Make any payment, including, but not limited to,
 325 payment of expenses, to any mortgage lender, insurer, investor,

326 or mortgage servicer for the purpose of securing lender-placed
 327 insurance business or related outsourced services.

328 c. Share lender-placed insurance premium or risk with the
 329 mortgage lender, investor, or mortgage servicer that obtained
 330 the lender-placed insurance.

331 d. Offer contingent commissions, profit sharing, or other
 332 payments dependent on profitability or loss ratios to any person
 333 affiliated with lender-placed insurance.

334 (b) An insurer or insurance agent may not provide free or
 335 below-cost outsourced services to a mortgage lender, insurance
 336 producer, investor, or mortgage servicer or outsource its own
 337 functions to a mortgage lender, insurance producer, investor, or
 338 mortgage servicer on an above-cost basis.

339 Section 6. Section 635.0215, Florida Statutes, is created
 340 to read:

341 635.0215 Lender-placed insurance for residential mortgage
 342 loan guaranty.—

343 (1) As used in this section, the term:

344 (a) "Affiliate" has the same meaning as in s. 624.10.

345 (b) "Lender-placed insurance" has the same meaning as in
 346 s. 627.4055(1).

347 (c) "Mortgage servicer" has the same meaning as in s.
 348 494.001.

349 (d) "Person affiliated" means an affiliate or affiliated
 350 person, as the terms are defined in s. 624.10.

351 (2) (a) An insurer or insurance agent may not:
 352 1. Issue lender-placed insurance on a mortgaged property
 353 if the insurer or insurance agent or an affiliate of the insurer
 354 or insurance agent owns, performs the servicing for, or owns the
 355 servicing right to, the mortgaged property.
 356 2. Except for payment to a mortgage lender for any loss
 357 resulting from a mortgage default or property foreclosure:
 358 a. Compensate any mortgage lender, insurer, investor, or
 359 mortgage servicer, including, but not limited to, through
 360 payment of commissions, on a lender-placed insurance policy
 361 issued by the insurer or insurance agent.
 362 b. Make any payment, including, but not limited to,
 363 payment of expenses, to any mortgage lender, insurer, investor,
 364 or mortgage servicer for the purpose of securing lender-placed
 365 insurance business or related outsourced services.
 366 c. Share lender-placed insurance premium or risk with the
 367 mortgage lender, investor, or mortgage servicer that obtained
 368 the lender-placed insurance.
 369 d. Offer contingent commissions, profit sharing, or other
 370 payments dependent on profitability or loss ratios to any person
 371 affiliated with lender-placed insurance.
 372 (b) An insurer or insurance agent may not provide free or
 373 below-cost outsourced services to a mortgage lender, insurance
 374 producer, investor, or mortgage servicer or outsource its own
 375 functions to a mortgage lender, insurance producer, investor, or

376 mortgage servicer on an above-cost basis.

377 Section 7. Section 702.013, Florida Statutes, is created
378 to read:

379 702.013 Foreclosure prevention alternatives for
380 residential mortgage loans.-

381 (1) As used in this section, the term:

382 (a) "Complete application" has the same meaning as in s.
383 494.0027(1).

384 (b) "Foreclosure prevention alternative" has the same
385 meaning as in s. 494.001.

386 (c) "Mortgage servicer" has the same meaning as in s.
387 494.001.

388 (d) "Single point of contact" has the same meaning as in
389 s. 494.0027(1).

390 (2) (a) A mortgage servicer or mortgage lender may not
391 commence a civil action for the recovery of any debt, or for the
392 enforcement of any right, under a residential mortgage loan
393 which is not barred by this chapter or chapter 494 or any other
394 provision of law, record a notice of default or a notice of
395 sale, or conduct a foreclosure sale, if a borrower submits an
396 application for a foreclosure prevention alternative offered by,
397 or through, the borrower's mortgage servicer or mortgage lender,
398 unless one of the following has occurred:

399 1. The borrower fails to submit all documents or
400 information required to complete the application within the

401 allotted timeframe authorized by the mortgage servicer or
402 mortgage lender, which must be at least 30 calendar days after
403 the date of the initial acknowledgment of receipt of the
404 application sent to the borrower.

405 2. The mortgage servicer or mortgage lender makes a
406 written determination that the borrower is not eligible for a
407 foreclosure prevention alternative, and any appeal period under
408 subsection (5) has expired.

409 3. The borrower does not accept a written offer for a
410 foreclosure prevention alternative within 30 calendar days after
411 the date of the offer.

412 4. The borrower accepts a written offer for a foreclosure
413 prevention alternative, but defaults on or otherwise breaches
414 the borrower's obligations under the foreclosure prevention
415 alternative.

416 (b)1. If a borrower requests a foreclosure prevention
417 alternative, the mortgage servicer or mortgage lender shall
418 promptly establish a single point of contact and provide to the
419 borrower one or more direct means of communication with the
420 single point of contact.

421 2. A single point of contact must remain assigned to the
422 borrower's account until the mortgage servicer or mortgage
423 lender determines that all foreclosure prevention alternatives
424 offered by, or through, the mortgage servicer or mortgage lender
425 have been exhausted or the borrower's account becomes current.

426 3. The mortgage servicer or mortgage lender shall ensure
427 that a single point of contact refers and transfers the borrower
428 to an appropriate supervisor upon the borrower's request, if the
429 single point of contact has a supervisor.

430 4. If the responsibilities of a single point of contact
431 are performed by a team of personnel, the mortgage servicer or
432 mortgage lender shall ensure that each member of the team is
433 knowledgeable about the borrower's situation and current status
434 in the process of seeking a foreclosure prevention alternative.

435 (3) Within 7 business days after receiving an application
436 for a foreclosure prevention alternative or any document in
437 connection with a foreclosure prevention alternative application
438 for a residential mortgage loan, a mortgage servicer or mortgage
439 lender shall send to the borrower, by first-class mail or, if an
440 electronic mail address is provided, by electronic mail, written
441 acknowledgment of the receipt of the application or document.

442 (a) Upon receipt of an application for a foreclosure
443 prevention alternative, the mortgage servicer or mortgage lender
444 shall include in the initial acknowledgment of receipt of the
445 application:

446 1. A description of the process for considering the
447 application, including, without limitation, an estimate of when
448 a decision on the application will be made and the length of
449 time the borrower will have to consider an offer for a
450 foreclosure prevention alternative.

451 2. A statement of any deadlines that affect the processing
452 of an application for a foreclosure prevention alternative,
453 including, without limitation, the deadline for submitting any
454 missing document.

455 3. A statement of the expiration dates for any documents
456 submitted by the borrower.

457 (b) If a borrower submits an application for a foreclosure
458 prevention alternative but does not initially submit all the
459 documents or information required to complete the application,
460 the mortgage servicer or mortgage lender shall include in the
461 initial acknowledgment of receipt of the application:

462 1. A statement of any deficiency in the borrower's
463 application and allow the borrower at least 30 calendar days to
464 submit any document or information required to complete the
465 application.

466 2. All the information required under subparagraphs (a)1.,
467 (a)2., and (a)3.

468 (4) If a borrower accepts an offer for a foreclosure
469 prevention alternative for a residential mortgage loan, the
470 mortgage servicer or mortgage lender shall provide the borrower
471 with a copy of the complete agreement of the foreclosure
472 prevention alternative signed by the mortgage lender or an agent
473 or authorized representative of the mortgage lender.

474 (5) If a borrower submits a complete application for a
475 foreclosure prevention alternative for a residential mortgage

476 loan and the borrower's application is denied, the mortgage
477 servicer or mortgage lender shall send to the borrower a written
478 statement of:

479 (a) The reason for the denial.

480 (b) The length of time the borrower has to request an
481 appeal of the denial, which must be at least 30 calendar days.

482 (c) Instructions regarding how to appeal the denial,
483 including, without limitation, how to provide evidence that the
484 denial was in error.

485 (6) If a borrower of a residential mortgage loan submits a
486 complete application for a foreclosure prevention alternative
487 and the borrower's application is denied, the mortgage servicer
488 or mortgage lender may not commence a civil action for the
489 recovery of any debt, or for the enforcement of any right, under
490 a residential mortgage loan which is not barred by this chapter
491 or chapter 494 or any other provision of law, record a notice of
492 default or a notice of sale, or conduct a foreclosure sale until
493 the later of:

494 (a) Sixty calendar days after the borrower is sent the
495 written statement required by subsection (5); or

496 (b) If the borrower appeals the denial, the later of:

497 1. Fifteen calendar days after the denial of the appeal;

498 or

499 2. If the appeal is successful:

500 a. Fourteen calendar days after a foreclosure prevention

501 alternative offered after the appeal is declined by the
502 borrower; or

503 3. If a foreclosure prevention alternative offered after
504 the appeal is accepted, the date on which the borrower fails to
505 timely submit the first payment or otherwise breaches the terms
506 of the offer.

507 (7) A mortgage servicer or mortgage lender is not required
508 to evaluate a foreclosure prevention alternative application
509 from a borrower of a residential mortgage loan who has already
510 been evaluated or afforded a fair opportunity to be evaluated
511 for a foreclosure prevention alternative or who has been
512 evaluated or afforded a fair opportunity to be evaluated
513 consistent with the requirements of this section, unless:

514 (a) There has been a material change in the borrower's
515 financial circumstances since the date of the borrower's
516 previous application.

517 (b) The change in paragraph (a) is documented by the
518 borrower and submitted to the mortgage servicer or mortgage
519 lender.

520 (8) A mortgage servicer or mortgage lender may not charge
521 or collect:

522 (a) Application fee, processing fee, or other fee for a
523 foreclosure prevention alternative; or

524 (b) Late fees for periods during which:

525 1. A foreclosure prevention alternative is under

526 consideration or a denial is being appealed;

527 2. The borrower is making timely payments under a
 528 foreclosure prevention alternative; or

529 3. A foreclosure prevention alternative is being evaluated
 530 or exercised.

531 Section 8. Paragraphs (a), (b), and (c) of subsection (5)
 532 of section 494.00115, Florida Statutes, are amended to read:

533 494.00115 Exemptions.—

534 (5) As used in this section, the term "hold himself or
 535 herself out to the public as being in the mortgage lending
 536 business" includes any of the following:

537 (a) Representing to the public, through advertising or
 538 other means of communicating or providing information, including
 539 the use of business cards, stationery, brochures, signs, rate
 540 lists, or promotional items, by any method, that such individual
 541 can or will perform the activities described in s. 494.001(25)
 542 ~~s. 494.001(24)~~.

543 (b) Soliciting in a manner that would lead the intended
 544 audience to reasonably believe that such individual is in the
 545 business of performing the activities described in s.
 546 494.001(25) ~~s. 494.001(24)~~.

547 (c) Maintaining a commercial business establishment at
 548 which, or premises from which, such individual regularly
 549 performs the activities described in s. 494.001(25) ~~s.~~
 550 ~~494.001(24)~~ or regularly meets with current or prospective

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551 mortgage borrowers.

552 Section 9. Paragraph (d) of subsection (4) of section
553 494.0025, Florida Statutes, is amended to read:

554 494.0025 Prohibited practices.—It is unlawful for any
555 person:

556 (4) In any practice or transaction or course of business
557 relating to the sale, purchase, negotiation, promotion,
558 advertisement, or hypothecation of mortgage loan transactions,
559 directly or indirectly:

560 (d) To misrepresent a residential mortgage loan, as
561 described in s. 494.001(26)(a) ~~s. 494.001(25)(a)~~, as a business
562 purpose loan.

563 Section 10. This act shall take effect July 1, 2022.