



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 129**

Hearing Date: February 5, 2007

Committee On: Banking, Commerce and Insurance

Introducer(s): (Pahls)

Title: Change the Mortgage Bankers Registration and Licensing Act

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

7	Yes	Senators Pahls, Langemeier, Carlson, Christensen, Gay, Hansen, Pirsch
	No	
	Present, not voting	
1	Absent	Senator Pankonin

Proponents:

Senator Rich Pahls
John Munn
Bruce Cutshall

Representing:

Introducer
NE Department of Banking and Finance
NE Financial Services Coalition

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 129 (Pahls, Carlson, Christensen, Gay, Hansen, Langemeier, Pankonin, Pirsch), introduced at the request of the Director of Banking and Finance, would amend sections 45-701, 45-702, 45-705, 45-706, 45-711, 45-714, and 45-715 of the Mortgage Bankers Registration and Licensing Act and enact a new section in the act to make various changes and updates.

The bill would provide, section by section as follows:

Section 1 would amend section 45-701 of the Mortgage Bankers Registration and Licensing Act to provide for new section 9 to be assigned within the act.

Section 2 would amend section 45-702 of the Mortgage Bankers Registration and Licensing Act to provide for two new definitions: “branch office”; and “control”.

Section 3 would amend section 45-705 of the Mortgage Bankers Registration and Licensing Act to provide that the application for a license as a mortgage banker shall include all branch office addresses and a \$75 fee for each branch office; that the Director of Banking and Finance may require a background investigation of applicants by means of fingerprints and a check of criminal history record information with applicants responsible for the costs of the checks; and that an application is deemed filed when accepted as substantially complete by the director.

Section 4 would amend section 45-706 of the Mortgage Bankers Registration and Licensing Act to provide that the Director of Banking and Finance shall approve or deny an application for a license within 90 days after “acceptance” rather than “the filing of” the application; that licenses shall expire annually on December 31 rather than March 1; and that the annual renewal fee for branch offices shall be \$75 each.

Section 5 would amend section 45-708 of the Mortgage Bankers Registration and Licensing Act to provide that any individual who has been convicted of, pleaded guilty to, or found guilty after a plea of nolo contendere to (a) any misdemeanor under state or federal law which involves dishonesty or fraud or which involves any aspect of the mortgage banking business, financial institution business, or installment loan business or (b) any felony under state or federal law, and is employed by or maintains a contractual relationship as an agent of, any person required to be licensed or registered under the Mortgage Bankers Registration and Licensing Act, is guilty of a Class I misdemeanor (maximum: one year, or \$1,000, or both; minimum: none).

Section 6 would amend section 45-711 of the Mortgage Bankers Registration and Licensing Act to provide that the required notice by a licensee to the Director of Banking and Finance of establishment of a branch office shall be on forms prescribed by the Department of Banking and Finance and accompanied by a fee of \$75 for each branch office.

Section 7 would amend section 45-714 of the Mortgage Bankers Registration and Licensing Act to provide that a licensee or its officer, employee, or agent shall not obtain a signature on a document required to be notarized in connection with a mortgage loan or mortgage loan application unless the notary is physically present when the signature is obtained.

Section 8 would amend section 45-715 of the Mortgage Bankers Registration and Licensing Act to provide that the Department of Banking and Finance may participate in a multi-state licensing and application system for mortgage lenders and mortgage brokers.

Section 9 would enact a new section within the Mortgage Bankers Registration and Licensing Act to provide that no person shall acquire control of any mortgage banking business required to be licensed under the act without giving notice to the Department of Banking and Finance and paying a filing fee of \$200, subject to disapproval by the Director of the Banking and Finance.

Section 10 would provide for repealers of the amendatory sections.

Explanation of amendments, if any:

The committee amendments (AM 268) would do the following:

In section 2, the committee amendments would further amend section 45-702 to provide definitions for “breach of security” and “multistate licensing and application system”.

In section 3, the committee amendments would further amend the new provisions in section 45-705 to provide for any processing fee for application for a license through the multistate licensing and application system.

In section 4, the committee amendments would further amend the new provisions of section 45-706 to provide for any processing fee for annual renewal of a license through the multistate licensing and application system.

In section 8, the committee amendments would further amend the new provisions of section 45-715 to clarify that the multistate licensing and application system is for mortgage lenders and mortgage “bankers” and not mortgage “brokers”.

The committee amendments would insert a new section 10 to provide (1) that the Department of Banking and Finance may require that a mortgage banker supply all or part of the information that must be provided to obtain a license pursuant to a multistate licensing and application system data base and that this does not authorize the Director of Banking and Finance to require any person exempt from licensure under the act to submit information to or participate in the multistate licensing and application system, (2) that no person, except for the department, shall be authorized to obtain information from a multistate licensing and application system data base or initiate any civil action based on information obtained from such data base, (3) that the department shall ensure that a multistate licensing and application system adopts a privacy, data security, and security breach notification system policy, and (4) that the department shall upon written request provide the most recently available audited financial report of the multistate licensing and application system.

Senator Rich Pahls, Chairperson