

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 127

Introduced By: Pahls, 31; Carlson, 38; Christensen, 44; Gay, 14;
Hansen, 42; Langemeier, 23; Pankonin, 2; Pirsch, 4

Read first time: January 8, 2007

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to loan brokers; to amend section 45-191.01,
2 Reissue Revised Statutes of Nebraska; to change provisions
3 relating to loan brokerage agreements; and to repeal the
4 original section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 45-191.01, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 45-191.01. (1) At least forty-eight hours before the
4 borrower signs a loan brokerage agreement, the loan broker shall give
5 the borrower a written disclosure statement. The cover sheet of the
6 disclosure statement shall have printed, in at least ten-point
7 boldface capital letters, the title DISCLOSURES REQUIRED BY NEBRASKA
8 LAW. The following statement, printed in at least ten-point type,
9 shall appear under the title:

10 THE STATE OF NEBRASKA HAS NOT REVIEWED AND DOES NOT APPROVE,
11 RECOMMEND, ENDORSE, OR SPONSOR ANY LOAN BROKERAGE AGREEMENT. THE
12 INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT HAS NOT BEEN
13 VERIFIED BY THE STATE. IF YOU HAVE QUESTIONS, SEEK LEGAL ADVICE BEFORE
14 YOU SIGN A LOAN BROKERAGE AGREEMENT.

15 Only the title and the statement shall appear on the cover
16 sheet.

17 (2) The body of the disclosure statement shall contain the
18 following information:

19 (a) The name, ~~and~~ street address, and telephone number
20 of the loan broker, the names under which the loan broker does, has
21 done, or intends to do business, ~~and~~ the name and street address of
22 any parent or affiliated company, and the electronic mail and
23 Internet address of the loan broker, if any;

24 (b) A statement as to whether the loan broker does business
25 as an individual, partnership, corporation, or other organizational
26 form, including identification of the state of incorporation or
27 formation;

1 (c) How long the loan broker has done business;

2 (d) The number of loan brokerage agreements the loan broker
3 has entered into in the previous twelve months;

4 (e) The number of loans the loan broker has obtained for
5 borrowers in the previous twelve months;

6 (f) A description of the services the loan broker agrees to
7 perform for the borrower;

8 (g) The conditions under which the borrower is obligated to
9 pay the loan broker. This disclosure shall be in boldface type;

10 (h) The names, titles, and principal occupations for the
11 past five years of all officers, directors, or persons occupying
12 similar positions responsible for the loan broker's business
13 activities;

14 (i) A statement whether the loan broker or any person
15 identified in subdivision (h) of this subsection:

16 (i) Has been convicted of a felony or misdemeanor or pleaded
17 nolo contendere to a felony or misdemeanor charge if such felony or
18 misdemeanor involved fraud, embezzlement, fraudulent conversion, or
19 misappropriation of property;

20 (ii) Has been held liable in a civil action by final
21 judgment or consented to the entry of a stipulated judgment if the
22 civil action alleged fraud, embezzlement, fraudulent conversion, or
23 misappropriation of property or the use of untrue or misleading
24 representations in an attempt to sell or dispose of real or personal
25 property or the use of unfair, unlawful, or deceptive business
26 practices; or

27 (iii) Is subject to any currently effective injunction or

1 restrictive order relating to business activity as the result of an
2 action brought by a public agency or department including, but not
3 limited to, action affecting any vocational license; and

4 (j) Any other information the director requires.

5 Sec. 2. Original section 45-191.01, Reissue Revised Statutes
6 of Nebraska, is repealed.