

April 13, 1999

S 866. MORT. LENDERS AND BROKERS LICENSURE. AMENDING THE LAWS

CONCERNING THE LICENSURE OF MORTGAGE LENDERS AND BROKERS. Generally rewrites art. 19, GS ch. 53, to provide for the licensing mortgage brokers and lenders by the Comm'r of Banks. Exempts from the license requirements: any licensed real estate agent or broker unless he or she receives compensation in connection with the placement of a mortgage loan; any person who, as seller, receives in 1 year no more than 10 mortgages as security for a purchase money obligation; NC Housing Finance Agency; and any agency of the federal, state, or local government granting first mortgage loans. Any person who acts as both mortgage broker and mortgage lender must be separately licensed in each capacity. Each license application must be in writing to the comm'r and contain information regarding the applicant's address and officers. Natural persons applying for a license shall pay a fee of \$500, which includes the license fee. Other applicants must be an application fee of \$1,000 and a license fee of \$1,000. An applicant who maintains more than one place of operation must pay an additional fee of \$250 for each location, not to exceed a total of \$3,000. An applicant must file a bond with the comm'r in a minimum amount of \$25,000 for a natural person; \$50,000 for a broker who is not a natural person, and \$100,000 for a lender who is not a natural person. Licenses must be renewed annually at a fee of \$500 for each natural person, \$1,000 for all other licensees, and \$250 for each additional place of operation, not to exceed \$3,000. No person may solicit mortgage loans to residents of this state by mail, telephone, or electronically unless licensed under this article. No licensee may act as a mortgage broker in any transaction in which the licensee is also acting as a mortgage lender. Each licensee must file an annual report with the comm'r by March 31 containing such information as the comm'r may require. Licensees are required to keep records of all business transactions for 7 years following the transaction, and these records are subject to inspection by the comm'r. Among the activities prohibited by the act are providing brokerage services without making reasonable efforts to secure a loan with rates and charges that are most advantageous to the borrower's circumstances, making a loan with the intent to foreclose on the borrower's property, and discriminating on the basis of a borrower's race, sex, age, national origin, religion, or handicap. Prohibits any person from participating in a transaction with a nonexempt, unlicensed broker or lender. Any contract or loan made knowingly and willfully in violation of the act is void.

Intro. by Gulley.

Ref. to Commerce

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