

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4
5 By: Representative Kerr

A Bill

HOUSE BILL 1879

For An Act To Be Entitled

8 AN ACT TO CLARIFY LICENSING REQUIREMENTS UNDER THE
9 FAIR MORTGAGE LENDING ACT; AND FOR OTHER PURPOSES.

Subtitle

12 TO CLARIFY LICENSING REQUIREMENTS UNDER
13 THE FAIR MORTGAGE LENDING ACT.

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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19 SECTION 1. Arkansas Code § 23-39-502(11)(A), concerning the definition
20 of "loan officer", is amended to read as follows:

21 (11)(A) "Loan officer" means an individual other than an exempt
22 person ~~described in subdivision (9) of this section~~ who in exchange for
23 compensation as an employee of or who otherwise receives compensation or
24 remuneration from a mortgage broker, ~~or a mortgage banker, or an exempt~~
25 person registered with the commissioner under § 23-39-503:

26 (i) Solicits or offers to solicit an application for
27 a mortgage loan;

28 (ii) Accepts or offers to accept an application for
29 a mortgage loan;

30 (iii) Negotiates or offers to negotiate the terms or
31 conditions of a mortgage loan; or

32 (iv) Issues or offers to issue a mortgage loan
33 commitment or interest rate guarantee agreement.

34
35 SECTION 2. Arkansas Code § 23-39-503, concerning actions of an exempt
36 person, is amended to add an additional subdivision to read as follows:



1 (g)(1) Notwithstanding any other law, an exempt person that employs or
2 enters into an exclusive independent agent agreement with an individual who
3 is required to obtain a loan officer license in this state may register as an
4 exempt person with the commissioner.

5 (2) A person who chooses to register under subdivision (g)(1) of
6 this section shall submit to the commissioner a registration statement on a
7 form prescribed by the commissioner. The form shall contain:

8 (A) Addresses where business is to be conducted;

9 (B) Names and titles of each director and principal
10 officer of the business of the applicant;

11 (C) Names of each person who will act as a loan officer in
12 this state for the applicant; and

13 (D) A description of the business activities of the
14 applicant.

15 (3) The registration statement required in subdivision (g)(2) of
16 this section shall be accompanied by a registration fee of seven hundred
17 fifty dollars (\$750) and fifty dollars (\$50) for each loan officer.

18 (4) An exempt person registering under this section shall
19 maintain a surety bond as required under § 23-39-505(f) and comply with the
20 requirements of this section pertaining to the employment of loan officers.

21 (5)(A) The license of a loan officer employed with a registered
22 exempt person under this section shall terminate when his or her employment
23 by or relationship with the registered exempt person terminates.

24 (B) When a loan officer ceases to be employed by or under
25 contract with an exempt person registering under this section or ceases to
26 act as a loan officer, the registered exempt person with which the person was
27 affiliated or by which that person is employed shall notify the commissioner
28 in writing within thirty (30) days from the date on which the loan officer
29 ceased to be employed or ceased activities as a loan officer.

30 (C)(i) A registered exempt person that does not comply with
31 subdivision (g)(5)(B) of this section shall pay a late fee of two hundred
32 fifty dollars (\$250) for failure to timely notify the commissioner.

33 (ii) The late fee may be waived, in whole or in
34 part, in the sole discretion of the commissioner and for good cause shown.

35 (D) A loan officer shall not be simultaneously employed by
36 more than one (1) registered exempt person.

1 (6) A registration under this section is not assignable.

2 (7) Registrations shall expire on December 31 of each calendar
3 year. The registration for exemption may be renewed annually for a renewal
4 fee of three hundred fifty dollars (\$350).

5 (8)(A) If a registered exempt person fails to maintain a surety
6 bond as required by § 23-39-505(f), the commissioner may issue a notice of
7 cancellation of the registration.

8 (B) If a registered exempt person fails to renew the
9 registration and does not voluntarily surrender the registration by
10 delivering written notice of the surrender to the commissioner, the
11 commissioner may issue a notice of expiration of the registration.

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