

Senate Bill 16

By: Senators Cheeks of the 23<sup>rd</sup>, Harbison of the 15<sup>th</sup>, Stokes of the 43<sup>rd</sup>, Gingrey of the 37<sup>th</sup>  
and Stephens of the 51<sup>st</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 1 of Title 7 of the Official Code of Georgia Annotated, known as the  
2 "Financial Institutions Code of Georgia," so as to change the provisions relating to  
3 definitions; to change the provisions relating to real estate loans; to change the provisions  
4 relating to corporate stock and securities; to change the provisions relating to boards of  
5 directors; to change the provisions relating to merger plans; to provide for department review  
6 of certain mergers; to change the provisions relating to the effect of issuance of a certificate  
7 of merger or consolidation; to provide for department review of a plan of conversion; to  
8 change the provisions relating to the powers of Georgia state banks; to change the provisions  
9 relating to third-party payment services; to change the provisions relating to mortgage broker  
10 licenses; to change the provisions relating to the financial requirements for licensing and  
11 registration of mortgage brokers; to clarify the requirements relative to licensees and  
12 registrants; to change the provisions relating to renewal of licenses and registrations; to  
13 provide for disclosure of written complaints received by the department; to make changes  
14 in the provisions relating to rule making; to authorize the department to prescribe standards  
15 related to accuracy of required disclosures; to provide for civil penalties or fines; to provide  
16 for related matters; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

18 Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to financial  
19 institutions, is amended by striking paragraphs (7) and (11) of Code Section 7-1-4 relating  
20 to definitions, and inserting in lieu thereof two new paragraphs (7) and (11) to read as  
21 follows:  
22

23 "(7) 'Bank' means a corporation existing under the laws of this state on April 1, 1975, or  
24 organized under this chapter and authorized to engage in the business of receiving  
25 deposits withdrawable on demand or deposits withdrawable after stated notice or lapse  
26 of time; 'bank' shall also include national banks located in this state for the purpose of

1 Part 6 of Article 2 of this chapter, relating to deposits, safe-deposit agreements, and  
 2 money received for transmission, and Article 8 of this chapter, relating to multiple  
 3 deposit accounts; provided, however, that 'bank' shall not include a credit union, a  
 4 building and loan association, a savings and loan association, or a licensee under Article  
 5 4 of this chapter. 'Bank' shall include a federal or state credit union for the purposes of  
 6 Part 6 of Article 2 of this chapter, provided that this inclusion is not intended to grant or  
 7 expand any powers to credit unions not authorized in Part 6 of Article 2 of this chapter  
 8 or by other law."

9 "(11) ~~'Certificate of reliance' means a written statement which:~~

10 ~~(A) Is signed by an officer or authorized employee of a financial institution;~~

11 ~~(B) States that the financial institution is relying primarily on the obligation of a person~~  
 12 ~~or corporation or on security in a transaction as to which such reliance has an effect on~~  
 13 ~~the application of a provision of this chapter;~~

14 ~~(C) States the facts which are the basis of such reliance; and~~

15 ~~(D) Is retained in the financial institution's files related to the transaction in connection~~  
 16 ~~with which statement is made Reserved."~~

## 17 SECTION 2.

18 Said chapter is further amended by striking paragraph (2) of subsection (b) of Code Section  
 19 7-1-286, relating to real estate loans, and inserting in lieu thereof a new paragraph (2) to read  
 20 as follows:

21 "(2) A loan in connection with which the bank takes a real estate lien as security in the  
 22 exercise of banking prudence but as to which it is relying for repayment on:

23 (A) The general credit of the obligor or of an installment buyer or of a lessee of the real  
 24 estate;

25 (B) Collateral other than the real estate lien;

26 (C) A guaranty or an agreement to take over or purchase the loan, in the event of  
 27 default, by a financially responsible person other than a person engaged in the business  
 28 of guaranteeing real estate loans; or

29 (D) An agreement by a financially responsible person to take over or purchase the loan,  
 30 or to provide funds for payment thereof, within a period of two years from the date of  
 31 the loan;

32 and there is ~~a certificate of reliance~~ documentation in the file setting forth the applicable  
 33 facts to support reliance on this paragraph."

## 34 SECTION 3.

1 Said chapter is further amended by striking Code Section 7-1-288, relating to corporate stock  
2 and securities, and inserting in lieu thereof a new Code Section 7-1-288 to read as follows:

3 "7-1-288.

4 (a) Except as provided in subsections (b) and (c) of this Code section and in Code Section  
5 7-1-261, a bank may not engage in any transaction with respect to shares of stock or other  
6 capital securities of any corporation.

7 (b) A bank may:

8 (1) Engage in transactions with respect to issuance and transfer of shares of its own stock  
9 and capital securities and in other transactions with respect to such stock and capital  
10 securities authorized by this chapter;

11 (2) Purchase and sell shares of stock, bonds, capital securities, and other investment  
12 products upon the order of and for the account of a customer without recourse against it;

13 (3) Receive a pledge or other security interest in stock or capital securities in order to  
14 secure loans made in good faith, except that it may not receive such interests in its own  
15 stock or capital securities nor lend in one or more transactions, involving one or more  
16 borrowers, more than 30 percent of its statutory capital base on the stock or capital  
17 securities of any corporation (including therein loans made directly to the corporation  
18 without ample security but excluding obligations representing the sale of federal or  
19 correspondent funds to another financial institution). The department may, by regulation  
20 or otherwise, specify that two or more corporations are so interrelated that their stock  
21 shall be regarded as the stock of one corporation for the purposes of this subsection.

22 (c) Notwithstanding any other provisions of law to the contrary, a bank may acquire and  
23 hold for its own account:

24 (1) Shares of stock of a federal reserve bank without limitation of amount;

25 (2) Shares of stock ~~of~~ or interests in:

26 (A) Any state or federal government sponsored instrumentality for the guarantee,  
27 underwriting, or marketing of residential housing or financing of residential housing;

28 (B) A business development corporation or small minority business development  
29 corporation authorized under Article 6 of this chapter;

30 (C) An agricultural credit corporation duly organized under the laws of this state  
31 having authority to make loans to farmers of this state for agricultural purposes under  
32 programs administered by the federal farm credit system;

33 (D) A bank service corporation created to provide support services for one or more  
34 financial institutions;

35 (E)(i) A bank principally engaged in foreign or international banking or banking in  
36 a dependency or insular possession of the United States, either directly or through the  
37 agency, ownership, or control of local institutions in foreign countries or in such

1 dependencies or insular possessions, including the stock of one or more corporations  
2 existing pursuant to Section 25(a) of the Federal Reserve Act, provided that, before  
3 a bank may purchase a majority interest in any such banking institution, it shall enter  
4 into an agreement with the department to restrict its operations in such manner as the  
5 department may prescribe; and provided, further, that, if the department determines  
6 that said restrictions have not been complied with, it may order the disposition of said  
7 stock upon reasonable notice.

8 (ii) A bank engaged in providing banking or other financial services to depository  
9 financial institutions, which bank's ownership consists primarily of such depository  
10 financial institutions;

11 (F) A corporation engaged in functions or activities that the bank or trust company is  
12 authorized to carry on, including, but not limited to: conducting a safe-deposit business;  
13 holding real estate; acting as a financial planner or investment adviser; offering of a full  
14 range of investment products; promoting and facilitating international trade and  
15 commerce; and exercising powers incidental to financial activities as provided in  
16 paragraph (11) of Code Section 7-1-261; in addition to functions or activities which  
17 include exercising powers granted by department regulations or exercising powers  
18 determined by the commissioner to be financial in nature or incidental to the provision  
19 of financial services, so long as these activities do not pose undue risk to the safety and  
20 soundness of the financial institution and are consistent with the objectives of this  
21 chapter as stated in Code Section 7-1-3; provided, however, unless the bank is exempt,  
22 nothing contained in this subparagraph shall relieve any such corporation from  
23 undertaking registration, licensing, or other qualification to engage in such functions  
24 or activities as may otherwise be required by law; and

25 (G) Other corporations created pursuant to act of Congress or pursuant to Chapter 3 of  
26 Title 14, known as the 'Georgia Nonprofit Corporation Code,' for the purpose of  
27 meeting the agricultural, housing, health, transit, educational, environmental, or similar  
28 needs where the department determines that investment therein by banks is in the public  
29 interest;

30 ~~provided that the bank's investment in any such category of stock under this paragraph~~  
31 ~~shall not exceed 10 percent of its statutory capital base, except that, in the case of stock~~  
32 ~~acquired under subparagraph (F) of this paragraph, such investment shall not exceed the~~  
33 ~~lesser of 10 percent of the total assets of the bank or 100 percent of the statutory capital~~  
34 ~~base of the bank; and provided, further, that no acquisitions may be made pursuant to~~  
35 ~~subparagraphs (D) through (G) of this paragraph without the prior approval of the~~  
36 ~~department;~~

1 (3) Shares of stock of small business investment companies organized under acts of  
 2 Congress and doing business in this state, provided that the aggregate investment by the  
 3 bank in such shares shall not exceed 5 percent of its statutory capital base; and

4 (4) Shares of stock or partnership interests in a corporation or partnership the primary  
 5 business of which, as determined by the department, is to promote the public welfare or  
 6 community development by engaging in the development of low and moderate-income  
 7 housing, job training and job placement programs, credit counseling, public education  
 8 regarding financial matters, small business development, and other similar purposes. The  
 9 ability to invest in such stock or partnership interests shall also be subject to such  
 10 limitations and approval procedures as the department deems necessary in order to assure  
 11 that such investments are not a safety and soundness concern.

12 (d) A bank acquiring stock or an interest in an entity listed in paragraph (2) of subsection  
 13 (c) of this Code section shall be subject to the following limitations:

14 (1) Where the entity carries on only such activities as the bank could legally perform  
 15 itself, there is no limitation on investment;

16 (2) Where the activities of the entity go beyond those that the bank could legally  
 17 perform, the bank's investment may not exceed 10 percent of its statutory capital base;  
 18 and

19 (3) Where the investment is in stock of the Federal Home Loan Bank, there is no  
 20 limitation on the bank's investment, provided such investment is for the purpose of  
 21 utilizing the services of the Federal Home Loan Bank.

22 (e) Prior approval by the department is required for acquisitions listed in subparagraphs  
 23 (D) through (G) of subsection (c) of this Code section. The department, by regulation, may  
 24 permit expedited or notice only procedures and may provide for applicable administrative  
 25 fees.

26 ~~(d)~~(f) The department may by rule or regulation prescribe less restrictive investment  
 27 limitations than those contained in this Code section for banks meeting certain financial  
 28 and management criteria."

#### 29 SECTION 4.

30 Said chapter is further amended by striking subsections (b) and (c) of Code Section 7-1-480,  
 31 relating to boards of directors, and inserting thereof two new subsections to read as follows:

32 "(b) Seventy-five percent of the directors ~~Each director~~ shall be a ~~citizen~~ citizens of the  
 33 United States and at least a majority ~~of the directors~~ shall:

34 (1) Reside in Georgia; or

35 (2) Reside within 40 miles of any banking location authorized to offer a complete  
 36 banking or trust service.

1 (c) The residency requirements of paragraphs (1) and (2) of subsection (b) of this Code  
 2 section shall not apply to banks having branches in states other than Georgia, provided the  
 3 residency of directors is consistent with the bank's articles of incorporation and bylaws."

#### 4 SECTION 5.

5 Said chapter is further amended by striking subsections (b) and (e) of Code Section 7-1-530,  
 6 relating to authority to merge or consolidate, and inserting in lieu thereof two new  
 7 subsections to read as follows:

8 "(b) A corporation other than a bank or trust company may be merged into or consolidated  
 9 with a bank or trust company, provided that:

10 (1) The resulting institution is a bank or trust company;

11 (2) The resulting institution holds only assets and liabilities and is engaged only in  
 12 activities which may be held or engaged in by a bank or trust company; and

13 (3) The merger or consolidation is not otherwise unlawful."

14 "(e) In the case of a merger of a Georgia state bank with ~~another~~ any other bank or banks,  
 15 with the Georgia bank as the resulting bank, any assets, ~~or~~ lines of business, activities, or  
 16 powers which may accrue to the resulting bank which would not be allowed for a Georgia  
 17 state bank shall be provided for in the plan of merger. Such plan shall include the proposal  
 18 for holding or disposal of such assets or the continuation or termination of such line of  
 19 business, or activity, or power. The department shall review the plan to determine whether,  
 20 in the interest of safety and soundness and consistent with the other objectives of Code  
 21 Section 7-1-3, the activity, power, asset, or line of business should be approved, denied, or  
 22 phased out within a reasonable period of time, to be determined by the department within  
 23 a reasonable time as determined by the department but in no event longer than four years  
 24 from the date of merger, unless special permission for the activity is given pursuant to  
 25 Code Section 7-1-628.6."

#### 26 SECTION 6.

27 Said chapter is further amended by striking subsection (e) of Code Section 7-1-536, relating  
 28 to the effect of merger or consolidation, and inserting in lieu thereof a new subsection (e) to  
 29 read as follows:

30 "(e) The resulting bank or trust company shall have the authority to engage only in such  
 31 business and exercise only such powers as are then permissible upon original incorporation  
 32 under this chapter and shall be subject to the same prohibitions and limitations as it would  
 33 then be subject to upon original incorporation, ~~except that it~~ It may, however, subject to  
 34 permission of the department as set out in Code Sections 7-1-530 and 7-1-555, engage in  
 35 any business and exercise any right that any bank or trust company which is a party to the

1 plan could lawfully exercise or engage in immediately prior to the merger or  
2 consolidation."

### 3 SECTION 7.

4 Said chapter is further amended by striking paragraph (5) of subsection (b) of Code Section  
5 7-1-555, relating to the effect of issuance of certificate of merger or consolidation, and  
6 inserting in lieu thereof a new paragraph (5) to read as follows:

7 "(5) The bank or trust company shall have the authority to engage only in such lines of  
8 business and activities and exercise only such powers or hold such assets as are then  
9 permissible upon original incorporation under this chapter and shall be subject to the  
10 same prohibitions and limitations as it would then be subject to upon original  
11 incorporation; provided, however, that if the converting institution owns or holds assets,  
12 ~~or engages in any business, or has powers~~ that would not be allowed ~~of~~ for a state bank,  
13 then the plan of conversion shall include a plan for holding or disposal of such  
14 nonconforming assets or the continuation or termination of such line of business, activity,  
15 or power. The department shall review the plan to determine whether, in the interest of  
16 safety and soundness and the other objectives of Code Section 7-1-3, the activity, power,  
17 asset, or line of business should be approved, denied, or phased out within a reasonable  
18 period of time, to be determined by the department; ~~within a reasonable time but in no~~  
19 ~~event longer than four years from the date of conversion. If such nonconforming assets~~  
20 ~~exist in states outside of Georgia, Code Section 7-1-628.6 shall also apply, and the~~  
21 ~~commissioner shall use his or her discretion in allowing the retention of such assets; and"~~.

### 22 SECTION 8.

23 Said chapter is further amended by striking subsection (b) of Code Section 7-1-628.6,  
24 relating to powers of out-of-state banks branching into Georgia, and inserting in lieu thereof  
25 a new subsection (b) to read as follows:

26 "(b) A Georgia state bank may conduct any activities at any branch outside Georgia that  
27 are authorized by Georgia law or that are permissible for a bank chartered by the host state  
28 where the branch is located, except to the extent such activities are expressly prohibited by  
29 the laws of this state or by any regulation or order of the commissioner applicable to the  
30 Georgia state bank and except where the activity is one that requires approval from the  
31 department, in which case such approval must be secured; provided, however, that the  
32 commissioner may waive any prohibition or requirement for approval if he or she  
33 determines, by order or regulation, that the involvement of out-of-state branches of the  
34 Georgia state bank in particular activities would not threaten the safety or soundness of  
35 such bank."





1 (2) The applicant shall submit the following to the department:

2 (A) Audited financial statements covering the applicant's most recent fiscal year  
3 preceding the date of the application and such other financial data as the department  
4 may require that disclose that the applicant has a bona fide and verifiable tangible net  
5 worth of \$100,000.00 or such greater amount as the department may reasonably  
6 require;

7 (B) A corporate surety bond in the principal amount of \$100,000.00, which bond shall  
8 be for a term and in a form satisfactory to the department, shall be issued by a bonding  
9 company or insurance company authorized to do business in this state and approved by  
10 the department, and shall run to the State of Georgia for the benefit of any person  
11 damaged by noncompliance of a licensee with any condition of such bond. Damages  
12 under the bond shall include moneys owed to the department for fees, fines, or  
13 penalties. Such bond shall be continuously maintained thereafter in full force. Such  
14 bond shall be conditioned upon the applicant or the licensee conducting his or her  
15 licensed business in conformity with this article and all applicable laws; and

16 (C) Evidence of having received approval to participate as a mortgagee loan  
17 correspondent in the mortgage insurance programs administered by the United States  
18 Department of Housing and Urban Development.

19 (d) An irrevocable letter of credit from a federally insured financial institution in form and  
20 terms acceptable and payable to the department may be substituted for the bond  
21 requirement for a mortgage broker or mortgage lender license.

22 (e) Any person including the department who may be damaged by noncompliance of a  
23 licensee with any condition of a bond may proceed on such bond against the principal or  
24 surety thereon, or both, to recover damages.

25 (f) The department may promulgate rules and regulations with respect to the definition of  
26 net worth and the requirement for maintaining net worth as a condition of licensure or  
27 registration.

28 (g) Both the net worth requirement and the bond, wherever applicable, must be  
29 continuously maintained as a condition of licensure or registration."

## 30 SECTION 12.

31 Said chapter is further amended by striking Code Section 7-1-1004, relating to investigation  
32 of applicant and its officers, and inserting in lieu thereof a new Code Section 7-1-1004 to  
33 read as follows:

34 "7-1-1004.

35 (a) Upon receipt of an application for license, the department shall conduct such  
36 investigation as it deems necessary to determine that the applicant and its officers,

1 directors, and principals are of good character and ethical reputation; that the applicant  
2 demonstrates reasonable financial responsibility; that the applicant has reasonable policies  
3 and procedures to receive and process customer grievances and inquiries promptly and  
4 fairly; and that the applicant has and maintains a registered agent for service in this state.

5 (b) The department shall not license any applicant unless it is satisfied that the applicant  
6 may be expected to operate its mortgage lending or brokerage activities in compliance with  
7 the laws of this state and in a manner which protects the contractual and property rights of  
8 the citizens of this state.

9 (c) The department may establish by rule or regulation minimum education or experience  
10 requirements for an applicant for a mortgage broker license or renewal of such a license.

11 (d) The department may not issue or may revoke a license if it finds that the applicant, or  
12 any person who is a director, officer, partner, agent, employee, or ultimate equitable owner  
13 of 10 percent or more of the applicant, has been convicted of a felony involving moral  
14 turpitude in any jurisdiction or of a crime which, if committed within this state, would  
15 constitute a felony involving moral turpitude under the laws of this state. For the purposes  
16 of this article, a person shall be deemed to have been convicted of a crime if such person  
17 shall have pleaded guilty to a charge thereof before a court or federal magistrate or shall  
18 have been found guilty thereof by the decision or judgment of a court or federal magistrate  
19 or by the verdict of a jury, irrespective of the pronouncement of sentence or the suspension  
20 thereof, and regardless of whether first offender treatment without adjudication of guilt  
21 pursuant to the charge was entered, unless and until such plea of guilty, or such decision,  
22 judgment, or verdict, shall have been set aside, reversed, or otherwise abrogated by lawful  
23 judicial process or until probation, sentence, or both probation and sentence of a first  
24 offender have been successfully completed and documented or unless the person convicted  
25 of the crime shall have received a pardon therefor from the President of the United States  
26 or the Governor or other pardoning authority in the jurisdiction where the conviction was  
27 had or shall have received an official certification or pardon granted by the State Board of  
28 Pardons and Paroles which removes the legal disabilities resulting from such conviction  
29 and restores civil and political rights in this state.

30 (e) The department shall be authorized to obtain conviction data with respect to any  
31 applicant or any person who is a director, officer, partner, agent, employee, or ultimate  
32 equitable owner of 10 percent or more of the applicant. Upon receipt of information from  
33 the Georgia Crime Information Center that is incomplete or that indicates an applicant or  
34 any person who is a director, officer, partner, agent, employee, or ultimate equitable owner  
35 of 10 percent or more of the applicant has a criminal record in any state other than Georgia,  
36 the department shall submit to the Georgia Crime Information Center two complete sets  
37 of fingerprints of such applicant or such person, the required records search fees, and such

1 other information as may be required. Upon receipt thereof, the Georgia Crime  
 2 Information Center shall promptly transmit one set of fingerprints to the Federal Bureau  
 3 of Investigation for a search of bureau records and an appropriate report and shall retain  
 4 the other set and promptly conduct a search of its own records and records to which it has  
 5 access. The Georgia Crime Information Center shall notify the department in writing of  
 6 any derogatory finding, including, but not limited to, any conviction data regarding the  
 7 fingerprint records check, or if there is no such finding. All conviction data received by  
 8 the department shall be used by the department for the exclusive purpose of carrying out  
 9 the responsibilities of this article, shall not be a public record, shall be privileged, and shall  
 10 not be disclosed to any other person or agency except to any person or agency which  
 11 otherwise has a legal right to inspect the file. All such records shall be maintained by the  
 12 department pursuant to laws regarding such records and the rules and regulations of the  
 13 Federal Bureau of Investigation and the Georgia Crime Information Center, as applicable.  
 14 As used in this subsection, 'conviction data' means a record of a finding, verdict, or plea of  
 15 guilty or plea of nolo contendere with regard to any crime, regardless of whether an appeal  
 16 of the conviction has been sought.

17 (f) The department may deny or revoke a license or otherwise restrict a license if it finds  
 18 that the applicant or any person who is a director, officer, partner, agent, or ultimate  
 19 equitable owner of 10 percent or more of the applicant has had a license denied, revoked,  
 20 or suspended within ~~one year~~ three years of the date of the application.

21 (g) The department ~~shall~~ may not issue a license to and may revoke a license from an  
 22 applicant or licensee if such person employs any other person against whom a final cease  
 23 and desist order has been issued within the preceding ~~12 months~~ three years, if such order  
 24 was based on a violation of Code Section 7-1-1013 or based on the conducting of a  
 25 mortgage business without a required license, or whose license has been revoked within  
 26 ~~12 months~~ three years of the date such person was hired.

27 (h) Within 90 days after receipt of a completed application and payment of licensing fees  
 28 prescribed by this article, the department shall either grant or deny the request for license.

29 (i) A person shall not be indemnified for any act covered by this article or for any fine or  
 30 penalty incurred pursuant to this article as a result of any violation of the law or regulations  
 31 contained in this article, due to the legal form, corporate structure, or choice of organization  
 32 of such person, including but not limited to a limited liability corporation."

### 33 SECTION 13.

34 Said chapter is further amended by striking subsection (b) of Code Section 7-1-1005, relating  
 35 to renewal of licenses and registrations, and inserting in lieu thereof a new subsection (b) to  
 36 read as follows:



1 Without limitation on the power conferred by Article 1 of this chapter, the department may  
 2 make reasonable rules and regulations, not inconsistent with law, for the enforcement of  
 3 this article, to effectuate the purposes of this article, and to clarify the meaning of terms."

#### 4 **SECTION 16.**

5 Said chapter is further amended by striking Code Section 7-1-1014, relating to regulations  
 6 governing disclosures required to applicants for mortgage loans, and inserting in lieu thereof  
 7 a new Code Section 7-1-1014 to read as follows:

8 "7-1-1014.

9 In addition to such other rules, regulations, and policies as the department may promulgate  
 10 to effectuate the purposes of this article, the department shall promulgate regulations  
 11 governing the disclosure required to be made to applicants for mortgage loans, including,  
 12 without limitation, the following requirements:

13 (1) Any person required to be licensed or registered under this article shall provide to  
 14 each applicant for a mortgage loan prior to accepting an application fee or any third-party  
 15 fee such as a property appraisal fee, credit report fee, or any other similar fee a disclosure  
 16 of the fees payable and the conditions under which such fees may be refundable;

17 (2) Any mortgage lender required to be licensed or registered under this article shall  
 18 make available to each applicant for a mortgage loan at or before the time a commitment  
 19 to make a mortgage loan is given a written disclosure of the fees to be paid in connection  
 20 with the commitment and the loan, or the manner in which such fees shall be determined  
 21 and the conditions under which such fees may be refundable; and

22 (3) Any mortgage lender required to be licensed or registered under this article shall  
 23 disclose to each borrower of a mortgage loan that failure to meet every condition of the  
 24 mortgage loan may result in the loss of the borrower's property through foreclosure. The  
 25 borrower shall be required to sign the disclosure at or before the time of the closing of the  
 26 mortgage loan.

27 The department may prescribe standards regarding the accuracy of required disclosures and  
 28 may provide for applicable administrative or civil penalties or fines for failure to provide  
 29 the disclosures or to meet the prescribed standards."

#### 30 **SECTION 17.**

31 All laws and parts of laws in conflict with this Act are repealed.  
 32