

Senate Bill 483

By: Senators Balfour of the 9th and Hawkins of the 49th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 7-1-1001 of the Official Code of Georgia Annotated, relating to
2 exemptions for certain persons and entities from licensing as a mortgage loan originator,
3 mortgage broker, or mortgage lender, so as to revise the exemption for a person who
4 originates mortgage loans for only one depository institution as an independent contractor;
5 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
6 for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 7-1-1001 of the Official Code of Georgia Annotated, relating to exemptions
10 for certain persons and entities from licensing as a mortgage loan originator, mortgage
11 broker, or mortgage lender, is amended by revising paragraph (17) of subsection (a) as
12 follows:

13 "(17)(A) A natural person otherwise required to be licensed as a mortgage lender or
14 mortgage broker, who is under an exclusive written independent contractor agreement
15 with any person entity that ~~is a wholly owned subsidiary of~~ has an exclusive
16 relationship with a depository institution financial holding company or bank holding
17 company, savings bank holding company, or thrift holding company, which ~~subsidiary~~
18 entity also meets the following requirements, subject to the review and approval of the
19 department:

20 (i) The ~~subsidiary entity~~ entity has provided an undertaking of accountability supported by
21 a surety bond equal to the lesser of \$1 million or \$50,000.00 per exempt person, to
22 cover all of its persons exempted by this paragraph, that includes full and direct
23 financial responsibility for the mortgage broker activities of each such exempted
24 person, and also provides for the education of the exempt persons, the handling of
25 consumer complaints related to the exempt persons, and the supervision of the
26 mortgage broker activities of the exempt persons; and

27 (ii) The ~~subsidiary~~ entity has applied for and been granted a mortgage broker or
 28 mortgage lender license, consistent with the provisions of this article and renewable
 29 annually; ~~and~~

30 ~~(iii) The subsidiary has paid applicable fees for this license, which license fees shall~~
 31 ~~be the lesser of one-half of the sum of the cost of the individual licenses or~~
 32 ~~\$100,000.00.~~

33 (B) To maintain the exemption, a natural person shall:

34 (i) Solicit, process, place, or negotiate a mortgage loan to be ~~made~~ originated only by
 35 the licensed ~~subsidiary or its affiliate~~ entity; and

36 (ii) Be at all times in compliance with the provisions and prohibitions of Code
 37 Section 7-1-1013 and the provisions and prohibitions applicable to employees under
 38 Code Section 7-1-1004.

39 (C) For purposes of this paragraph, the term 'financial holding company' means a
 40 financial holding company as defined in the Bank Holding Company Act of 1956, as
 41 amended.

42 (D) The commissioner shall provide by rule or regulation for the implementation of
 43 this paragraph."

44 **SECTION 2.**

45 This Act shall become effective on July 1, 2010.

46 **SECTION 3.**

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