

House Bill 212

By: Representatives Pirkle of the 155th, Houston of the 170th, Rhodes of the 120th, Wiedower of the 119th, and Barr of the 103rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
2 relating to licensing of mortgage lenders and mortgage brokers, so as to exempt retailers,
3 retail brokers of manufactured homes or mobile homes, and residential contractors from the
4 requirement to obtain a license as a mortgage loan originator, mortgage broker, or mortgage
5 lender under certain circumstances; to provide for definitions; to provide for related matters;
6 to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to
10 licensing of mortgage lenders and mortgage brokers, is amended in Code Section 7-1-1001,
11 relating to exemption for certain persons and entities and registration requirements, by
12 revising paragraph (3) of subsection (a) and subsection (b) and by adding a new paragraph
13 to read as follows:

14 "(3) Registered mortgage loan originators, when acting for an entity described in
15 paragraph (1) or (2) of this subsection. To qualify for this exemption, an individual shall
16 be registered with and maintain a unique identifier through registration with the
17 ~~Nation-wide~~ Nationwide Multistate Licensing System and Registry;"

18 "(5.1)(A) Any retailer or retail broker of a manufactured home, mobile home, or modular
19 home or an employee thereof or any residential contractor or an employee thereof, if such
20 retailer, retail broker, or residential contractor:

21 (i) Is licensed pursuant to either Chapter 2 of Title 8 or Chapter 41 of Title 43, as
22 applicable;

23 (ii) Does not receive any compensation or gain for engaging in activities described
24 in paragraph (15), (19), or (22) of Code Section 7-1-1000 that is in excess of any
25 compensation or gain received in a comparable cash transaction;

26 (iii) Discloses in writing to the consumer any corporate affiliation with any creditor,
 27 and if such retailer, retail broker, or residential contractor or employee thereof has a
 28 corporate affiliation with any creditor, provides the contact information of at least one
 29 unaffiliated creditor; and

30 (iv) Does not directly negotiate with the consumer or lender on loan terms, including,
 31 but not limited to, rates, fees, and other costs.

32 (B) As used in this paragraph, the term:

33 (i) 'Manufactured home' shall have the same meaning as provided in Code Section
 34 8-2-131.

35 (ii) 'Mobile home' shall have the same meaning as provided in Code Section 8-2-131.

36 (iii) 'Modular home' shall have the same meaning as the term 'residential
 37 industrialized building' as provided in Code Section 8-2-111.

38 (iv) 'Residential contractor' shall have the same meaning as provided in Code Section
 39 43-41-2.

40 (v) 'Retail broker' shall have the same meaning as provided in Code Section 8-2-131.

41 (vi) 'Retailer' shall have the same meaning as provided in Code Section 8-2-131."

42 "(b) Exemptions enumerated in paragraphs (1), (2), (2.1), (7), (8), (9), (11), (12), (13), (14),
 43 (15), (16), and (17) of subsection (a) of this Code section shall be exemptions from
 44 licensure as a mortgage broker or mortgage lender only. Nothing in paragraphs (1), (2),
 45 (2.1), (7), (8), (9), (11), (12), (13), (14), (15), (16), and (17) of subsection (a) of this Code
 46 section shall be intended to exempt natural persons from compliance with mortgage loan
 47 originator licensing requirements as set forth in this article and the Secure and Fair
 48 Enforcement for Mortgage Licensing Act of 2008. Individuals that transact business as a
 49 mortgage loan originator, unless specifically exempted by paragraph (3), (4), (5), (5.1), (6),
 50 (10), or (18) of subsection (a) of this Code section, shall obtain a mortgage loan originator
 51 license as required by Code Section 7-1-1002 whether they are employed by a mortgage
 52 broker, mortgage lender, or person exempted as a mortgage broker or lender as set forth
 53 in this subsection."

54 **SECTION 2.**

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