

3703--A

Cal. No. 154

2009-2010 Regular Sessions

I N   S E N A T E

March 30, 2009

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Introduced by Sens. FOLEY, FARLEY, THOMPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee, ordered to first and second report, amended on second report, ordered to a third reading, and to be reprinted as amended, retaining its place in the order of third reading

AN ACT to amend the banking law, in relation to the requirement for licensure to make mortgage loans

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. Paragraph (a) of subdivision 2 of section 590 of the bank-  
2     ing law, as amended by chapter 472 of the laws of 2008, is amended to  
3     read as follows:  
4     (a) No INDIVIDUAL, person, partnership, association, corporation or  
5     other entity shall engage in the business of making [five or more] mort-  
6     gage loans [in any one calendar year] without first obtaining a license  
7     from the superintendent in accordance with the licensing procedure  
8     provided in this article and such regulations as may be promulgated by  
9     the banking board or prescribed by the superintendent. The licensing  
10    provisions of this subdivision shall not apply to: (I) any exempt organ-  
11    ization [nor to]; (II) any entity or entities which shall be exempted in  
12    accordance with regulations promulgated by the banking board hereunder;  
13    OR (III) ANY INDIVIDUAL, PERSON, PARTNERSHIP, ASSOCIATION, CORPORATION  
14    OR OTHER ENTITY WHICH MAKES NOT MORE THAN THREE SUCH LOANS IN A CALENDAR  
15    YEAR, NOR MORE THAN FIVE IN A TWO YEAR PERIOD, PROVIDED THAT NO SUCH  
16    MORTGAGE LOANS HAVE BEEN MADE WHICH WERE SOLICITED, PROCESSED, PLACED OR  
17    NEGOTIATED BY A MORTGAGE BROKER, MORTGAGE BANKER OR EXEMPT ORGANIZATION.  
18    S 2. Paragraph (b) of subdivision 5 of section 590 of the banking law,  
19    as amended by chapter 472 of the laws of 2008, is amended to read as  
20    follows:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

LBD10523-02-9

1 (b) Mortgage brokers shall solicit, process, place and negotiate mort-  
2 gage loans WITH A MORTGAGE BANKER LICENSED PURSUANT TO THE PROVISIONS OF  
3 THIS ARTICLE OR EXEMPT ORGANIZATION AS DEFINED HEREIN OR PURSUANT TO  
4 REGULATIONS AS PROMULGATED BY THE BANKING BOARD OR PRESCRIBED BY THE  
5 SUPERINTENDENT AND in conformity with the provisions of this chapter,  
6 such rules and regulations as may be promulgated by the banking board or  
7 prescribed by the superintendent thereunder and all applicable federal  
8 laws and the rules and regulations promulgated thereunder;  
9 S 3. This act shall take effect on (i) the same date as section 8 of  
10 chapter 472 of the laws of 2008 takes effect, or (ii) the first of Janu-  
11 ary next succeeding the date on which it shall have become a law, which-  
12 ever is later.