

3779

2011-2012 Regular Sessions

I N S E N A T E

March 3, 2011

Introduced by Sen. SMITH -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

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:
21 (b) Mortgage brokers shall solicit, process, place and negotiate mort-
22 gage loans WITH A MORTGAGE BANKER LICENSED PURSUANT TO THE PROVISIONS OF
23 THIS ARTICLE OR EXEMPT ORGANIZATION AS DEFINED HEREIN OR PURSUANT TO
24 REGULATIONS AS PROMULGATED BY THE BANKING BOARD OR PRESCRIBED BY THE
25 SUPERINTENDENT AND in conformity with the provisions of this chapter,

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

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1 such rules and regulations as may be promulgated by the banking board or
2 prescribed by the superintendent thereunder and all applicable federal
3 laws and the rules and regulations promulgated thereunder;
4 S 3. This act shall take effect on the first of January next succeed-
5 ing the date on which it shall have become a law.