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I N A S S E M B L Y

January 25, 2012

Introduced by M. of A. ROBINSON -- read once and referred 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:

Section 1. Paragraph (a) of subdivision 2 of section 590 of the banking law, as amended by chapter 472 of the laws of 2008, is amended to read as follows:

(a) No INDIVIDUAL, person, partnership, association, corporation or other entity shall engage in the business of making [five or more] mortgage loans [in any one calendar year] without first obtaining a license from the superintendent in accordance with the licensing procedure provided in this article and such regulations as may be promulgated by the banking board or prescribed by the superintendent. The licensing provisions of this subdivision shall not apply to: (I) any exempt organization [nor to]; (II) any entity or entities which shall be exempted in accordance with regulations promulgated by the banking board hereunder; OR (III) ANY INDIVIDUAL, PERSON, PARTNERSHIP, ASSOCIATION, CORPORATION OR OTHER ENTITY WHICH MAKES NOT MORE THAN THREE SUCH LOANS IN A CALENDAR YEAR, NOR MORE THAN FIVE IN A TWO YEAR PERIOD, PROVIDED THAT NO SUCH MORTGAGE LOANS HAVE BEEN MADE WHICH WERE SOLICITED, PROCESSED, PLACED OR NEGOTIATED BY A MORTGAGE BROKER, MORTGAGE BANKER OR EXEMPT ORGANIZATION.

S 2. Paragraph (b) of subdivision 5 of section 590 of the banking law, as amended by chapter 472 of the laws of 2008, is amended to read as follows:

(b) Mortgage brokers shall solicit, process, place and negotiate mortgage loans WITH A MORTGAGE BANKER LICENSED PURSUANT TO THE PROVISIONS OF THIS ARTICLE OR EXEMPT ORGANIZATION AS DEFINED HEREIN OR PURSUANT TO REGULATIONS AS PROMULGATED BY THE BANKING BOARD OR PRESCRIBED BY THE SUPERINTENDENT AND in conformity with the provisions of this chapter, such rules and regulations as may be promulgated by the banking board or prescribed by the superintendent thereunder and all applicable federal laws and the rules and regulations promulgated thereunder;

S 3. This act shall take effect on the first of January next succeeding the date on which it shall have become a law.

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

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