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I N   A S S E M B L Y

January 25, 2012

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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:

1     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  
2     read as follows:

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

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

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

25    S 3. This act shall take effect on the first of January next succeeding  
26    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.

LBD09853-01-1