§ 6504. Required approvals; prohibitions. (a) Every mortgage insurer shall file with the superintendent for his approval in accordance with article twenty-three of this chapter its premium rates, forms of policies, certificates, applications and other forms pertaining to mortgage guaranty insurance. The premium rate charged for mortgage guaranty insurance shall not be deemed to be interest for the purposes of section 5-501 of the general obligations law.

(b) No mortgage insurer shall pay:

(1) to any person who is acting as agent, representative, attorney or employee of the owner, mortgagee of the prospective owner, or mortgagee of the real property or any interest therein, either directly or indirectly, any consideration as an inducement for or as compensation on any mortgage guaranty insurance business; or

(2) any compensation to any person for transacting insurance for or with it based in whole or in part upon a commission basis unless such person is licensed pursuant to this chapter.

(c) In connection with the placement or renewal of any insurance, a mortgage insurer shall not permit any compensation to be paid to, or received by: any insured lender; any officer, director, or employee of the insured; any member of their immediate family; any corporation, partnership, trust, or trade association in which an insured is a member; or other entity in which an insured or any such officer, director, or employee or any member of their immediate family has a financial interest; or any designee, trustee, nominee, or other agent or representative of any of the foregoing.

(d) The superintendent may, after a hearing, suspend or revoke the license of any mortgage insurer which, after ten days written notice from the superintendent requiring it to cease and desist, continues to pay any consideration in willful violation of this article.