

Regular Session, 2005
HOUSE BILL NO. 446

ACT No. 235

BY REPRESENTATIVE TRAHAN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To enact R.S. 6:1094(B) and to repeal R.S. 6:1087(B)(10), relative to residential mortgage
3 lending; to provide for licensure; to provide examination requirements; to establish
4 licensure exemptions; to repeal the requirement of commissioner approval for
5 persons engaging in no more than four residential mortgage lending transactions in
6 a calendar year; to eliminate the licensure exemption for persons engaging in no
7 more than four residential mortgage lending transactions in a calendar year; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 6:1094(B) is hereby enacted to read as follows:

11 §1094. Professional education required for licensure; examination; continuing
12 education

13 * * *

14 B.(1) Beginning August 15, 2005, each applicant for licensure shall pass a
15 written examination administered by the commissioner or by a qualified designee of
16 the commissioner. At least one examination shall be given each year, and additional
17 examinations may be given if the volume of applicants makes additional
18 examinations appropriate.

19 (2) The required examination shall test the applicant's knowledge of state
20 and federal laws and regulations governing residential mortgage lending, mortgage
21 loan closing and servicing practices, types of residential mortgage loan products
22 available to consumers, and such other matters as may be required by the
23 Examination Review Committee of the Residential Mortgage Lending Board, which
24 shall be comprised of the five members of the board plus three additional committee

1 members selected by the commissioner. The committee shall have the sole authority
2 to review and approve the content of the examinations; however, in the event of a tie
3 vote in the committee, the commissioner's vote shall be dispositive.

4 (3) The commissioner may impose and collect from the organization
5 administering the examination a fee in an amount not to exceed fifty dollars for each
6 examination graded by the commissioner or his designee.

7 (4) The provisions of Paragraph (1) of this Subsection shall not apply to an
8 applicant for licensure who:

9 (a) Has received a bachelor's or master's degree in an area related to finance,
10 banking, or business administration from an accredited college or university and has
11 had within the three years immediately preceding the date of the application twelve
12 months experience in the mortgage lending field as evidenced by documentary proof
13 of full-time employment by a mortgage broker, mortgage lender, originator, or a
14 person exempt from the provisions of this Part or this Chapter, performing the duties
15 of one of the following:

16 (i) Mortgage broker as defined in R.S. 6:1083(4).

17 (ii) Mortgage lender as defined in R.S. 6:1083(5).

18 (iii) Originator as defined in R.S. 6:1083(6).

19 (iv) Mortgage loan processor, defined as a person who performs clerical
20 duties in connection with residential mortgage loan transactions, including a
21 minimum of four of the following activities performed at the direction of and subject
22 to the supervision of the mortgage broker, mortgage lender, or person exempt from
23 the provisions of this Part or this Chapter who is responsible for such direction and
24 supervision:

25 (aa) Collecting financial information and other related documents that are
26 part of the application process.

27 (bb) Ordering verifications of employment.

28 (cc) Ordering verifications of deposits.

29 (dd) Requesting mortgage payoffs.

30 (ee) Requesting other loan verifications.

1 (ff) Ordering appraisals.

2 (gg) Ordering inspections.

3 (hh) Ordering engineering reports.

4 (v) Mortgage loan underwriter, defined as a person who performs evaluation
 5 duties in connection with residential mortgage loans by reverifying, evaluating for
 6 accuracy, and validating the credit documents or appraisals provided by an originator
 7 or a mortgage loan processor.

8 (b) Has had within the three years immediately preceding the date of the
 9 application twenty-four months experience in the mortgage lending field as
 10 evidenced by documentary proof of full-time employment by a mortgage broker,
 11 mortgage lender, originator, or by a person exempt from the provisions of this Part
 12 or this Chapter, performing the duties of a:

13 (i) Mortgage broker as defined in R.S. 6:1083(4).

14 (ii) Mortgage lender as defined in R.S. 6:1083(5).

15 (iii) Originator as defined in R.S. 6:1083(6).

16 (iv) Mortgage loan processor, defined as a person who performs clerical
 17 duties in connection with residential mortgage loan transactions, including a
 18 minimum of four of the following activities performed at the direction of and subject
 19 to the supervision of the mortgage broker, mortgage lender, or person exempt from
 20 the provisions of this Part or this Chapter who is responsible for such direction and
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