

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1588 Session of
2021

INTRODUCED BY MERCURI, ROTHMAN, BROOKS, DRISCOLL, GREINER,
HENNESSEY, HILL-EVANS, JOZWIAK, MIZGORSKI, NEILSON, ROWE,
RYAN AND STAMBAUGH, JUNE 9, 2021

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 15, 2021

AN ACT

1 Amending Title 7 (Banks and Banking) of the Pennsylvania
2 Consolidated Statutes, in mortgage loan industry licensing
3 and consumer protection, further providing for definitions,
4 for license requirements, for exceptions to license
5 requirements, for general requirements, for powers conferred
6 on certain licensees engaged in the mortgage loan business,
7 for mortgage loan business prohibitions, for application for
8 license, for prelicensing and continuing education, for
9 license fees, for licensee requirements, for suspension,
10 revocation or refusal and for mortgage servicers.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The definitions of "branch," "installment sales
14 contract," "mortgage loan correspondent," "mortgage originator,"
15 "qualifying individual" and "wholesale table funder" in section
16 6102 of Title 7 of the Pennsylvania Consolidated Statutes are
17 amended and the section is amended by adding a definition to
18 read:

19 § 6102. Definitions.

20 The following words and phrases when used in this chapter
21 shall have the meanings given to them in this section unless the

context clearly indicates otherwise:

* * *

"Branch." An office or other [place of business] location, other than the principal place of business, where a person engages in the mortgage loan business subject to this chapter. The term does not include a [location where the licensee-sponsored mortgage originator contacts consumers or processes mortgage loans, provided that the location is not:

(1) owned or controlled by a licensee. For purposes of this definition, a location is not considered to be owned or controlled by a licensee if the location is under the control of a subsidiary or affiliate of the licensee, is primarily used by the subsidiary or affiliate and is only used by the licensee on an incidental basis for the convenience of a consumer;

(2) advertised or represented to consumers as an operating location of the mortgage originator or the mortgage originator's sponsor; or

(3) a place where records regarding the licensee's mortgage loan business are stored.] remote location.

* * *

"Installment sales contract." [As defined in section 3(10) of the act of June 28, 1947 (P.L.1110, No.476), known as the Motor Vehicle Sales Finance Act.] The term shall have the same meaning as "installment sale contract" as defined in 12 Pa.C.S. § 6202 (relating to definitions).

* * *

["Mortgage loan correspondent." A person who engages in the mortgage loan business by directly or indirectly originating and closing mortgage loans in his or her own name utilizing funds

provided by a wholesale table funder or other funding sources under the circumstances described under section 6123(a)(6) (relating to mortgage loan business prohibitions) and simultaneously assigning the mortgage loans to the wholesale table funder.]

* * *

"Mortgage originator."

(1) An individual who, in a commercial context and habitually and repeatedly, does any of the following:

(i) Takes a mortgage loan application.

(ii) Offers or negotiates terms of a mortgage loan for compensation or gain.

(iii) Represents to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists or other promotional items, that the individual can or will perform the activities described in subparagraphs (i) and (ii).

(2) The term does not include any of the following:

(i) An individual who is involved only in extensions of credit relating to timeshare plans, as that term is defined in 11 U.S.C. § 101(53D) (relating to definitions).

(ii) An individual who performs only clerical or support duties and meets any of the following requirements:

(A) Who does so at the direction of and subject to the supervision and instruction of an individual who:

(I) Is licensed and registered in accordance

1 with this chapter.

2 (II) Is not required to be licensed in
3 accordance with section 6112(9) (relating to
4 exceptions to license requirements).

5 (B) Who performs such duties solely with respect
6 to transactions for which the individual who acts as
7 a mortgage originator is not required to be licensed,
8 in accordance with subparagraph (i), (v) or (vi).

9 (iii) An individual who performs only purely
10 administrative or clerical tasks on behalf of a mortgage
11 originator.

12 (iv) An individual who is a registered mortgage loan
13 originator.

14 (v) An individual employed by an agency or
15 instrumentality of the Federal Government or a
16 corporation otherwise created by an act of the Congress
17 of the United States or an agency or instrumentality of a
18 state or local government, the District of Columbia or
19 any territory of the United States, including the
20 Pennsylvania Housing Finance Agency and other government
21 housing finance agencies, who acts as a mortgage
22 originator within the scope of employment.

23 (vi) An individual who is employed by a bona fide
24 nonprofit organization who acts as a mortgage originator
25 within the scope of employment.

26 (vii) An individual employed by a licensee or person
27 exempt or excepted from licensure under this chapter who
28 solely engages in mortgage loan modifications for
29 existing mortgage loans held or serviced by that licensee
30 or person and who does not otherwise act as a mortgage

1 originator.

2 (viii) A loan processor or underwriter employed by a
3 licensee or person exempt or excepted from licensure
4 under this chapter, provided that the loan processor or
5 underwriter:

6 (A) Is under the direct supervision and control
7 of a licensed mortgage originator or registered
8 mortgage loan originator.

9 (B) Acts as a loan processor or underwriter
10 solely for the individual's employer.

11 (C) Does not represent to the public, through
12 advertising or other means of communicating or
13 providing information, including the use of business
14 cards, stationery, brochures, signs, rate lists or
15 other promotional items, that the person can or will
16 perform any of the activities of a mortgage
17 originator.

18 (ix) An individual who is all of the following:

19 (A) An employee of a broker-dealer registered
20 under section 301 of the act of December 5, 1972
21 (P.L.1280, No.284), known as the Pennsylvania
22 Securities Act of 1972.

23 (B) Registered as a securities agent under
24 section 301 of the Pennsylvania Securities Act of
25 1972.

26 (C) Engaged in recommending, referring or
27 steering a borrower or prospective borrower in the
28 manner provided under paragraph (1)(iii) of the
29 definition of "offer or negotiate terms of a mortgage
30 loan for compensation or gain" to a banking

1 institution, licensed mortgage lender, [licensed
2 mortgage loan correspondent,] licensed mortgage
3 broker or person exempt from licensing in a manner
4 incidental to and in the normal course of his or her
5 securities brokerage activities.

6 (D) Not otherwise acting as a mortgage
7 originator as defined in paragraph (1)(i), (ii) or
8 (iii).

9 (E) Not in receipt of any compensation or gain
10 for such activities from the person making or
11 brokering the loan, or a borrower or prospective
12 borrower.

13 (x) An individual who is all of the following:

14 (A) An employee of an insurance agency licensed
15 under the act of May 17, 1921 (P.L.789, No.285),
16 known as The Insurance Department Act of 1921.

17 (B) Registered as an insurance agent or broker
18 under The Insurance Department Act of 1921.

19 (C) Engaged in recommending, referring or
20 steering a borrower or prospective borrower in the
21 manner provided under paragraph (1)(iii) of the
22 definition of "offer or negotiate terms of a mortgage
23 loan for compensation or gain" to a banking
24 institution, licensed mortgage lender, [licensed
25 mortgage loan correspondent,] licensed mortgage
26 broker or person exempt from licensing in a manner
27 incidental to and in the normal course of his or her
28 insurance activities.

29 (D) Not otherwise acting as a mortgage
30 originator as defined in paragraph (1)(i), (ii) or

(iii).

(E) Not in receipt of any compensation or gain for such activities from the person making or brokering the loan, or a borrower or prospective borrower.

* * *

"Qualifying individual." An individual identified by a mortgage broker, mortgage lender[,] or mortgage servicer [or mortgage loan correspondent] in the Nationwide Mortgage Licensing System and Registry who:

(1) Is a mortgage originator or meets the licensing requirements of a mortgage originator.

(2) Is a management-level officer assigned to the principal place of business of a mortgage broker, mortgage lender[,] or mortgage servicer [or mortgage loan correspondent].

* * *

"Remote location." A location, other than a licensee's principal place of business or branch, where a mortgage originator sponsored by the licensee, a person excepted from this chapter or excepted from licensure under section 6112 (relating to exceptions to license requirements) or any other employee of the licensee, may engage in licensed activities on behalf of the licensee under all of the following conditions:

(1) The licensed activities are conducted under the supervision of the licensee.

(2) The licensee has written policies and procedures for the supervision of personnel working from the location.

(3) Access to the licensee's platforms and customer information is conducted in accordance with the licensee's

1 comprehensive written information security plan.

2 (4) In-person consumer interaction does not occur at the
3 remote location.

4 (5) Physical records regarding the licensee's mortgage
5 loan business are maintained at the location.

6 (6) The location is not advertised or represented to
7 consumers as an operating location of the licensee or the
8 licensee's employees who work at the location.

9 (7) The location is not owned or controlled by the
10 licensee. For the purposes of this definition, a location
11 shall not be considered owned or controlled by a licensee if
12 the location is under the control of a subsidiary or
13 affiliate of the licensee, is primarily used by the
14 subsidiary or affiliate and is only used by the licensee on
15 an incidental basis for the convenience of consumers.

16 * * *

17 ["Wholesale table funder." A licensed mortgage lender or
18 person exempt under section 6112(1) or (7) (relating to
19 exceptions to license requirements) who, in the regular course
20 of business, provides the funding for the closing of mortgage
21 loans through mortgage loan correspondents and who by assignment
22 obtains title to the mortgage loans.]

23 Section 2. Sections 6111(a) and (b)(1)(i) and (2), 6112(2)
24 (iii), (6), (8), (11)(i) and (13), 6121(10), (11) and (13)
25 introductory paragraph, 6122(b) heading and introductory
26 paragraph, 6123(a)(6) and (9), 6131(a)(1), (d) and (f)(1), (2)
27 and (5), 6131.1(b)(1) introductory paragraph, (c)(1) and (d)(1)
28 introductory paragraph and (8), 6132(a)(1), (b)(1) and (d),
29 6135(a)(3), 6139(a)(11) and (14) and 6141(a)(1) of Title 7 are
30 amended to read:

1 § 6111. License requirements.

2 (a) General rule.--Except as provided under subsections (b)
3 and (c) and section 6112 (relating to exceptions to license
4 requirements), on and after the effective date of this section,
5 no person shall engage in the mortgage loan business in this
6 Commonwealth without being licensed as a mortgage broker,
7 mortgage lender, mortgage servicer [, mortgage loan
8 correspondent] or mortgage originator as provided under this
9 chapter. A mortgage originator may not engage in the mortgage
10 loan business unless the mortgage originator is sponsored in the
11 Nationwide Mortgage Licensing System and Registry by a licensed
12 mortgage broker, mortgage lender, mortgage servicer or mortgage
13 loan correspondent, person excepted from this chapter or person
14 excepted from licensure under section 6112 and is under the
15 direct supervision and control of the sponsoring licensee or
16 excepted person.

17 (b) Licensed activity exceptions.--

18 (1) A mortgage lender may:

19 (i) Act as a mortgage broker [or mortgage loan
20 correspondent] without a separate mortgage broker [or
21 mortgage loan correspondent] license.

22 * * *

23 [(2) A mortgage loan correspondent may act as a mortgage
24 broker without a separate mortgage broker license.]

25 * * *

26 § 6112. Exceptions to license requirements.

27 The following persons shall not be required to be licensed
28 under this chapter in order to conduct the mortgage loan
29 business:

30 * * *

1 (2) An attorney at law not otherwise engaged in or
2 holding himself or herself out to the public as being engaged
3 in the mortgage loan business who acts as a mortgage broker
4 or a mortgage originator in negotiating or placing a mortgage
5 loan in the normal course of legal practice. The exception
6 under this paragraph shall not apply if the attorney is
7 compensated by any of the following:

8 * * *

9 [(iii) A mortgage loan correspondent.]

10 * * *

11 (6) Consumer discount companies, except that a consumer
12 discount company that acts as a mortgage broker, mortgage
13 lender[,], or mortgage servicer [or mortgage loan
14 correspondent], shall be subject to the provisions of
15 Subchapter C (relating to mortgage loan business restrictions
16 and requirements) and sections 6131(c)(2), (3) and (5), 6135,
17 6138 (relating to authority of department) and 6140(b)
18 (relating to penalties). Employees or individuals under the
19 direct supervision and control of licensees under the act of
20 April 8, 1937 (P.L.262, No.66), known as the Consumer
21 Discount Company Act, that act as mortgage originators shall
22 be subject to the licensing requirements of this chapter.
23 Consumer discount companies that employ or directly supervise
24 and control mortgage originators shall be subject to the same
25 requirements as mortgage lenders in regard to the employment
26 and supervision of mortgage originators.

27 * * *

28 (8) Employees or individuals under the direct
29 supervision and control of a mortgage broker, mortgage
30 lender[,], or mortgage servicer [or mortgage loan

1 correspondent], or a person excepted from licensure under
2 this section, who are not otherwise required to be licensed
3 as mortgage originators.

4 * * *

5 (11) A bona fide nonprofit organization and employees of
6 the organization acting within the scope of their employment,
7 unless otherwise deemed to be engaged in the mortgage loan
8 business by the department, provided that:

9 (i) The organization shall be subject to the
10 provisions of Subchapter C and sections 6135(a) (2) [, (3)]
11 and (4) and (c), 6138 and 6140(b).

12 * * *

13 (13) An installment seller of, or holder of installment
14 sales contracts secured by, manufactured homes who is
15 licensed under 12 Pa.C.S. Ch. 62 (relating to motor vehicle
16 sales finance) or an employee of the licensed entity,
17 provided the installment seller or holder only engages in the
18 mortgage loan business regarding installment sales contracts
19 secured by manufactured homes that are purchase-money
20 mortgage loans. [To qualify for the exception under this
21 paragraph, the installment seller or holder must:

22 (i) Obtain a license as a mortgage originator, if
23 licensed as an individual under 12 Pa.C.S. Ch. 62.

24 (ii) Be registered with the department.

25 (iii) Do either of the following:

26 (A) In the same manner as a mortgage lender or
27 mortgage broker, as applicable depending upon whether
28 the installment seller or holder makes or brokers
29 installment sales contracts secured by manufactured
30 homes that are purchase-money mortgage loans, obtain

1 and maintain bond coverage for mortgage originators
2 consistent with section 6131(c)(5) or (e)(3) and file
3 a periodic report consistent with section 6135(a)(3);
4 or

5 (B) Annually demonstrate to the department that
6 the mortgage originators employed by or under the
7 direct supervision and control of the installment
8 seller or holder have obtained and maintained the
9 bond coverage required by section 6131(f)(4) in a
10 form acceptable to the department.

11 (iv) Ensure employees or individuals under the
12 direct supervision and control of the installment seller
13 or holder required to be licensed as mortgage originators
14 have completed the requirements under section 6131.1 and
15 have obtained the required mortgage originator license.]

16 * * *

17 § 6121. General requirements.

18 A licensee shall do all of the following:

19 * * *

20 (10) Refund all fees, other than those fees paid by the
21 licensee to a third party, paid by a consumer when a mortgage
22 loan is not produced within the time specified by the
23 mortgage broker[,] or mortgage lender [or mortgage loan
24 correspondent] at the rate, term and overall cost agreed to
25 by the consumer. This paragraph shall not apply if the
26 failure to produce a mortgage loan is due solely to the
27 consumer's negligence, his or her refusal to accept and close
28 on a loan commitment or his or her refusal or inability to
29 provide information necessary for processing, including
30 employment verifications and verifications of deposits. The

licensee shall disclose to the consumer, in writing, at the time of a loan application which fees paid or to be paid are nonrefundable.

(11) As follows:

(i) Ensure that all lock-in agreements shall be in writing and shall contain at least the following provisions:

[(i)] (A) The expiration date of the lock-in, if any.

[(ii)] (B) The interest rate locked in, if any.

[(iii)] (C) The discount points locked in, if any.

[(iv)] (D) The fee locked in, if any.

[(v)] (E) The lock-in fee, if any.

(ii) A licensee who is in compliance with 12 CFR 1026.37 (relating to content of disclosures for certain mortgage transactions (Loan Estimate)) shall satisfy the requirements under this subparagraph.

* * *

(13) In the case of a mortgage broker[,] or mortgage lender [or mortgage loan correspondent], do all of the following:

* * *

§ 6122. Powers conferred on certain licensees engaged in the mortgage loan business.

* * *

(b) Mortgage brokers [and loan correspondents].--Provided they are in compliance with the provisions of this chapter, mortgage brokers [and mortgage loan correspondents] shall have the power and authority:

* * *

1 § 6123. Mortgage loan business prohibitions.

2 (a) Mortgage loan business prohibitions.--A licensee
3 engaging in the mortgage loan business shall not:

4 * * *

5 [(6) In the case of a mortgage loan correspondent,
6 service mortgage loans or close mortgage loans utilizing
7 funding other than a wholesale table funder, except in an
8 emergency circumstance where wholesale table funding is not
9 available.]

10 * * *

11 (9) In the case of a mortgage originator, engage in the
12 mortgage loan business other than on behalf of the single
13 mortgage broker[,] or mortgage lender [or mortgage loan
14 correspondent] or a person excepted from this chapter or a
15 person excepted from licensure under section 6112 (relating
16 to exceptions to license requirements) that sponsors the
17 mortgage originator.

18 * * *

19 § 6131. Application for license.

20 (a) Contents.--An application for a license under this
21 chapter shall be on a form prescribed and provided by the
22 department. Consistent with sections 202 E and 405 F(1) of the
23 act of May 15, 1933 (P.L.565, No.111), known as the Department
24 of Banking and Securities Code, all applicants and licensees
25 shall use the Nationwide Mortgage Licensing System and Registry
26 to obtain and maintain licenses under this chapter.

27 (1) In the case of a mortgage broker, mortgage lender[,]
28 or mortgage servicer [or mortgage loan correspondent], the
29 application shall include the following:

30 * * *

1 [(d) Mortgage loan correspondent license.--The department
2 shall issue a loan correspondent's license applied for under
3 this chapter if the applicant:

4 (1) Obtains and will maintain a bond in the amount of
5 \$100,000, in a form acceptable to the department, prior to
6 the issuance of the license, from a surety company authorized
7 to do business in this Commonwealth. The bond shall run to
8 the Commonwealth and shall be for the use of the Commonwealth
9 and any person or persons who obtain a judgment against the
10 mortgage loan correspondent for failure to carry out the
11 terms of any provision for which advance fees are paid. No
12 bond shall comply with the requirements of this section
13 unless it contains a provision that it shall not be canceled
14 for any cause unless notice of intention to cancel is given
15 to the department at least 30 days before the day upon which
16 cancellation shall take effect. A mortgage loan correspondent
17 who can demonstrate to the satisfaction of the department
18 that the correspondent does not and will not accept advance
19 fees shall be exempt from the bond requirement of this
20 paragraph.

21 (2) Establishes a minimum net worth of \$100,000 at the
22 time of application and will, at all times thereafter,
23 maintain the minimum net worth.

24 (3) Obtains and will maintain a surety bond in an amount
25 that will provide coverage for the mortgage originators
26 sponsored by the applicant or licensee, in a form acceptable
27 to the department, prior to the issuance of the license, from
28 a surety company authorized to do business in this
29 Commonwealth. The following shall apply:

30 (i) The amount of the bond shall be \$100,000 for an

1 applicant or licensee whose mortgage originators will
2 originate or originated less than \$30,000,000 in mortgage
3 loans secured by Pennsylvania dwellings or residential
4 real estate in a calendar year; \$200,000 for an applicant
5 or licensee whose mortgage originators will originate or
6 originated \$30,000,000 to \$99,999,999.99 in mortgage
7 loans secured by Pennsylvania dwellings or residential
8 real estate in a calendar year; \$300,000 for an applicant
9 or licensee whose mortgage originators will originate or
10 originated \$100,000,000 to \$249,999,999.99 in mortgage
11 loans secured by Pennsylvania dwellings or residential
12 real estate in a calendar year; and \$500,000 for an
13 applicant or licensee whose mortgage originators will
14 originate or originated \$250,000,000 or more in mortgage
15 loans secured by Pennsylvania dwellings or residential
16 real estate in a calendar year.

17 (ii) For an initial license applicant, the amount of
18 the bond shall be determined by the applicant's
19 anticipated amount of mortgage loans secured by
20 Pennsylvania dwellings or residential real estate
21 originated by its mortgage originators in the first
22 calendar year of licensing. For a licensee, the amount of
23 the bond shall be determined annually by the department
24 based upon the amount of mortgage loans secured by
25 Pennsylvania dwellings or residential real estate
26 originated by the licensee's mortgage originators as
27 indicated on the licensee's periodic report.

28 (iii) The bond shall run to the Commonwealth and
29 shall be for the use of the Commonwealth and for the use
30 of any consumer who is injured by the acts or omissions

1 of the licensee's mortgage originators that are related
2 to the mortgage loan business regulated by this chapter.
3 No bond shall comply with the requirements of this
4 section unless it contains a provision that it shall not
5 be canceled for any cause unless notice of intention to
6 cancel is given to the department at least 30 days before
7 the day upon which cancellation shall take effect.
8 Cancellation of the bond shall not invalidate the bond
9 regarding the period of time it was in effect.

10 (4) Designates an individual as the qualifying
11 individual for the principal place of business and separate
12 individuals as branch managers for each branch, as
13 applicable.]

14 * * *

15 (f) Mortgage originator license.--A mortgage originator
16 shall do all of the following:

17 (1) Be an employee of or under the direct supervision
18 and control of a licensed mortgage broker[,] or mortgage
19 lender [or mortgage loan correspondent], a person excepted
20 from this chapter or a person excepted from licensure under
21 section 6112 (relating to exceptions to license
22 requirements). The licensee or person shall sponsor the
23 mortgage originator in the Nationwide Mortgage Licensing
24 System and Registry and directly supervise, control and
25 maintain responsibility for the acts and omissions of the
26 mortgage originator.

27 (2) Be assigned to and work out of a licensed location
28 of the sponsoring licensee [or], a location of a sponsoring
29 person excepted from this chapter or excepted from licensure
30 under section 6112[, which, in the case of a sponsoring

licensee, may be either the mortgage originator's residence or a location of the licensee that is within 100 miles of the mortgage originator's residence.] or a remote location.

* * *

(5) Only engage in the mortgage loan business on behalf of the single mortgage broker[,] or mortgage lender [or mortgage loan correspondent] or a person excepted from this chapter or a person excepted from licensure under section 6112 that sponsors the mortgage originator.

* * *

§ 6131.1. Prelicensing and continuing education.

* * *

(b) Prelicensing education.--

(1) A mortgage originator applicant, and at least one qualifying individual of a mortgage broker[,] or mortgage lender [or mortgage loan correspondent] applicant, shall complete at least 20 hours of education programs approved in accordance with paragraph (2), which shall include all of the following:

* * *

(c) Prelicensing written test.--

(1) A mortgage originator applicant, and at least one qualifying individual of a mortgage broker[,] or mortgage lender [or mortgage loan correspondent] applicant, shall pass, in accordance with the standards established under this subsection, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by a test provider approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards. The department may also require applicants to pass

1 a test regarding Pennsylvania-specific law, which shall be
2 administered by a test provider approved by the department or
3 as otherwise determined by the department under subsection
4 (e).

5 * * *

6 (d) Continuing education.--

7 (1) A licensee who is a mortgage originator and all
8 branch managers and qualifying individuals of a mortgage
9 broker[,], or mortgage lender [or mortgage loan correspondent]
10 shall annually complete at least eight hours of education
11 programs in accordance with paragraph (2), which shall
12 include all of the following:

13 * * *

14 (8) An individual who is a mortgage originator, branch
15 manager or qualifying individual of a mortgage broker[,], or
16 mortgage lender [or mortgage loan correspondent] is not
17 required to complete the requirements of this subsection in
18 any licensing year in which the individual has completed the
19 requirements of subsection (b).

20 * * *

21 § 6132. License fees.

22 (a) Initial application fees.--Except as set forth in
23 subsection (d)(1), an applicant shall pay to the department at
24 the time an application is filed an initial nonrefundable
25 application fee as set forth under this subsection.

26 (1) For mortgage lenders [and mortgage loan
27 correspondents], \$1,500 for the principal place of business
28 and an additional fee of \$1,500 for each branch office.

29 * * *

30 (b) Renewal fees.--Prior to each annual renewal of a

1 license, except as set forth in subsection (d)(2), a licensee
2 shall pay to the department a nonrefundable license renewal fee
3 as set forth under this subsection.

4 (1) For mortgage lenders [and mortgage loan
5 correspondents], \$750 for the principal place of business and
6 an additional fee of \$750 for each branch office.

7 * * *

8 (d) Exception to mortgage originator license fees.--

9 (1) An applicant shall not be required to pay the fee
10 for a mortgage originator license as provided in subsection
11 (a) if the applicant is also individually a mortgage lender
12 applicant, [mortgage loan correspondent applicant,] mortgage
13 servicer applicant or mortgage broker applicant.

14 (2) A licensee shall not be required to pay the fee for
15 a mortgage originator license as provided in subsection (b)
16 if the licensee is also individually a mortgage lender
17 licensee[, mortgage loan correspondent licensee] or mortgage
18 broker licensee.

19 § 6135. Licensee requirements.

20 (a) Requirements of licensee.--

21 * * *

22 (3) A mortgage broker, mortgage lender, mortgage
23 servicer[, mortgage loan correspondent,] or a mortgage
24 originator that is required to obtain and maintain its own
25 bond coverage under section 6131(f)(4) (relating to
26 application for license), shall file periodically, as
27 determined by the department, a report with the department or
28 the Nationwide Mortgage Licensing System and Registry, as
29 determined by the department, setting forth such information
30 as the department shall require concerning the first or

secondary mortgage loan business conducted by the licensee.
Licensees who fail to file the required report at the date
required by the department may be subject to a penalty of
\$100 for each day after the due date until the report is
filed.

* * *

§ 6139. Suspension, revocation or refusal.

(a) Departmental action.--The department may suspend, revoke
or refuse to renew a license issued under this chapter if any
fact or condition exists or is discovered which, if it had
existed or had been discovered at the time of filing of the
application for the license, would have warranted the department
in refusing to issue the license or if a licensee or director,
officer, partner, employee, mortgage originator or owner of a
licensee has:

* * *

(11) Accepted an advance fee without having obtained the
bond required by section [6131(d)(1) or (e)(1)] 6131(e)(1)
(relating to application for license).

* * *

(14) In the case of a mortgage broker[,] or mortgage
lender [or mortgage loan correspondent], conducted the
mortgage loan business through an unlicensed mortgage
originator.

* * *

§ 6141. Mortgage servicers.

(a) Regulatory coordination.--In order to implement this
chapter as applicable to mortgage servicers, the following
apply:

(1) Subject to paragraph (2), the department shall

1 promulgate regulations which effectively incorporate the
2 Consumer Financial Protection Bureau's mortgage servicer
3 regulations at 12 CFR Pt. 1024, Subpt. C (relating to
4 mortgage servicing), other than 12 CFR 1024.30 (relating to
5 scope). The regulations promulgated under this paragraph
6 shall not apply to a reverse mortgage or timeshare or a
7 person excepted from licensure under section 6112 (relating
8 to exceptions to license requirements).

9 * * *

10 ~~Section 3. This act shall take effect in 60 days.~~

<--

11 SECTION 3. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

<--

12 (1) THE FOLLOWING SHALL TAKE EFFECT IMMEDIATELY:

13 (I) THIS SECTION.

14 (II) THE AMENDMENT OR ADDITION OF THE DEFINITIONS OF
15 "BRANCH," "REMOTE LOCATION" AND "WHOLESALE TABLE FUNDER"
16 IN 7 PA.C.S. § 6102.

17 (III) THE AMENDMENT OF 7 PA.C.S. § 6131(F)(2).

18 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
19 DAYS.