

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1732 Session of
2003

INTRODUCED BY HASAY, ALLEN, BUNT, CAPPELLI, COY, CRAHALLA,
CREIGHTON, DENLINGER, GEIST, HARRIS, HESS, KELLER, KIRKLAND,
MAHER, MUNDY, NAILOR, REICHLEY, ROSS, SEMMEL, T. STEVENSON,
TANGRETTI AND E. Z. TAYLOR, JUNE 26, 2003

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 28, 2004

AN ACT

1 Amending the act of December 22, 1989 (P.L.687, No.90), entitled
2 "An act providing for the regulation and licensing of
3 mortgage bankers and mortgage brokers; imposing additional
4 powers and duties on the Department of Banking and the State
5 Real Estate Commission; and providing penalties," further
6 providing for licensure definition and for application for
7 license; and providing for registration of mortgage
8 solicitors.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Section 302 of the act of December 22, 1989
12 (P.L.687, No.90), known as the Mortgage Bankers and Brokers and
13 Consumer Equity Protection Act, is amended by adding a
14 definition to read:

15 Section 302. Definitions.

16 The following words and phrases when used in this chapter
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 * * *

1 "Mortgage solicitor." An individual not licensed under this
2 act:

3 (1) who is employed as a solicitor by one licensee OR IS <—
4 AN INDEPENDENT CONTRACTOR ACTING AS A SOLICITOR ON BEHALF OF
5 A LICENSEE;

6 (2) who solicits, provides or accepts mortgage loan
7 applications or assists borrowers in completing mortgage loan
8 applications; and

9 (3) whose compensation is in any way based on the dollar
10 amount or volume of mortgage loan applications, mortgage loan
11 closings or other mortgage loan activity.

12 * * *

13 Section 2. Section 304(e) of the act, amended June 25, 2001
14 (P.L.621, No.55), is amended to read:

15 Section 304. Application for license.

16 * * *

17 (e) Education.--To maintain a mortgage banker's, a loan
18 correspondent's or a mortgage broker's license, the applicant or
19 licensee shall demonstrate to the satisfaction of the secretary
20 that at least one individual from each licensed office has
21 attended a minimum of [six] 12 hours of such continuing
22 education each year. To maintain a limited mortgage broker's
23 license, the licensee shall demonstrate to the satisfaction of
24 the secretary that he has attended at least two hours of
25 continuing education each year. The secretary shall delineate
26 the requirements for such continuing education by regulation
27 within three years of the effective date of this act. The
28 secretary may review and approve continuing education programs
29 and providers to satisfy the continuing education requirement.
30 The secretary may charge providers of continuing education

1 programs a fee, to be determined by the secretary, for
2 department review of continuing education programs and
3 providers.

4 Section 3. The act is amended by adding a section to read:

5 Section 305.1. Registration of mortgage solicitors.

6 (a) General rule.--Before an individual may act as a
7 mortgage solicitor for a licensee, a licensee must register that
8 individual as a mortgage solicitor with that licensee.

9 (b) Registration procedures.--To register a mortgage
10 solicitor, the prospective employing licensee must submit the
11 following to the department:

12 (1) A completed registration form, including the
13 mortgage solicitor's name, birth date, Social Security number
14 and residence address and the name of the employing licensee.

15 (2) A \$50 registration fee which is payable every year
16 upon renewal.

17 (c) Certificates.--No individual may be registered as a
18 mortgage solicitor with more than one licensee at the same time.
19 The registration of a mortgage solicitor is effective upon
20 filing of the applicable registration form and the registration
21 fee. The department, upon receiving a properly completed
22 registration form and the correct fee, shall issue a
23 registration certificate containing the name of the mortgage
24 solicitor, the name of the employing licensee and the address of
25 the principal office of the employing licensee. The employing
26 licensee shall do one of the following:

27 (1) Display the registration certificate at the office
28 or work station of the mortgage solicitor.

29 (2) Maintain the registration certificates in a binder
30 or similar device and post a sign at the office or work

1 station of the mortgage solicitor indicating that the
2 registration certificates are available for public inspection
3 upon request.

4 (d) Transferability.--Registration certificates may not be
5 transferred or assigned. Within 30 calendar days after a
6 mortgage solicitor ceases affiliation with a licensee, the
7 licensee shall return the registration certificate to the
8 department. A mortgage solicitor who changes employment during
9 the registration period must be reregistered by the new
10 employing licensee, by the filing of a new registration form
11 with the \$50 fee, before acting as a mortgage solicitor for the
12 new employing licensee.

13 (e) Limitations.--The secretary shall refuse to register any
14 person who changes affiliation more than two times in any
15 calendar year if the secretary determines that the change is for
16 the purpose of evading the licensing requirements of this act.

17 (f) Refusal to register.--The secretary may refuse to
18 register an individual who has engaged in any conduct or
19 committed any act which would be grounds for the revocation or
20 suspension of a license issued under this act or the regulations
21 promulgated under this act.

22 Section 4. This act shall take effect in 60 days.