
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, STAMBAUGH, GUZMAN AND SILVIS, JUNE 9, 2021

SENATOR DISANTO, BANKING AND INSURANCE, IN SENATE, AS AMENDED,
OCTOBER 27, 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

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 * * *

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

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

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

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

22 * * *

23 "Installment sales contract." [As defined in section 3(10)
24 of the act of June 28, 1947 (P.L.1110, No.476), known as the
25 Motor Vehicle Sales Finance Act.] The term shall have the same
26 meaning as "installment sale contract" as defined in 12 Pa.C.S.
27 § 6202 (relating to definitions).

28 * * *

29 ["Mortgage loan correspondent." A person who engages in the
30 mortgage loan business by directly or indirectly originating and

1 closing mortgage loans in his or her own name utilizing funds
2 provided by a wholesale table funder or other funding sources
3 under the circumstances described under section 6123(a)(6)
4 (relating to mortgage loan business prohibitions) and
5 simultaneously assigning the mortgage loans to the wholesale
6 table funder.]

7 * * *

8 "Mortgage originator."

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

11 (i) Takes a mortgage loan application.

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

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

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

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

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

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

1 (I) Is licensed and registered in accordance
2 with this chapter.

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

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

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

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

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

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

27 (vii) An individual employed by a licensee or person
28 exempt or excepted from licensure under this chapter who
29 solely engages in mortgage loan modifications for
30 existing mortgage loans held or serviced by that licensee

1 or person and who does not otherwise act as a mortgage
2 originator.

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

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

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

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

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

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

24 (B) Registered as a securities agent under
25 section 301 of the Pennsylvania Securities Act of
26 1972.

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

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

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

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

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

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

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

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

30 (D) Not otherwise acting as a mortgage

1 originator as defined in paragraph (1)(i), (ii) or
2 (iii).

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

7 * * *

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

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

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

18 * * *

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

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

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

30 (3) Access to the licensee's platforms and customer

1 information is conducted in accordance with the licensee's
2 comprehensive written information security plan.

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

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

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

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

17 * * *

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

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

1 amended to read:

2 § 6111. License requirements.

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

18 (b) Licensed activity exceptions.--

19 (1) A mortgage lender may:

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

23 * * *

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

26 * * *

27 § 6112. Exceptions to license requirements.

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

1 * * *

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

9 * * *

10 [(iii) A mortgage loan correspondent.]

11 * * *

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

28 * * *

29 (8) Employees or individuals under the direct
30 supervision and control of a mortgage broker, mortgage

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

5 * * *

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

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

13 * * *

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

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

25 (ii) Be registered with the department.

26 (iii) Do either of the following:

27 (A) In the same manner as a mortgage lender or
28 mortgage broker, as applicable depending upon whether
29 the installment seller or holder makes or brokers
30 installment sales contracts secured by manufactured

1 homes that are purchase-money mortgage loans, obtain
2 and maintain bond coverage for mortgage originators
3 consistent with section 6131(c) (5) or (e) (3) and file
4 a periodic report consistent with section 6135(a) (3);
5 or

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

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

17 * * *

18 § 6121. General requirements.

19 A licensee shall do all of the following:

20 * * *

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

1 employment verifications and verifications of deposits. The
2 licensee shall disclose to the consumer, in writing, at the
3 time of a loan application which fees paid or to be paid are
4 nonrefundable.

5 (11) As follows:

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

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

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

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

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

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

15 (ii) A licensee who is in compliance with 12 CFR
16 1026.37 (relating to content of disclosures for certain
17 mortgage transactions (Loan Estimate)) shall satisfy the
18 requirements under this subparagraph.

19 * * *

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

23 * * *

24 § 6122. Powers conferred on certain licensees engaged in the
25 mortgage loan business.

26 * * *

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

1 * * *

2 § 6123. Mortgage loan business prohibitions.

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

5 * * *

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

11 * * *

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

19 * * *

20 § 6131. Application for license.

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

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

1 * * *

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

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

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

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

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

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

29 (iii) The bond shall run to the Commonwealth and
30 shall be for the use of the Commonwealth and for the use

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

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

15 * * *

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

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

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

1 under section 6112[, which, in the case of a sponsoring
2 licensee, may be either the mortgage originator's residence
3 or a location of the licensee that is within 100 miles of the
4 mortgage originator's residence.] or a remote location.

5 * * *

6 (5) Only engage in the mortgage loan business on behalf
7 of the single mortgage broker[,] or mortgage lender [or
8 mortgage loan correspondent] or a person excepted from this
9 chapter or a person excepted from licensure under section
10 6112 that sponsors the mortgage originator.

11 * * *

12 § 6131.1. Prelicensing and continuing education.

13 * * *

14 (b) Prelicensing education.--

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

21 * * *

22 (c) Prelicensing written test.--

23 (1) A mortgage originator applicant, and at least one
24 qualifying individual of a mortgage broker[,] or mortgage
25 lender [or mortgage loan correspondent] applicant, shall
26 pass, in accordance with the standards established under this
27 subsection, a qualified written test developed by the
28 Nationwide Mortgage Licensing System and Registry and
29 administered by a test provider approved by the Nationwide
30 Mortgage Licensing System and Registry based upon reasonable

1 standards. The department may also require applicants to pass
2 a test regarding Pennsylvania-specific law, which shall be
3 administered by a test provider approved by the department or
4 as otherwise determined by the department under subsection
5 (e).

6 * * *

7 (d) Continuing education.--

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

14 * * *

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

21 * * *

22 SECTION 3. SECTION 6132(A)(1), (B)(1) AND (D) OF TITLE 7 ARE <--
23 AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO
24 READ:

25 § 6132. License fees.

26 (a) Initial application fees.--Except as set forth in
27 [subsection] SUBSECTIONS (A.1) AND (d)(1), an applicant shall <--
28 pay to the department at the time an application is filed an
29 initial nonrefundable application fee as set forth under this
30 subsection.

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

4 * * *

5 (A.1) ENHANCED INITIAL APPLICATION FEES.--EXCEPT AS SET <--
6 FORTH IN SUBSECTION (D)(1), IF IN ANY CALENDAR YEAR THERE IS AT
7 LEAST A 20% REDUCTION IN THE TOTAL NUMBER OF BRANCH LICENSES
8 THAT EXISTED IN CALENDAR YEAR 2021, AN APPLICANT SHALL PAY TO
9 THE DEPARTMENT AT THE TIME AN APPLICATION IS FILED AN INITIAL
10 NONREFUNDABLE APPLICATION FEE AS SET FORTH UNDER THIS
11 SUBSECTION:

12 (1) FOR MORTGAGE LENDERS, \$1,725 FOR THE PRINCIPAL PLACE
13 OF BUSINESS AND AN ADDITIONAL FEE OF \$1,725 FOR EACH BRANCH
14 OFFICE.

15 (2) FOR MORTGAGE BROKERS, \$1,150 FOR THE PRINCIPAL PLACE
16 OF BUSINESS AND AN ADDITIONAL FEE OF \$300 FOR EACH BRANCH
17 OFFICE.

18 (3) FOR MORTGAGE ORIGINATORS, \$225.

19 (4) FOR MORTGAGE SERVICERS, \$2,875 FOR THE PRINCIPAL
20 PLACE OF BUSINESS AND AN ADDITIONAL FEE OF \$1,450 FOR EACH
21 BRANCH LOCATION.

22 (b) Renewal fees.--Prior to each annual renewal of a
23 license, except as set forth in [subsection] SUBSECTIONS (B.1) <--
24 AND (d)(2), a licensee shall pay to the department a
25 nonrefundable license renewal fee as set forth under this
26 subsection.

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

30 * * *

1 (B.1) ENHANCED RENEWAL FEES.--PRIOR TO EACH ANNUAL RENEWAL <--
2 OF A LICENSE, EXCEPT AS SET FORTH IN SUBSECTION (D) (2), IF IN
3 ANY CALENDAR YEAR THERE IS AT LEAST A 20% REDUCTION IN THE TOTAL
4 NUMBER OF BRANCH LICENSES RENEWED IN CALENDAR YEAR 2021, A
5 LICENSEE SHALL PAY TO THE DEPARTMENT A NONREFUNDABLE LICENSE
6 RENEWAL FEE AS SET FORTH UNDER THIS SUBSECTION:

7 (1) FOR MORTGAGE LENDERS, \$875 FOR THE PRINCIPAL PLACE
8 OF BUSINESS AND AN ADDITIONAL FEE OF \$875 FOR EACH BRANCH
9 OFFICE.

10 (2) FOR MORTGAGE BROKERS, \$575 FOR THE PRINCIPAL PLACE
11 OF BUSINESS AND AN ADDITIONAL FEE OF \$300 FOR EACH BRANCH
12 OFFICE.

13 (3) FOR MORTGAGE ORIGINATORS, \$125.

14 (4) FOR MORTGAGE SERVICERS, \$1,150 FOR THE PRINCIPAL
15 PLACE OF BUSINESS AND AN ADDITIONAL FEE OF \$575 FOR EACH
16 BRANCH LOCATION.

17 * * *

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

19 (1) An applicant shall not be required to pay the fee
20 for a mortgage originator license as provided in subsection

21 (a) OR (A.1) if the applicant is also individually a mortgage <--
22 lender applicant, [mortgage loan correspondent applicant,]
23 mortgage servicer applicant or mortgage broker applicant.

24 (2) A licensee shall not be required to pay the fee for
25 a mortgage originator license as provided in subsection (b)

26 OR (B.1) if the licensee is also individually a mortgage <--
27 lender licensee[, mortgage loan correspondent licensee] or
28 mortgage broker licensee.

29 SECTION 4. SECTIONS 6135(A) (3), 6139(A) (11) AND (14) AND <--
30 6141(A) (1) OF TITLE 7 ARE AMENDED TO READ:

1 § 6135. Licensee requirements.

2 (a) Requirements of licensee.--

3 * * *

4 (3) A mortgage broker, mortgage lender, mortgage
5 servicer[, mortgage loan correspondent,] or a mortgage
6 originator that is required to obtain and maintain its own
7 bond coverage under section 6131(f)(4) (relating to
8 application for license), shall file periodically, as
9 determined by the department, a report with the department or
10 the Nationwide Mortgage Licensing System and Registry, as
11 determined by the department, setting forth such information
12 as the department shall require concerning the first or
13 secondary mortgage loan business conducted by the licensee.
14 Licensees who fail to file the required report at the date
15 required by the department may be subject to a penalty of
16 \$100 for each day after the due date until the report is
17 filed.

18 * * *

19 § 6139. Suspension, revocation or refusal.

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

28 * * *

29 (11) Accepted an advance fee without having obtained the
30 bond required by section [6131(d)(1) or (e)(1)] 6131(e)(1)

1 (relating to application for license).

2 * * *

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

7 * * *

8 § 6141. Mortgage servicers.

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

12 (1) Subject to paragraph (2), the department shall
13 promulgate regulations which effectively incorporate the
14 Consumer Financial Protection Bureau's mortgage servicer
15 regulations at 12 CFR Pt. 1024, Subpt. C (relating to
16 mortgage servicing), other than 12 CFR 1024.30 (relating to
17 scope). The regulations promulgated under this paragraph
18 shall not apply to a reverse mortgage or timeshare or a
19 person excepted from licensure under section 6112 (relating
20 to exceptions to license requirements).

21 * * *

22 Section 3 5. This act shall take effect as follows: <--

23 (1) The following shall take effect immediately:

24 (i) This section.

25 (ii) The amendment or addition of the definitions of
26 "branch," "remote location" and "wholesale table funder"
27 in 7 Pa.C.S. § 6102.

28 (iii) The amendment of 7 Pa.C.S. § 6131(f)(2).

29 (2) The remainder of this act shall take effect in 60
30 days.