

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 13-0511.01 Bart Miller x2173

SENATE BILL 13-118

SENATE SPONSORSHIP

Hodge,

HOUSE SPONSORSHIP

Pabon,

Senate Committees
Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING CLARIFICATION OF THE EXEMPTIONS FROM THE LAWS**
102 **REGULATING MORTGAGE LOAN ORIGINATORS, AND, IN**
103 **CONNECTION THEREWITH, CLARIFYING THAT CERTAIN PERSONS**
104 **PROVIDING SELLER FINANCING FOR THE SALE OF A LIMITED**
105 **NUMBER OF RESIDENTIAL PROPERTIES ARE COVERED BY THE**
106 **LAW PROHIBITING CERTAIN PRACTICES AND EXEMPTING REAL**
107 **ESTATE LICENSEES REPRESENTING THESE PERSONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

http://www.leg.state.co.us/bills/summaries.)

In the "Mortgage Loan Originator Licensing and Mortgage Company Registration Act" (act), the bill clarifies the exemption for a person, estate, or trust providing seller financing for no more than 5 residential properties in a 12-month period by specifying that seller financing continues to be subject to provisions of the law prohibiting fraudulent and deceptive practices. The bill also exempts a real estate licensee representing a person that qualifies for this exemption.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-61-904, **amend**
3 (1) introductory portion and (1) (b); and **add** (1) (l) as follows:

4 **12-61-904. Exemptions - rules.** (1) ~~Except as otherwise provided~~
5 ~~in section 12-61-911~~; This part 9 does not apply to the following, unless
6 otherwise determined by the federal bureau of consumer financial
7 protection or the United States department of housing and urban
8 development:

9 (b) (I) With respect to a residential mortgage loan, a person,
10 estate, or trust that provides mortgage financing for the sale of no more
11 than ~~three~~ FIVE properties in any twelve-month period to purchasers of
12 ~~such~~ THE properties, each of which is ~~owned by such~~ THE person, estate,
13 or trust OWNS and serves as security for the loan, EXCEPT AS SPECIFIED IN
14 SUBPARAGRAPH (II) OF THIS PARAGRAPH (b).

15 (II) SECTION 12-61-911 (1) (a) TO (1) (c) AND (1) (g) APPLY TO A
16 PERSON, ESTATE, OR TRUST DESCRIBED IN SUBPARAGRAPH (I) OF THIS
17 PARAGRAPH (b).

18 (l) A PERSON LICENSED UNDER PART 1 OF THIS ARTICLE WHO
19 REPRESENTS A PERSON, ESTATE, OR TRUST PROVIDING MORTGAGE
20 FINANCING UNDER PARAGRAPH (b) OF THIS SUBSECTION (1).

1 **SECTION 2.** In Colorado Revised Statutes, 12-61-911, **amend**
2 (1) introductory portion as follows:

3 **12-61-911. Prohibited conduct - fraud - misrepresentation -**
4 **conflict of interest - rules.** (1) A mortgage loan originator ~~including a~~
5 ~~mortgage loan originator otherwise exempted from this part 9 by section~~
6 ~~12-61-904 (1) (b)~~, shall not:

7 **SECTION 3. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.