

HOUSE No. 2160

The Commonwealth of Massachusetts

PRESENTED BY:

Edward F. Coppinger

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to mortgage licensing and exemptions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>
<i>James Arciero</i>	<i>2nd Middlesex</i>

HOUSE No. 2160

By Mr. Coppinger of Boston, a petition (accompanied by bill, House, No. 2160) of Edward F. Coppinger and others for legislation to exempt certain bona fide nonprofit affordable homeownership organizations from portions of the mortgage broker or lender license requirements. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to mortgage licensing and exemptions.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1: Chapter 255E of the General Laws as appearing in the 2014 Official
2 Edition is hereby amended as follows:

3 SECTION 2: by inserting at the end of Section 1 the following:

4 “bona fide nonprofit affordable homeownership organization”, a Massachusetts nonprofit
5 corporation with a primary purpose of helping qualified low-income individuals build, repair and
6 purchase affordable housing.

7 SECTION 3: by inserting after the first paragraph in Section 2, the following paragraph:

8 The Commissioner may issue an exemption from the provisions of this chapter and from
9 the first mortgage lien provisions of the federal Secure and Fair Enforcement for Mortgage
10 Licensing Act of 2008 (known as “the Safe Act”) to any bona fide affordable homeownership

11 organization upon its application for an exemption. Such application shall be approved upon the
12 Commissioner's determination that the organization satisfies the following criteria:

13 (a) The organization is a Massachusetts nonprofit corporation with a primary purpose
14 of helping qualified low-income individuals build, repair and purchase affordable housing;

15 (b) The organization is exempt from federal income taxation under Section 501(c)(3)
16 of the Internal Revenue Code;

17 (c) The organization does not charge loan origination fees;

18 (d) The organization does not provide mortgage loans which do not fully amortize
19 over the term of the notes they secure (known as "balloon mortgages);

20 (e) The organization does not compensate any employees based on the number and/or
21 size of mortgage loans originated by the employee.

22 The issuance of an exemption by the Commissioner shall be in writing and shall be
23 granted for a 5-year period. The Division of Banks may periodically monitor exempted
24 organizations to confirm they remain in compliance with the provisions of this chapter.