

1 **SENATE FLOOR VERSION**

2 February 26, 2024

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1492

By: Hall of the Senate

and

Moore of the House

6
7
8
9 An Act relating to the Oklahoma Secure and Fair
10 Enforcement for Mortgage Licensing Act; amending 59
11 O.S. 2021, Section 2095.2, which relates to
12 definitions; defining terms; updating statutory
13 language; updating statutory reference; amending 59
14 O.S. 2021, Section 2095.3, which relates to
15 exemptions; updating statutory reference; amending 59
16 O.S. 2021, Section 2095.5, which relates to licenses;
17 updating statutory references; amending 59 O.S. 2021,
18 Section 2095.6, which relates to required information
19 by applicant; updating statutory references;
20 providing requirements for certain licensure;
21 modifying conditions for renewal and reinstatement;
22 providing for promulgation of rules for certain fees;
23 amending 59 O.S. 2021, Section 2095.7, which relates
24 to requirement for mortgage loan originator license;
updating statutory reference; amending 59 O.S. 2021,
Section 2095.8, which relates to prelicensing
education; updating statutory reference; amending 59
O.S. 2021, Section 2095.9, which relates to qualified
written test; updating statutory reference; amending
59 O.S. 2021, Section 2095.10, which relates to
minimum standards for license renewal for mortgage
loan originators; updating statutory references;
amending 59 O.S. 2021, Section 2095.11, which relates
to mortgage broker licensing requirements; updating
statutory references; removing provision for certain
licensing for offices; amending 59 O.S. 2021, Section
2095.11.1, which relates to mortgage lender licensing
requirements; updating statutory references; updating
statutory language; removing provision for certain

1 licensing for offices; amending 59 O.S. 2021, Section
2 2095.12, which relates to minimum standards for
3 license renewal for mortgage brokers; updating
4 statutory references; amending 59 O.S. 2021, Section
5 2095.12.1, which relates to minimum standards for
6 license renewal for mortgage lenders; updating
7 statutory references; amending 59 O.S. 2021, Section
8 2095.13, which relates to administrator's
9 requirements; updating statutory references; amending
10 59 O.S. 2021, Section 2095.14, which relates to
11 challenge of information; updating statutory
12 references; amending 59 O.S. 2021, Section 2095.18,
13 which relates to violations; updating statutory
14 references; amending 59 O.S. 2021, Section 2095.20,
15 which relates to the Oklahoma Mortgage Broker and
16 Mortgage Loan Originator Recovery Fund; increasing
17 amount for reimbursement; amending 59 O.S. 2021,
18 Section 2095.21, which relates to continuing
19 education requirements; updating statutory
20 references; amending 59 O.S. 2021, Section 2095.22,
21 which relates to confidential information; updating
22 statutory references; amending 59 O.S. 2021, Section
23 2095.23, which relates to administrative
24 investigations; removing authority for Administrator
25 to require payment of an examination fee at time of
26 certain applications; updating statutory language;
27 amending 59 O.S. 2021, Section 2095.24, which relates
28 to licensee required reports; updating statutory
29 references; amending 59 O.S. 2021, Section 2095.25,
30 which relates to Consumer Credit required reports;
31 updating statutory references; authorizing the use of
32 remote locations; requiring certain policies and
33 procedures to be put in place; specifying certain
34 requirements to be in place for lawful use; providing
35 for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. **AMENDATORY** 59 O.S. 2021, Section 2095.2, is
amended to read as follows:

1 Section 2095.2. As used in the Oklahoma Secure and Fair
2 Enforcement for Mortgage Licensing Act:

3 1. "Administrator" means the Administrator of Consumer Credit;

4 2. "Affiliate" means an entity which directly or indirectly,
5 through one or more intermediaries, controls, is controlled by or is
6 under common control with the entity specified;

7 3. "Borrower" means any individual who consults with or retains
8 a mortgage broker or mortgage loan originator in an effort to obtain
9 or seek advice or information on obtaining or applying to obtain or
10 modify a residential mortgage loan for himself, herself, or
11 individuals including himself or herself, regardless of whether the
12 individual actually obtains or modifies such a loan;

13 4. "Branch office" means any location, other than a mortgage
14 lender's or mortgage broker's principal place of business or a
15 remote location, where the licensee or its employees or independent
16 contractors maintain a physical presence for the purpose of
17 conducting business;

18 5. "Commission" means the Commission on Consumer Credit;

19 ~~5.~~ 6. "Compensation" means anything of value or any benefit
20 including points, commissions, bonuses, referral fees and loan
21 origination fees;

22 ~~6.~~ 7. "Depository institution" has the same meaning as in
23 Section 3 of the Federal Deposit Insurance Act and includes any
24 credit union;

1 ~~7.~~ 8. "Entity" means a corporation, company, limited liability
2 company, partnership or association;

3 ~~8.~~ 9. "Federal banking agencies" means the Board of Governors
4 of the Federal Reserve System, the Comptroller of the ~~currency~~
5 Currency, the Director of the Office of Thrift Supervision, the
6 National Credit Union Administration and the Federal Deposit
7 Insurance Corporation;

8 ~~9.~~ 10. "Immediate family member" means a spouse, child,
9 sibling, parent, grandparent or grandchild and includes stepparents,
10 stepchildren, stepsiblings and adoptive relationships;

11 ~~10.~~ 11. "Individual" means a natural person and also includes a
12 sole proprietorship;

13 ~~11.~~ 12. a. "Loan processor or underwriter" means an entity
14 or individual who performs support duties as an
15 employee at the direction of and subject to the
16 supervision and instruction of an entity or individual
17 licensed or exempt from licensing as provided in
18 Section 2095.3 of this title.

19 b. For purposes of this paragraph, the term "clerical or
20 support duties" may include subsequent to the receipt
21 of an application, the receipt collection,
22 distribution and analysis of information necessary for
23 the processing or underwriting or modification of a
24 loan, to the extent that such communication does not

1 include offering or negotiating or modifying loan
2 rates or terms, or counseling consumers about
3 residential mortgage loan rates or terms.

4 c. An entity or individual engaging solely in loan
5 processor or underwriter activities shall not
6 represent to the public through advertising or other
7 means of communicating or providing information,
8 including the use of business cards, stationery,
9 brochures, signs, rate lists or other promotional
10 items, that such entity or individual can or will
11 perform any of the activities of a mortgage broker or
12 mortgage loan originator;

13 ~~12.~~ 13.

a. "Mortgage broker" means an entity who for
14 compensation or gain or in the expectation of
15 compensation or gain:

16 (1) takes a residential mortgage loan application, ~~or~~

17 (2) offers, negotiates or modifies the terms of a
18 residential mortgage loan, or

19 (3) services a residential mortgage.

20 b. Mortgage broker does not include:

21 (1) an entity engaged solely as a loan processor or
22 underwriter except as otherwise provided in
23 Section 2095.5 of this title,
24

1 (2) an entity that only performs real estate
2 brokerage activities and is licensed or
3 registered in accordance with Oklahoma law,
4 unless the entity is compensated by a lender, a
5 mortgage broker, or other mortgage loan
6 originator or by any agent of such lender,
7 mortgage broker or other mortgage loan
8 originator, and

9 (3) an entity solely involved in extensions of credit
10 relating to timeshare plans, as that term is
11 defined in 11 U.S.C., Section 101(53D) ~~United~~
12 ~~States Code~~;

13 ~~13.~~ 14. "Mortgage lender" means an entity that takes an
14 application for a residential mortgage loan, makes a residential
15 mortgage loan or services a residential mortgage loan and is an
16 approved or authorized:

- 17 a. mortgagee with direct endorsement underwriting
18 authority granted by the United States Department of
19 Housing and Urban Development,
- 20 b. seller or servicer of the Federal National Mortgage
21 Association or the Federal Home Loan Mortgage
22 Corporation, or
- 23 c. issuer for the Government National Mortgage
24 Association;

1 ~~14.~~ 15. a. “Mortgage loan originator” means an individual
2 who for compensation or gain or in the expectation of
3 compensation or gain:

4 (1) takes a residential mortgage loan application, or

5 (2) offers or negotiates or modifies the terms of a
6 residential mortgage loan.

7 b. Mortgage loan originator does not include:

8 (1) an individual engaged solely as a loan processor
9 or underwriter except as otherwise provided in
10 Section 2095.5 of this title,

11 (2) an individual that only performs real estate
12 brokerage activities and is licensed or
13 registered in accordance with Oklahoma law,
14 unless the individual is compensated by a lender,
15 a mortgage broker, or other mortgage loan
16 originator or by any agent of such lender,
17 mortgage broker, or other mortgage loan
18 originator, and

19 (3) an individual solely involved in extensions of
20 credit relating to timeshare plans, as that term
21 is defined in 11 U.S.C., Section 101(53D);

22 ~~15.~~ 16. “~~Nationwide Mortgage~~ Nationwide Multistate Licensing System and
23 Registry” means a mortgage licensing system developed and maintained
24 by the Conference of State Bank Supervisors and the American

1 Association of Residential Mortgage Regulators for the licensing and
2 registration of licensed mortgage brokers and mortgage loan
3 originators;

4 ~~16.~~ 17. "Nontraditional mortgage product" means any mortgage
5 product other than a thirty-year fixed rate mortgage;

6 ~~17.~~ 18. "Real estate brokerage activity" means any activity
7 that involves offering or providing real estate brokerage services
8 to the public, including:

- 9 a. acting as a real estate agent or real estate broker
10 for a buyer, seller, lessor or lessee of real
11 property,
- 12 b. bringing together parties interested in the sale,
13 purchase, lease, rental or exchange of real property,
- 14 c. negotiating, on behalf of any party, any portion of a
15 contract relating to the sale, purchase, lease, rental
16 or exchange of real property, other than in connection
17 with providing financing with respect to any such
18 transaction,
- 19 d. engaging in any activity for which an entity engaged
20 in the activity is required to be registered or
21 licensed as a real estate agent or real estate broker
22 under any applicable law, and
- 23 e. offering to engage in any activity or act in any
24 capacity, described in this paragraph;

1 ~~18.~~ 19. "Registered mortgage loan originator" means any
2 individual who:

3 a. meets the definition of mortgage loan originator and
4 is an employee of:

5 (1) a depository institution,

6 (2) a subsidiary that:

7 (a) is owned and controlled by a depository
8 institution, and

9 (b) is regulated by a federal banking agency, or

10 (3) an institution regulated by the Farm Credit
11 Administration, and

12 b. is registered with, and maintains a unique identifier
13 through, the Nationwide ~~Mortgage~~ Multistate Licensing
14 System and Registry;

15 ~~19.~~ 20. "Remote location" means a location, other than the
16 principal place of business or a branch office, at which the
17 employees or independent contractors of a licensee may conduct
18 mortgage business. Licensable activities from a remote location
19 shall be permitted when conducted under the supervision of the
20 licensee and when all requirements in Section 22 of this act are
21 satisfied;

22 21. "Residential mortgage loan" means any loan primarily for
23 personal, family or household use that is secured by a mortgage,
24 deed of trust, or other equivalent consensual security interest on a

1 dwelling as defined in Section 103(v) of the Truth in Lending Act or
2 residential real estate upon which is constructed or intended to be
3 constructed such a dwelling;

4 ~~20.~~ 22. "Residential real estate" means any real property
5 located in this state upon which is constructed or intended to be
6 constructed a dwelling as defined in paragraph ~~19~~ 21 of this
7 section; ~~and~~

8 23. "Servicing" means the administration of a resident mortgage
9 loan following the closing of such loan. An entity shall be deemed
10 to be servicing if it either holds the servicing rights, or engages
11 in any activities determined to be servicing, including:

- 12 a. collection of monthly mortgage payments,
- 13 b. the administration of escrow accounts,
- 14 c. the processing of borrower inquiries and requests, and
- 15 d. default management; and

16 ~~21.~~ 24. "Unique identifier" means a number or other identifier
17 assigned by protocols established by the Nationwide ~~Mortgage~~
18 Multistate Licensing System and Registry.

19 SECTION 2. AMENDATORY 59 O.S. 2021, Section 2095.3, is
20 amended to read as follows:

21 Section 2095.3. The following are exempt from all provisions of
22 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act:
23
24

1 1. Registered mortgage loan originators, when acting for an
2 entity described in divisions (1), (2) and (3) of subparagraph a of
3 paragraph ~~18~~ 19 of Section 2095.2 of this title;

4 2. An individual who offers or negotiates or modifies terms of
5 a residential mortgage loan with or on behalf of an immediate family
6 member of the individual;

7 3. An individual who offers or negotiates or modifies terms of
8 a residential mortgage loan secured by a dwelling that served as the
9 individual's residence;

10 4. A licensed attorney who negotiates or modifies the terms of
11 a residential mortgage loan on behalf of a client as an ancillary
12 matter to the attorney's representation of the client, unless the
13 attorney is compensated by a lender, a mortgage broker or other
14 mortgage loan originator or by any agent of such lender, mortgage
15 broker, or other mortgage loan originator;

16 5. Entities described in divisions (1), (2) and (3) of
17 subparagraph a of paragraph ~~18~~ 19 of Section 2095.2 of this title;

18 or

19 6. Any entity that is an organization recognized by the
20 Internal Revenue Service as a 501(c)(3) charitable entity that meets
21 the conditions set forth in (B) through (F) of subparagraph (ii),
22 paragraph (7), subsection (e) of Section 1008.103 of Title 12 of the
23 Code of Federal Regulations.

24

1 SECTION 3. AMENDATORY 59 O.S. 2021, Section 2095.5, is
2 amended to read as follows:

3 Section 2095.5. A. 1. An entity or individual, unless
4 specifically exempted from the Oklahoma Secure and Fair Enforcement
5 for Mortgage Licensing Act, as provided in Section 2095.3 of this
6 title, shall not engage in the business of a mortgage broker,
7 mortgage lender or mortgage loan originator with respect to any
8 dwelling located in this state without first obtaining and
9 maintaining annually a license under the Oklahoma Secure and Fair
10 Enforcement for Mortgage Licensing Act. Each licensed mortgage
11 broker, mortgage lender and mortgage loan originator must register
12 with and maintain a valid unique identifier issued by the Nationwide
13 ~~Mortgage~~ Multistate Licensing System and Registry.

14 2. In order to facilitate an orderly transition to licensing
15 and minimize disruption in the mortgage marketplace, the effective
16 date for licensing all entities and individuals as provided in this
17 subsection, including those currently licensed as mortgage brokers
18 or mortgage loan originators, shall be July 31, 2010, or such later
19 date approved by the Secretary of the U.S. Department of Housing and
20 Urban Development, pursuant to the authority granted under 12
21 U.S.C., Section 5107.

22 B. A loan processor or underwriter who is an independent
23 contractor may not engage in the activities of a loan processor or
24 underwriter unless such independent contractor loan processor or

1 underwriter obtains and maintains a license as required by the
2 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.
3 Each independent contractor loan processor or underwriter licensed
4 as a mortgage broker or mortgage loan originator must have and
5 maintain a valid unique identifier issued by the Nationwide ~~Mortgage~~
6 Multistate Licensing System and Registry.

7 C. For the purposes of implementing an orderly and efficient
8 licensing process, the Administrator of Consumer Credit may
9 establish licensing rules, upon approval by the Commission on
10 Consumer Credit, and the Administrator may establish interim
11 procedures for licensing and acceptance of applications. For
12 previously registered or licensed entities or individuals, the
13 Administrator may establish expedited review and licensing
14 procedures.

15 SECTION 4. AMENDATORY 59 O.S. 2021, Section 2095.6, is
16 amended to read as follows:

17 Section 2095.6. A. Applicants for a license shall apply on a
18 form as prescribed by the Administrator of Consumer Credit.

19 B. In order to fulfill the purposes of the Oklahoma Secure and
20 Fair Enforcement for Mortgage Licensing Act, the Administrator is
21 authorized to establish relationships or contracts with the
22 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or
23 other entities designated by the Nationwide ~~Mortgage~~ Multistate
24 Licensing System and Registry to collect and maintain records and

1 process transaction fees or other fees related to licensees or other
2 entities or individuals subject to the Oklahoma Secure and Fair
3 Enforcement for Mortgage Licensing Act.

4 C. In connection with an application for licensing as a
5 mortgage loan originator, the applicant shall, at a minimum, furnish
6 to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry
7 information concerning the applicant's identity including:

8 1. Fingerprints for submission to the Federal Bureau of
9 Investigation and any governmental agency or entity authorized to
10 receive such information for a state, national and international
11 criminal history background check; and

12 2. Personal history and experience in a form prescribed by the
13 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the
14 Administrator to obtain:

15 a. an independent credit report obtained from a consumer
16 reporting agency defined in 15 U.S.C., Section
17 1681a(p), and

18 b. information related to any administrative, civil or
19 criminal findings by any governmental jurisdiction.

20 D. In connection with an application for licensing as a
21 mortgage broker or mortgage lender, the applicant shall, at a
22 minimum, furnish to the Nationwide ~~Mortgage~~ Multistate Licensing
23 System and Registry information concerning each owner, officer,
24 director or partner, as applicable including:

1 1. Fingerprints for submission to the Federal Bureau of
2 Investigation and any governmental agency or entity authorized to
3 receive such information for a state, national and international
4 criminal history background check; and

5 2. Personal history and experience in a form prescribed by the
6 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the
7 Administrator to obtain:

8 a. an independent credit report obtained from a consumer
9 reporting agency described in 15 U.S.C., Section
10 1681a(p), and

11 b. information related to any administrative, civil or
12 criminal findings by any governmental jurisdiction.

13 E. For purposes of this section and in order to reduce points
14 of contact which the Federal Bureau of Investigation may have to
15 maintain for purposes of paragraph 1 and subparagraph b of paragraph
16 2 of subsection D of this section, the Administrator may use the
17 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry as a
18 channeling agent for requesting information from and distributing
19 information to the United States Department of Justice or any
20 governmental agency.

21 F. For the purposes of this section and in order to reduce the
22 points of contact which the Administrator may have to maintain for
23 purposes of subparagraphs a and b of paragraph 2 of subsection D of
24 this section, the Administrator may use the Nationwide ~~Mortgage~~

1 Multistate Licensing System and Registry as a channeling agent for
2 requesting and distributing information to and from any source so
3 directed by the Administrator.

4 G. A license issued under the Oklahoma Secure and Fair
5 Enforcement for Mortgage Licensing Act shall be valid for a period
6 of one (1) year, unless otherwise revoked or suspended by the
7 Administrator as provided in the Oklahoma Secure and Fair
8 Enforcement for Mortgage Licensing Act.

9 H. The Administrator, on determining that the applicant is
10 qualified and upon payment of the fees by the applicant, shall issue
11 a license to the applicant. An applicant who has been denied a
12 license may not reapply for the license for sixty (60) days from the
13 date of the previous application. A new license issued on or after
14 November 1 shall be effective through December 31 of the following
15 calendar year.

16 I. A licensee shall pay the renewal fee on or before December
17 1. If the license is not renewed by December 1, the licensee shall
18 pay a late renewal fee as prescribed by rule of the Commission on
19 Consumer Credit. Licenses not renewed by December 31 shall expire
20 and the licensee shall not act as a mortgage broker, mortgage lender
21 or mortgage loan originator until a new license is issued pursuant
22 to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
23 Act. A license shall not be granted to the holder of an expired
24 license except as provided in the Oklahoma Secure and Fair

1 Enforcement for Mortgage Licensing Act for the issuance of an
2 original license.

3 J. A licensee shall prominently display the mortgage broker,
4 mortgage lender or mortgage loan originator license in the ~~office~~
5 principal place of business of the mortgage broker, mortgage lender
6 or mortgage loan originator and any branch office of the mortgage
7 broker or mortgage lender.

8 K. 1. ~~Initial and renewal license fees shall be as prescribed~~
9 ~~by rule of the Commission on Consumer Credit~~ An applicant for a
10 mortgage broker or mortgage lender license shall pay a fee of One
11 Thousand Two Hundred Dollars (\$1,200.00). This fee shall cover the
12 application fee and examination fee for all registered locations,
13 including any changes of address.

14 2. Mortgage broker or mortgage lender licenses may be renewed
15 by submitting an annual assessment fee. The annual assessment fee
16 shall:

17 a. be based on the dollar volume of loans originated for
18 residential real property located in Oklahoma during
19 the twelve-month period ending June 30,

20 b. be based on the dollar volume of loans serviced for
21 residential real property located in Oklahoma as
22 reported on the Q2 mortgage call report for the period
23 ending on June 30,

24

1 c. be determined by applying a factor of eight-
2 thousandths of a percent (0.008%) of the dollar volume
3 of loans originated and the dollar volume of loans
4 serviced in Oklahoma, and

5 d. cover:

6 (1) the renewal fee for the principal office and any
7 branches, and

8 (2) any examination-related costs incurred by the
9 Department of Consumer Credit.

10 3. Beginning November 1, 2024, the annual assessment fee shall

11 not be:

12 a. less than One Thousand Dollars (\$1,000.00),

13 b. more than Forty Thousand Dollars (\$40,000.00) for the
14 portion of the assessment calculated according to
15 subparagraph a of paragraph 2 of this subsection, nor

16 c. more than Seventeen Thousand Five Hundred Dollars
17 (\$17,500.00) for the portion of the assessment
18 calculated according to subparagraph b of paragraph 2
19 of this subsection.

20 4. Beginning November 1, 2025, the annual assessment fee shall

21 not be:

22 a. less than One Thousand Dollars (\$1,000.00),

- 1 b. more than Forty Thousand Dollars (\$40,000.00) for the
2 portion of the assessment calculated according to
3 subparagraph a of paragraph 2 of this subsection, nor
4 c. more than Twenty-seven Thousand Five Hundred Dollars
5 (\$27,500.00) for the portion of the assessment
6 calculated according to subparagraph b of paragraph 2
7 of this subsection.

8 5. Beginning November 1, 2026, the annual assessment fee shall
9 not be:

- 10 a. less than One Thousand Dollars (\$1,000.00),
11 b. more than Forty Thousand Dollars (\$40,000.00) for the
12 portion of the assessment calculated according to
13 subparagraph a of paragraph 2 of this subsection, nor
14 c. more than Thirty-five Thousand Dollars (\$35,000.00)
15 for the portion of the assessment calculated according
16 to subparagraph b of paragraph 2 of this subsection.

17 6. Beginning November 1, 2027, the annual assessment fee shall
18 not be:

- 19 a. less than One Thousand Dollars (\$1,000.00),
20 b. more than Forty Thousand Dollars (\$40,000.00) for the
21 portion of the assessment calculated according to
22 subparagraph a of paragraph 2 of this subsection, nor
23
24

1 c. more than Forty Thousand Dollars (\$40,000.00) for the
2 portion of the assessment calculated according to
3 subparagraph b of paragraph 2 of this subsection.

4 7. A late renewal fee shall be as prescribed by rule of the
5 Commission on Consumer Credit.

6 ~~3.~~ 8. Branch ~~office fees~~ offices shall be as ~~prescribed by rule~~
7 ~~of the Commission on Consumer Credit for each year~~ registered with
8 the Department and shall be accompanied by an initial registration
9 fee of One Hundred Fifty Dollars (\$150.00).

10 ~~4.~~ 9. A fee as prescribed by rule of the Commission on Consumer
11 Credit shall be charged for each license change, duplicate license
12 or returned check.

13 ~~5.~~ 10. A fee as prescribed by rule of the Commission on
14 Consumer Credit shall be paid by applicants and licensees into the
15 Oklahoma Mortgage Broker and Mortgage Loan Originator Recovery Fund
16 as provided for in Section 2095.20 of this title for each initial
17 application and each renewal application.

18 ~~6.~~ ~~An examination fee shall be as prescribed by rule of the~~
19 ~~Commission on Consumer Credit.~~

20 ~~7.~~ ~~An application fee shall be as prescribed by rule of the~~
21 ~~Commission on Consumer Credit.~~

22 11. Each additional trade name used by a licensee shall be
23 registered with the Department and shall be accompanied by an
24 initial registration fee of One Hundred Fifty Dollars (\$150.00).

1 12. The Administrator of Consumer Credit may reinstate a
2 license within thirty-one (31) days of the expiration of the license
3 if the licensee pays the assessment fees and a reinstatement fee of
4 Five Hundred Dollars (\$500.00). A licensee shall not be reinstated
5 when the renewal application, fees, or any required information is
6 received on or after February 1 of the following year that the
7 renewal application was due.

8 13. The Administrator may reduce annual assessment fees on a
9 pro rata basis for a specific renewal period by reducing the factor
10 applied to the dollar volume of loans originated and serviced. The
11 Administrator shall notify licensees of an annual assessment fee
12 reduction prior to November 1 of the specific license renewal
13 period. An annual assessment fee does not include an initial
14 license fee for purposes of this subsection.

15 L. 1. An applicant for an initial mortgage loan originator
16 license shall pay a fee of Four Hundred Fifty Dollars (\$450.00).

17 2. An applicant renewing a mortgage loan originator license
18 shall pay a fee of Two Hundred Fifty Dollars (\$250.00).

19 3. A late renewal fee shall be as prescribed by rule of the
20 Commission on Consumer Credit.

21 4. A fee as prescribed by rule of the Commission shall be paid
22 by applicants and licensees into the Oklahoma Mortgage Broker and
23 Mortgage Loan Originator Recovery Fund, as provided in Section
24

1 2095.20 of this title, for each initial application and each renewal
2 application.

3 SECTION 5. AMENDATORY 59 O.S. 2021, Section 2095.7, is
4 amended to read as follows:

5 Section 2095.7. A. The Administrator of Consumer Credit shall
6 not issue a mortgage loan originator license unless the
7 Administrator makes at a minimum the following findings:

8 1. The applicant has never had a mortgage loan originator
9 license revoked in any governmental jurisdiction, except that a
10 subsequent formal vacation of such revocation shall not be deemed a
11 revocation;

12 2. The applicant has not been convicted of, or pled guilty or
13 nolo contendere to a felony crime that substantially relates to the
14 occupation of a mortgage loan originator and poses a reasonable
15 threat to public safety in a domestic, foreign or military court:

16 a. during the seven-year period preceding the date of the
17 application for licensing and registration, or

18 b. at any time preceding such date of application, if
19 such felony involved an act of fraud, dishonesty, a
20 breach of trust or money laundering.

21 Provided, that any pardon of a conviction shall not be a
22 conviction for purposes of this paragraph;

23 3. The applicant has demonstrated financial responsibility and
24 general fitness such as to command the confidence of the community

1 and to warrant a determination that the mortgage loan originator
2 will operate honestly, fairly and efficiently within the purposes of
3 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.
4 For purposes of this paragraph, an individual has shown that he or
5 she is not financially responsible when he or she has shown a
6 disregard in the management of his or her own financial condition.
7 A determination that an individual has not shown financial
8 responsibility may include, but not be limited to:

- 9 a. current outstanding judgments, except judgments solely
10 as a result of medical expenses,
- 11 b. current outstanding tax liens or other government
12 liens and filings,
- 13 c. foreclosures within the past three (3) years, or
- 14 d. pattern of seriously delinquent accounts within the
15 past three (3) years;

16 4. The applicant has completed the prelicensing education
17 requirement described in Section 2095.8 of this title;

18 5. The applicant has passed a written test that meets the test
19 requirement described in Section 2095.9 of this title;

20 6. The applicant has paid into the Oklahoma Mortgage Broker and
21 Mortgage Loan Originator Recovery Fund as required by paragraph 5 10
22 of subsection K of Section 2095.6 of this title; and

23 7. The applicant is sponsored by a licensed mortgage broker or
24 mortgage lender. The Administrator of Consumer Credit may authorize

1 an entity exempt from the requirements of ~~this act~~ the Oklahoma
2 Secure and Fair Enforcement for Mortgage Licensing Act to sponsor an
3 applicant that is an independent contractor of the exempt entity.
4 The Administrator of Consumer Credit may promulgate administrative
5 rules, subject to approval of the Commission on Consumer Credit, to
6 implement sponsorship procedures and requirements.

7 B. As used in this section:

8 1. "Substantially relates" means the nature of criminal conduct
9 for which the person was convicted has a direct bearing on the
10 fitness or ability to perform one or more of the duties or
11 responsibilities necessarily related to the occupation; and

12 2. "Poses a reasonable threat" means the nature of criminal
13 conduct for which the person was convicted involved an act or threat
14 of harm against another and has a bearing on the fitness or ability
15 to serve the public or work with others in the occupation.

16 SECTION 6. AMENDATORY 59 O.S. 2021, Section 2095.8, is
17 amended to read as follows:

18 Section 2095.8. A. In order to meet the prelicensing education
19 requirement referred to in Section 2095.7 of this title, an
20 individual shall complete at least twenty (20) hours of education
21 approved in accordance with subsection B of this section, which
22 shall include at least:

23 1. Three (3) hours of federal law and regulations;

24

1 2. Three (3) hours of ethics, which shall include instruction
2 on fraud, consumer protection and fair lending issues;

3 3. Two (2) hours of training related to lending standards for
4 the nontraditional mortgage product marketplace; and

5 4. One (1) hour of Oklahoma law and regulations.

6 B. For purposes of subsection A of this section, prelicensing
7 education courses shall be reviewed and approved by the Nationwide
8 ~~Mortgage~~ Multistate Licensing System and Registry based upon
9 reasonable standards. Review and approval of a prelicensing
10 education course shall include review and approval of the course
11 provider.

12 C. Nothing in this section shall preclude any prelicensing
13 education course as approved by the Nationwide ~~Mortgage~~ Multistate
14 Licensing System and Registry that is provided by the employer of
15 the applicant or an entity which is affiliated with the applicant by
16 an agency contract or any subsidiary or affiliate of such employer
17 or entity.

18 D. Prelicensing education may be offered either in a classroom,
19 online or by any other means approved by the Nationwide ~~Mortgage~~
20 Multistate Licensing System and Registry.

21 E. The prelicensing education requirements approved by the
22 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry in
23 paragraph 1 of subsection A and subsections B and C of this section
24

1 for any state shall be accepted as credit towards completion of
2 prelicensing education requirements in this state.

3 F. An individual previously licensed pursuant to the Oklahoma
4 Secure and Fair Enforcement for Mortgage Licensing Act, subsequent
5 to July 1, 2009, and applying to be licensed again, must prove
6 completion of all of the continuing education requirements for the
7 year in which the license was last held.

8 SECTION 7. AMENDATORY 59 O.S. 2021, Section 2095.9, is
9 amended to read as follows:

10 Section 2095.9. A. In order to meet the written test
11 requirement referred to in Section ~~10 of this act~~ 2095.7 of this
12 title, an individual shall pass, in accordance with standards
13 established under this section, a qualified written test developed
14 by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry
15 and administered by a test provider approved by the Nationwide
16 ~~Mortgage~~ Multistate Licensing System and Registry based upon
17 reasonable standards.

18 B. A written test shall not be treated as a qualified written
19 test for purposes of subsection A of this section unless the test
20 adequately measures the applicant's knowledge and comprehension in
21 appropriate subject areas, including:

- 22 1. Ethics;
- 23 2. Federal law and regulations pertaining to mortgage
24 origination;

1 3. State law and regulation pertaining to mortgage origination;
2 and

3 4. Federal and state law and regulation, including instruction
4 on fraud, consumer protection, the nontraditional mortgage
5 marketplace and fair lending issues.

6 C. Nothing in this section shall prohibit a test provider
7 approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and
8 Registry from providing a test at the location of the employer of
9 the applicant or the location of any subsidiary or affiliate of the
10 employer of the applicant or the location of any entity with which
11 the applicant holds an exclusive arrangement to conduct the business
12 of a mortgage loan originator.

13 D. 1. An individual shall not be considered to have passed a
14 qualified written test unless the individual achieves a test score
15 of not less than seventy-five percent (75%) correct answers to
16 questions.

17 2. An individual may retake a test three consecutive times with
18 each consecutive taking occurring at least thirty (30) days after
19 the preceding test.

20 3. After failing three consecutive tests, an individual shall
21 wait at least six (6) months before taking the test again.

22 4. A licensed mortgage loan originator who fails to maintain an
23 active and valid license for a period of five (5) years or longer
24

1 shall retake the test, not taking into account any time during which
2 such individual is a registered mortgage loan originator.

3 SECTION 8. AMENDATORY 59 O.S. 2021, Section 2095.10, is
4 amended to read as follows:

5 Section 2095.10. A. The minimum standards for license renewal
6 for mortgage loan originators shall include the following:

7 1. The mortgage loan originator continues to meet the minimum
8 standards for license issuance under Section ~~10 of this act~~ 2095.7
9 of this title;

10 2. The mortgage loan originator has satisfied the annual
11 continuing education requirements described in Section ~~24 of this~~
12 ~~act~~ 2095.21 of this title; and

13 3. The mortgage loan originator has paid all required fees for
14 renewal of the license.

15 B. The license of a mortgage loan originator failing to satisfy
16 the minimum standards for license renewal shall expire. The
17 Administrator of Consumer Credit may adopt procedures in addition to
18 the requirements of Section ~~9 of this act~~ 2095.6 of this title for
19 the reinstatement of expired licenses consistent with the standards
20 established by the Nationwide ~~Mortgage~~ Multistate Licensing System
21 and Registry.

22 SECTION 9. AMENDATORY 59 O.S. 2021, Section 2095.11, is
23 amended to read as follows:

24

1 Section 2095.11. A. The Administrator of Consumer Credit shall
2 not issue a mortgage broker license unless the Administrator makes
3 at a minimum the following findings:

4 1. The applicant or any owner, officer, director or partner has
5 never had a mortgage broker or mortgage loan originator license
6 revoked in any governmental jurisdiction, except that a subsequent
7 formal vacation of such revocation shall not be deemed a revocation;

8 2. Any owner, officer, director or partner of the applicant has
9 not been convicted of, or pled guilty or nolo contendere to, a
10 felony crime that substantially relates to the occupation of a
11 mortgage broker and poses a reasonable threat to public safety in a
12 domestic, foreign or military court:

13 a. during the seven-year period preceding the date of the
14 application for licensing and registration, or

15 b. at any time preceding such date of application, if
16 such felony involved an act of fraud, dishonesty, a
17 breach of trust or money laundering.

18 Provided, that any pardon of a conviction shall not be a
19 conviction for purposes of this paragraph;

20 3. The applicant's owners, officers, directors or partners have
21 demonstrated financial responsibility and general fitness such as to
22 command the confidence of the community and to warrant a
23 determination that the mortgage broker will operate honestly, fairly
24 and efficiently within the purposes of ~~this act~~ the Oklahoma Secure

1 and Fair Enforcement for Mortgage Licensing Act. For purposes of
2 this paragraph, an applicant's owners, officers, directors or
3 partners have shown they are not financially responsible when they
4 have shown a disregard in the management of their own financial
5 condition. A determination that an owner, officer, director or
6 partner has not shown financial responsibility may include, but not
7 be limited to:

- 8 a. current outstanding judgments, except judgments solely
9 as a result of medical expenses,
- 10 b. current outstanding tax liens or other government
11 liens and filings,
- 12 c. foreclosures within the past three (3) years, or
- 13 d. a pattern of seriously delinquent accounts within the
14 past three (3) years;

15 4. The applicant has paid into the Oklahoma Mortgage Broker and
16 Mortgage Loan Originator Recovery Fund as required by paragraph ~~5~~ 10
17 of subsection K of Section 2095.6 of this title; and

18 5. The applicant has paid all required fees for issuance of the
19 license.

20 B. Each mortgage broker applicant shall designate and maintain
21 a principal place of business for the transaction of business. The
22 applicant shall specify the address of the principal place of
23 business and designate a licensed mortgage loan originator to
24 oversee the operations of the principal place of business. If an

1 applicant wishes to maintain one or more ~~locations~~ branch offices
2 for the transaction of business in addition to a principal place of
3 business, the applicant shall first ~~obtain a~~ register the branch
4 office ~~license from~~ location with the Administrator and designate a
5 licensed mortgage loan originator for each branch office to oversee
6 the operations of that branch office. The applicant shall submit a
7 fee as set forth in paragraph ~~3~~ 8 of subsection K of Section 2095.6
8 of this title for each branch office ~~license issued.~~ ~~If the~~
9 ~~Administrator of Consumer Credit determines that the applicant is~~
10 ~~qualified, the Administrator shall issue a branch office license~~
11 ~~indicating the address of the branch office~~ registered. If the
12 address of the principal place of business or of any branch office
13 is changed, the licensee shall immediately notify the Administrator
14 of the change and the Administrator shall endorse the change of
15 address on the license for a fee as prescribed in paragraph ~~4~~ 6 of
16 subsection K of Section 2095.6 of this title.

17 C. As used in this section:

18 1. "Substantially relates" means the nature of criminal conduct
19 for which the person was convicted has a direct bearing on the
20 fitness or ability to perform one or more of the duties or
21 responsibilities necessarily related to the occupation; and

22 2. "Poses a reasonable threat" means the nature of criminal
23 conduct for which the person was convicted involved an act or threat
24

1 of harm against another and has a bearing on the fitness or ability
2 to serve the public or work with others in the occupation.

3 SECTION 10. AMENDATORY 59 O.S. 2021, Section 2095.11.1,
4 is amended to read as follows:

5 Section 2095.11.1. The Administrator of Consumer Credit shall
6 not issue a mortgage lender license unless the Administrator makes
7 at a minimum the following findings:

8 1. The applicant or any owner, officer, director or partner has
9 never had a mortgage lender, mortgage broker or mortgage loan
10 originator license revoked in any governmental jurisdiction, except
11 that a subsequent formal vacation of such revocation shall not be
12 deemed a revocation;

13 2. Any owner, officer, director or partner of the applicant has
14 not been convicted of, or pled guilty or nolo contendere to, a
15 felony crime that substantially relates to the occupation of a
16 mortgage lender and poses a reasonable threat to public safety in a
17 domestic, foreign or military court:

18 a. during the seven-year period preceding the date of the
19 application for licensing and registration, or

20 b. at any time preceding such date of application, if
21 such felony involved an act of fraud, dishonesty, a
22 breach of trust or money laundering.

23 Provided, that any pardon of a conviction shall not be a
24 conviction for purposes of this paragraph;

1 3. The applicant and the applicant's owners, officers,
2 directors or partners have demonstrated financial responsibility and
3 general fitness such as to command the confidence of the community
4 and to warrant a determination that the mortgage lender will operate
5 honestly, fairly and efficiently within the purposes of ~~this act~~ the
6 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.

7 For purposes of this paragraph, an applicant's owners, officers,
8 directors or partners have shown they are not financially
9 responsible when they have shown a disregard in the management of
10 their own financial condition. A determination that an owner,
11 officer, director or partner has not shown financial responsibility
12 may include, but not be limited to:

- 13 a. current outstanding judgments, except judgments solely
14 as a result of medical expenses,
- 15 b. current outstanding tax liens or other government
16 liens and filings,
- 17 c. foreclosures within the past three (3) years, or
- 18 d. a pattern of seriously delinquent accounts within the
19 past three (3) years;

20 4. The applicant has filed a bond in the amount of One Hundred
21 Thousand Dollars (\$100,000.00) securing the applicant's or
22 licensee's faithful performance of all duties and obligations of a
23 licensee. The bond shall meet the following requirements:

24

- 1 a. the bond shall be in a form acceptable to the
2 Administrator,
- 3 b. the bond shall be issued by an insurance company
4 authorized to conduct business in ~~the State of~~
5 ~~Oklahoma~~ this state,
- 6 c. the bond shall be payable to the ~~Oklahoma~~ Department
7 of Consumer Credit,
- 8 d. the bond is continuous in nature and shall be
9 maintained at all times as a condition of licensure,
- 10 e. the bond may not be terminated without thirty (30)
11 ~~days~~ days' prior written notice to the Administrator
12 and approval of the Administrator,
- 13 f. the bond shall be available for the recovery of
14 expenses, civil penalties and fees assessed pursuant
15 to the Oklahoma Secure and Fair Enforcement for
16 Mortgage Licensing Act and for losses or damages which
17 are determined by the Administrator to have been
18 incurred by any borrower or consumer as a result of
19 the applicant's or licensee's failure to comply with
20 the requirements of the Oklahoma Secure and Fair
21 Enforcement for Mortgage Licensing Act,
- 22 g. when an action is commenced on a licensee's bond, the
23 Administrator may require the filing of a new bond,
24 and

1 h. whenever the principal sum of the bond is reduced by
2 one or more recoveries or payments thereon, the
3 licensee shall furnish a new or additional bond so
4 that the total or aggregate principal sum of such bond
5 or such bonds shall equal One Hundred Thousand Dollars
6 (\$100,000.00) or shall furnish an endorsement duly
7 executed by the corporate surety reinstating the bond
8 to the required principal sum;

9 5. The applicant has a net worth of at least Twenty-five
10 Thousand Dollars (\$25,000.00) as reflected by an audited financial
11 statement prepared by a certified public accountant in accordance
12 with generally accepted accounting principles that is accompanied by
13 an opinion acceptable to the Administrator and is dated within
14 fifteen (15) months of the date of application;

15 6. The applicant has paid all required fees for issuance of the
16 license. The license fees for a mortgage lender shall be in the
17 same amount as license fees applicable to a mortgage broker;

18 7. Each mortgage lender applicant shall designate and maintain
19 a principal place of business for the transaction of business. If
20 the mortgage lender applicant engages in activity that satisfies the
21 definition of a mortgage broker, the mortgage lender shall designate
22 a licensed mortgage loan originator to oversee the mortgage loan
23 origination operations of the principal place of business and any
24 branch office location where the mortgage lender applicant engages

1 in activity that satisfies the definition of a mortgage broker. If
2 an applicant wishes to maintain one or more ~~locations~~ branch offices
3 for the transaction of business in addition to a principal place of
4 business, the applicant shall first ~~obtain a~~ register the branch
5 office ~~license from~~ location with the Administrator. The applicant
6 shall submit a fee as set forth in paragraph ~~3~~ 8 of subsection K of
7 Section 2095.6 of this title for each branch office ~~license issued.~~
8 ~~If the Administrator of Consumer Credit determines that the~~
9 ~~applicant is qualified, the Administrator shall issue a branch~~
10 ~~office license indicating the address of the branch office~~
11 registered. If the address of the principal place of business or of
12 any branch office is changed, the licensee shall immediately notify
13 the Administrator of the change and the Administrator shall endorse
14 the change of address on the license for a fee as prescribed in
15 paragraph ~~4~~ 9 of subsection K of Section 2095.6 of this title; and
16 8. A separate mortgage broker license is not required for a
17 mortgage lender that engages in activity that satisfies the
18 definition of a mortgage broker as provided in the Oklahoma Secure
19 and Fair Enforcement for Mortgage Licensing Act. A mortgage lender
20 that engages in activity that satisfies the definition of a mortgage
21 broker shall comply with all requirements of the Oklahoma Secure and
22 Fair Enforcement for Mortgage Licensing Act regarding mortgage
23 brokers.

24

1 SECTION 11. AMENDATORY 59 O.S. 2021, Section 2095.12, is
2 amended to read as follows:

3 Section 2095.12. A. The minimum standards for license renewal
4 for mortgage brokers shall include the following:

5 1. The mortgage broker continues to meet the minimum standards
6 for license issuance under Section ~~14 of this act~~ 2095.11 of this
7 title; and

8 2. The mortgage broker has paid all required fees for renewal
9 of the license.

10 B. The license of a mortgage broker failing to satisfy the
11 minimum standards for license renewal shall expire. The
12 Administrator of Consumer Credit may adopt procedures in addition to
13 the requirements of ~~Section 9 of this act~~ paragraph 12 of subsection
14 K of Section 2095.6 of this title for the reinstatement of expired
15 licenses consistent with the standards established by the Nationwide
16 ~~Mortgage~~ Multistate Licensing System and Registry.

17 SECTION 12. AMENDATORY 59 O.S. 2021, Section 2095.12.1,
18 is amended to read as follows:

19 Section 2095.12.1. A. The minimum standards for license
20 renewal for mortgage lenders shall include the following:

21 1. The mortgage lender continues to meet the minimum standards
22 for license issuance under ~~this act~~ the Oklahoma Secure and Fair
23 Enforcement for Mortgage Licensing Act; and

24

1 2. The mortgage lender has paid all required fees for renewal
2 of the license.

3 B. The license of a mortgage lender failing to satisfy the
4 minimum standards for license renewal shall expire. The
5 Administrator of Consumer Credit may adopt procedures in addition to
6 the requirements set forth in paragraph 12 of subsection K of
7 Section 2095.6 of this title for the reinstatement of expired
8 licenses consistent with the standards established by the Nationwide
9 ~~Mortgage~~ Multistate Licensing System and Registry.

10 SECTION 13. AMENDATORY 59 O.S. 2021, Section 2095.13, is
11 amended to read as follows:

12 Section 2095.13. In addition to any other duties imposed upon
13 the Administrator of Consumer Credit by law, the Administrator shall
14 require mortgage brokers, mortgage lenders and mortgage loan
15 originators to be licensed and registered through the Nationwide
16 ~~Mortgage~~ Multistate Licensing System and Registry. In order to
17 carry out this requirement, the Administrator is authorized to
18 participate in the Nationwide ~~Mortgage~~ Multistate Licensing System
19 and Registry. For this purpose, the Administrator, upon approval of
20 the Commission on Consumer Credit, may establish requirements by
21 rule as necessary and consistent with ~~this act~~ the Oklahoma Secure
22 and Fair Enforcement for Mortgage Licensing Act, including but not
23 limited to:

24 1. Background checks for:

- a. criminal history through fingerprint or other databases,
- b. civil or administrative records,
- c. credit history, or
- d. any other information as deemed necessary by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

2. The payment of fees to apply for or renew licenses through the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

3. The setting or resetting as necessary of renewal or reporting dates; and

4. Requirements for amending or surrendering a license or any other such activities as the Administrator deems necessary for participation in the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry.

SECTION 14. AMENDATORY 59 O.S. 2021, Section 2095.14, is amended to read as follows:

Section 2095.14. The Administrator of Consumer Credit shall, upon approval by the Commission on Consumer Credit, establish by rule a process whereby mortgage brokers, mortgage lenders and mortgage loan originators may challenge information entered into the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry by the Administrator.

1 SECTION 15. AMENDATORY 59 O.S. 2021, Section 2095.18, is
2 amended to read as follows:

3 Section 2095.18. It is a violation of ~~this act~~ the Oklahoma
4 Secure and Fair Enforcement for Mortgage Licensing Act for an entity
5 or individual subject to ~~this act~~ the Oklahoma Secure and Fair
6 Enforcement for Mortgage Licensing Act to:

7 1. Directly or indirectly employ any scheme, device, or
8 artifice to defraud or mislead borrowers or lenders or to defraud
9 any entity or individual;

10 2. Engage in any unfair or deceptive practice toward any entity
11 or individual;

12 3. Obtain property by fraud or misrepresentation;

13 4. Solicit or enter into a contract with a borrower that
14 provides in substance that the entity or individual subject to ~~this~~
15 ~~act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
16 Act may earn a fee or commission through "best efforts" to obtain or
17 modify a loan even though a loan is not actually obtained or
18 modified for the borrower;

19 5. Solicit, advertise or enter into a contract for specific
20 interest rates, points or other financing terms unless the terms are
21 actually available at the time of soliciting, advertising or
22 contracting;

23 6. Conduct any business covered by ~~this act~~ the Oklahoma Secure
24 and Fair Enforcement for Mortgage Licensing Act without holding a

1 valid license as required under ~~this act~~ the Oklahoma Secure and
2 Fair Enforcement for Mortgage Licensing Act or assist or aide and
3 abet any entity or individual in the conduct of business under ~~this~~
4 ~~act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
5 Act without a valid license as required under ~~this act~~ the Oklahoma
6 Secure and Fair Enforcement for Mortgage Licensing Act;

7 7. Fail to make disclosures as required by ~~this act~~ the
8 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and
9 any other applicable state or federal law including regulations
10 thereunder;

11 8. Fail to comply with ~~this act~~ the Oklahoma Secure and Fair
12 Enforcement for Mortgage Licensing Act or rules promulgated under
13 ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage
14 Licensing Act or fail to comply with any other state or federal law,
15 including any rules thereunder, applicable to any business
16 authorized or conducted under ~~this act~~ the Oklahoma Secure and Fair
17 Enforcement for Mortgage Licensing Act;

18 9. Make, in any manner, any false or deceptive statement or
19 representation, including, with regard to the rates, points, or
20 other financing terms or conditions for a residential mortgage loan
21 or engage in bait and switch advertising;

22 10. Negligently make any false statement or knowingly and
23 willfully make any omission of material fact in connection with any
24 information or reports filed with a governmental agency or the

1 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or in
2 connection with any investigation conducted by the Administrator of
3 Consumer Credit or another governmental agency;

4 11. Make any payment, threat or promise, directly or
5 indirectly, to any entity or individual for the purposes of
6 influencing the independent judgment of the entity or individual in
7 connection with a residential mortgage loan or make any payment,
8 threat or promise, directly or indirectly, to any appraiser of a
9 property, for the purposes of influencing the independent judgment
10 of the appraiser with respect to the value of the property;

11 12. Collect, charge, attempt to collect or charge or use or
12 propose any agreement purporting to collect or charge any fee
13 prohibited by ~~this act~~ the Oklahoma Secure and Fair Enforcement for
14 Mortgage Licensing Act;

15 13. Cause or require a borrower to obtain property insurance
16 coverage in an amount that exceeds the replacement cost of the
17 improvements as established by the property insurer; or

18 14. Fail to truthfully account for monies belonging to a party
19 to a residential mortgage loan transaction.

20 SECTION 16. AMENDATORY 59 O.S. 2021, Section 2095.20, is
21 amended to read as follows:

22 Section 2095.20. A. 1. There is hereby created in the State
23 Treasury a revolving fund for the Commission on Consumer Credit to
24 be designated the "Oklahoma Mortgage Broker and Mortgage Loan

1 Originator Recovery Fund". The fund shall consist of fees received
2 by the Administrator of Consumer Credit ~~as required by paragraph 6~~
3 ~~of subsection M of Section 2095.6 of this title~~ to be paid into the
4 fund.

5 2. The revolving fund shall be a continuing fund not subject to
6 fiscal year limitations and shall be under the administrative
7 direction of the Administrator. Monies accruing to the credit of
8 this fund are hereby appropriated and may be budgeted and expended
9 by the Commission, pursuant to rules promulgated by the Commission,
10 for the purposes specified in subsection B of this section. The
11 provisions of this paragraph shall have retroactive and prospective
12 application.

13 3. Expenditures from the fund shall be made upon warrants
14 issued by the State Treasurer against claims filed as prescribed by
15 law with the Director of the Office of Management and Enterprise
16 Services for approval and payment.

17 B. 1. Subject to the limitations of this subsection, monies in
18 the fund shall be used to reimburse any entity or individual in an
19 amount not to exceed ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand
20 Dollars (\$10,000.00) who has been adjudged by a court of competent
21 jurisdiction to have suffered monetary damages by an entity or
22 individual required to have a license under the Oklahoma Secure and
23 Fair Enforcement for Mortgage Licensing Act in any transaction or
24 series of transactions for which a license is required under the

1 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act
2 because of the acquisition of money or property by fraud,
3 misrepresentation, deceit, false pretenses, artifice, trickery, or
4 by any other act which would constitute a violation of the Oklahoma
5 Secure and Fair Enforcement for Mortgage Licensing Act.

6 2. Payments for claims based on judgments against any one
7 person required to have a license under ~~this act~~ the Oklahoma Secure
8 and Fair Enforcement for Mortgage Licensing Act shall not exceed in
9 the aggregate ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand
10 Dollars (\$60,000.00).

11 3. Payments for claims may only be made for a cause of action
12 which has accrued on or after November 1, 1997, and which has
13 accrued not more than two (2) years prior to filing the action in
14 district court.

15 SECTION 17. AMENDATORY 59 O.S. 2021, Section 2095.21, is
16 amended to read as follows:

17 Section 2095.21. A. In order to meet the annual continuing
18 education requirements as provided in subsection A of Section
19 2095.10 of this title, a licensed mortgage loan originator shall
20 complete at least eight (8) hours of education approved as provided
21 in subsection B of this section, which shall include at least:

- 22 1. Three (3) hours of federal law and regulations;
- 23 2. Two (2) hours of ethics, which shall include instruction on
24 fraud, consumer protection and fair lending issues; and

1 3. Two (2) hours of training related to lending standards for
2 the nontraditional mortgage product marketplace.

3 B. For purposes of subsection A of this section, continuing
4 education courses shall be reviewed and approved by the Nationwide
5 ~~Mortgage~~ Multistate Licensing System and Registry based upon
6 reasonable standards. Review and approval of a continuing education
7 course shall include review and approval of the course provider.

8 C. Nothing in this section shall preclude any education course
9 as approved by the Nationwide ~~Mortgage~~ Multistate Licensing System
10 and Registry that is provided by the employer of the mortgage loan
11 originator or an entity which is affiliated with the mortgage loan
12 originator by an agency contract or any subsidiary or affiliate of
13 such employer or entity.

14 D. Continuing education may be offered either in a classroom,
15 online or by any other means approved by the Nationwide ~~Mortgage~~
16 Multistate Licensing System and Registry.

17 E. A licensed mortgage loan originator, except as provided in
18 subsection B of Section 2095.10 of this title and subsection I of
19 this section:

20 1. May only receive credit for a continuing education course in
21 the year in which the course is taken; and

22 2. May not take the same approved course in the same or
23 successive years to meet the annual requirements for continuing
24 education.

1 F. A licensed mortgage loan originator who is an approved
2 instructor of an approved continuing education course may receive
3 credit for the licensed mortgage loan originator's own annual
4 continuing education requirement at the rate of two (2) hours credit
5 for every one (1) hour taught.

6 G. An individual having successfully completed the education
7 requirements approved by the Nationwide ~~Mortgage~~ Multistate
8 Licensing System and Registry in paragraph 1 of subsection A and
9 subsections B and C of this section for any state shall be accepted
10 as credit towards completion of continuing education requirements in
11 this state.

12 H. A licensed mortgage loan originator who subsequently becomes
13 unlicensed must complete the continuing education requirements for
14 the last year in which the license was held prior to issuance of a
15 new or renewed license.

16 I. An individual meeting the requirements of paragraphs 1 and 2
17 of subsection A of Section 2095.10 of this title may make up any
18 deficiency in continuing education as established by rule.

19 SECTION 18. AMENDATORY 59 O.S. 2021, Section 2095.22, is
20 amended to read as follows:

21 Section 2095.22. In order to promote more effective regulation
22 and reduce regulatory burden through supervisory information
23 sharing:

24

1 1. Except as otherwise provided in 12 U.S.C., Section 5111, the
2 requirements under federal or Oklahoma law, regarding the privacy or
3 confidentiality of any information or material provided to the
4 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and any
5 privilege arising under federal or state law, including the rules of
6 any federal or state court, with respect to such information or
7 material, shall continue to apply to such information or material
8 after the information or material has been disclosed to the
9 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry. Such
10 information and material may be shared with all state and federal
11 regulatory officials with mortgage industry oversight authority
12 without the loss of privilege or the loss of confidentiality
13 protections provided by federal or Oklahoma law.

14 2. For these purposes, the Administrator of Consumer Credit is
15 authorized to enter into agreements or sharing arrangements with
16 other governmental agencies, the Conference of State Bank
17 Supervisors, the American Association of Residential Mortgage
18 Regulators or other associations representing governmental agencies.

19 3. Information or material that is subject to a privilege or
20 confidentiality under paragraph 1 of this section shall not be
21 subject to:

22 a. disclosure under any federal or state law governing
23 the disclosure to the public of information held by an
24

1 officer or an agency of the federal government or the
2 respective state, or

3 b. subpoena or discovery, or admission into evidence, in
4 any private civil action or administrative process,
5 unless with respect to any privilege held by the
6 Nationwide ~~Mortgage~~ Multistate Licensing System and
7 Registry with respect to such information or material,
8 the entity or individual to whom such information or
9 material pertains waives, in whole or in part, in the
10 discretion of such entity or individual, that
11 privilege.

12 4. Any provision of Oklahoma law relating to the disclosure of
13 confidential supervisory information or any information or material
14 described in paragraph 1 of this section that is inconsistent with
15 paragraph 1 of this section shall be superseded by the requirements
16 of this section.

17 5. This section shall not apply with respect to the information
18 or material relating to the employment history of and publicly
19 adjudicated disciplinary and enforcement actions against mortgage
20 brokers and mortgage loan originators that is included in the
21 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry for
22 access by the public.

23 SECTION 19. AMENDATORY 59 O.S. 2021, Section 2095.23, is
24 amended to read as follows:

1 Section 2095.23. A. In addition to any authority allowed under
2 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,
3 the Administrator of Consumer Credit shall have the authority to
4 conduct investigations and examinations of the following:

5 1. Criminal, civil and administrative history information,
6 including nonconviction data;

7 2. Personal history and experience information including
8 independent credit reports obtained from a consumer reporting agency
9 described in 15 U.S.C., Section 1681a(p);

10 3. The financial condition and internal management policies and
11 procedures of any entity licensed or required to be licensed as a
12 mortgage lender for purposes of determining that the entity is
13 operating honestly, fairly and efficiently within the purposes of
14 ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage
15 Licensing Act; and

16 4. Any other documents, information or evidence the
17 Administrator deems relevant to the inquiry or investigation
18 regardless of the location, possession, control or custody of such
19 documents, information or evidence.

20 B. For the purposes of investigating violations or complaints
21 arising under the Oklahoma Secure and Fair Enforcement for Mortgage
22 Licensing Act or for the purposes of examination, the Administrator
23 may review, investigate or examine any licensee or entity or
24 individual subject to the Oklahoma Secure and Fair Enforcement for

1 Mortgage Licensing Act, as often as necessary in order to carry out
2 the purposes of the Oklahoma Secure and Fair Enforcement for
3 Mortgage Licensing Act. The Administrator may direct, subpoena or
4 order the attendance of and examine under oath all individuals whose
5 testimony may be required about the loans or the business or subject
6 matter of any such examination or investigation and may direct,
7 subpoena or order such individual to produce books, accounts,
8 records, files and any other documents the Administrator deems
9 relevant to the inquiry. Any examination or investigation report
10 and any information obtained during an examination or investigation
11 shall not be subject to disclosure under the Oklahoma Open Records
12 Act. However, any examination or investigation report and any
13 information obtained during an examination or investigation shall be
14 subject to disclosure pursuant to a court order and may also be
15 disclosed in an individual proceeding and any order issued pursuant
16 to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
17 Act.

18 C. ~~The Administrator may require payment of an examination fee~~
19 ~~either at the time of initial application, renewal of the license or~~
20 ~~after an examination has been conducted. The examination fee shall~~
21 ~~be prescribed by rule of the Commission on Consumer Credit. The~~
22 ~~Administrator shall require a licensee or an entity or individual~~
23 ~~subject to the requirements of this act to pay travel costs for~~

24

1 ~~conducting examinations or investigations outside of the State of~~
2 ~~Oklahoma.~~

3 ~~D.~~ Each licensee or ~~entities~~ entity or ~~individuals~~ individual
4 subject to the Oklahoma Secure and Fair Enforcement for Mortgage
5 Licensing Act shall make available to the Administrator, upon
6 request, any books and records relating to the requirements of the
7 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.
8 The Administrator shall have access to such books and records and
9 interview the officers, principals, mortgage loan originators,
10 employees, independent contractors, agents and customers of the
11 licensee, ~~entity~~ entities or individual subject to the Oklahoma
12 Secure and Fair Enforcement for Mortgage Licensing Act concerning
13 the requirements of the Oklahoma Secure and Fair Enforcement for
14 Mortgage Licensing Act. Books and records shall be maintained for a
15 period of time required by rule of the Administrator.

16 ~~E.~~ D. Each licensee or entity or individual subject to the
17 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act
18 shall make or compile reports or prepare other information as
19 directed by the Administrator in order to carry out the purposes of
20 this section including, but not limited to:

- 21 1. Accounting compilations;
- 22 2. Information lists and data concerning loan transactions in a
23 format prescribed by the Administrator; or

24

1 3. Such other information deemed necessary to carry out the
2 purposes of this section.

3 ~~F.~~ E. In making any examination or investigation authorized by
4 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,
5 the Administrator may control access to any documents and records of
6 the licensee or entity or individual under examination or
7 investigation. The Administrator may take possession of the
8 documents and records or place an entity or individual in exclusive
9 charge of the documents and records in the place where they are
10 usually kept. During the period of control, no entity or individual
11 shall remove or attempt to remove any of the documents and records
12 except pursuant to a court order or with the consent of the
13 Administrator. Unless the Administrator has reasonable grounds to
14 believe the documents or records of the licensee have been, or are
15 at risk of being, altered or destroyed for purposes of concealing a
16 violation of the Oklahoma Secure and Fair Enforcement for Mortgage
17 Licensing Act, the licensee or owner of the documents and records
18 shall have access to the documents or records as necessary to
19 conduct its ordinary business affairs.

20 ~~G.~~ F. In order to carry out the purposes of this section, the
21 Administrator may:

22 1. Retain attorneys, accountants, or other professionals and
23 specialists as examiners, auditors or investigators to conduct or
24 assist in the conduct of examinations or investigations;

1 2. Enter into agreements or relationships with other government
2 officials or regulatory associations in order to improve
3 efficiencies and reduce regulatory burden by sharing resources,
4 standardized or uniform methods or procedures and documents,
5 records, information or evidence obtained under this section;

6 3. Use, hire, contract or employ public or privately available
7 analytical systems, methods or software to examine or investigate
8 the licensee, entity or individual subject to the Oklahoma Secure
9 and Fair Enforcement for Mortgage Licensing Act;

10 4. Accept and rely on examination or investigation reports made
11 by other government officials, within or without this state;

12 5. Accept audit reports made by an independent certified public
13 accountant for the licensee or entity or individual subject to the
14 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act in
15 the course of that part of the examination covering the same general
16 subject matter as the audit and may incorporate the audit report in
17 the report of the examination, report of investigation or other
18 writing of the Administrator; or

19 6. Participate in multistate mortgage examinations as scheduled
20 by the ~~Multi-State~~ Multistate Mortgage Committee established by the
21 Conference of State Bank Supervisors and the American Association of
22 Residential Mortgage Regulators.

23 ~~H.~~ G. The authority of this section shall remain in effect,
24 whether such a licensee or entity or individual subject to the

1 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act acts
2 or claims to act under any licensing or registration law of this
3 state or claims to act without such authority.

4 ~~F.~~ H. No licensee or entity or individual subject to
5 investigation or examination under this section may knowingly
6 withhold, abstract, remove, mutilate, destroy or secrete any books,
7 records, computer records or other information.

8 SECTION 20. AMENDATORY 59 O.S. 2021, Section 2095.24, is
9 amended to read as follows:

10 Section 2095.24. Each licensee shall submit to the Nationwide
11 ~~Mortgage~~ Multistate Licensing System and Registry reports of
12 condition, which shall be in such form and shall contain such
13 information as the Nationwide ~~Mortgage~~ Multistate Licensing System
14 and Registry may require.

15 SECTION 21. AMENDATORY 59 O.S. 2021, Section 2095.25, is
16 amended to read as follows:

17 Notwithstanding or subject to state privacy law, the
18 Administrator of Consumer Credit is required to regularly report
19 violations of ~~this act~~ the Oklahoma Secure and Fair Enforcement for
20 Mortgage Licensing Act as well as enforcement actions and other
21 relevant information to the Nationwide ~~Mortgage~~ Multistate Licensing
22 System and Registry subject to the provisions contained in ~~Section~~
23 ~~25 of this act~~ Section 2095.22 of this title.

24

1 SECTION 22. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2095.27 of Title 59, unless
3 there is created a duplication in numbering, reads as follows:

4 A licensee may permit its employees or independent contractors
5 to work at remote locations in compliance with the licensee's
6 written policies and procedures subject to the following conditions:

7 1. The licensee has written policies and procedures for
8 supervision of employees and independent contractors working from
9 remote locations;

10 2. Access to a licensee's platforms and customer information
11 shall be in accordance with the licensee's comprehensive written
12 information security plan;

13 3. No in-person customer interaction shall occur at an
14 employee's or independent contractor's residence unless such
15 residence is a licensed or registered location;

16 4. Physical records shall not be maintained at a remote
17 location;

18 5. Interactions with and conversations about consumers shall be
19 in compliance with federal and state information security
20 requirements, including applicable provisions under the Gramm-Leach-
21 Bliley Act and the Safeguards Rule established under the Federal
22 Trade Commission, set forth in 16 CFR Part 314, as such may be
23 amended from time to time;

24

1 6. Employees or independent contractors working at a remote
2 location shall have access to the licensee's secure systems,
3 including a cloud-based system, directly from any out-of-office
4 device that such employee or independent contractor may use
5 including, but not limited to, a laptop, mobile phone, desktop
6 computer, or tablet, via a virtual private network, or comparable
7 system, that ensures secure connectivity and requires passwords or
8 forms of authentication to access;

9 7. The licensee shall ensure that appropriate security updates,
10 patches, or other alterations to the security of all devices used at
11 remote locations are installed and maintained;

12 8. The licensee shall have an ability to remotely lock or erase
13 company-related contents of any device or other otherwise remotely
14 limit all access to the licensee's secure systems; and

15 9. The Nationwide Multistate Licensing System and Registry
16 record of a mortgage loan originator that works from a remote
17 location shall designate the principal place of business as his or
18 her registered location unless such mortgage loan originator elects
19 to choose a licensed branch office as a registered location.

20 SECTION 23. This act shall become effective November 1, 2024.

21 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
22 February 26, 2024 - DO PASS AS AMENDED BY CS

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