1	H.596
2	Introduced by Representative Grad of Moretown
3	Referred to Committee on
4	Date:
5	Subject: Commerce and trade; licensed lenders
6	Statement of purpose of bill as introduced: This bill proposes to permit a
7	nonprofit organization to make interest-free loans of \$25,000.00 or less to
8	assist persons in need without obtaining a license from the Department of
9	Financial Regulation.
10 11	An act relating to exempting certain nonprofit mortgage lenders from licensure
12	It is hereby enacted by the General Assembly of the State of Vermont:
13	Sec. 1. 8 V.S.A. § 2201 is amended to read:
14	§ 2201. LICENSES REQUIRED
15	* * *
16	(d) A lender license, mortgage broker license, sales finance company
17	license, or loan solicitation license shall not be required of:
18	* * *

1	(17) A nonprofit organization that is exempt from taxation under
2	26 U.S.C. § 501(c) and that makes one or more loans of \$25,000.00 or less,
3	without interest, to persons in need.
4	(e) A mortgage loan originator license shall not be required of:
5	* * *
6	(7) An individual who negotiates the terms of a loan on behalf of a
7	nonprofit organization that is exempt from taxation under 26 U.S.C. § 501(c)
8	and that makes one or more loans of \$25,000.00 or less, without interest, to
9	persons in need.
10	* * *
11	Sec. 2. EFFECTIVE DATE
12	This act shall take effect on July 1, 2020.