

ALASKA STATE LEGISLATURE



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HB 12 Mortgage Lending Version E

Section Analysis April 16, 2015

Section	Action	Comments
Section 1 Pg 1, ln 11 Pg 1, ln 14	Adds: "an exclusive contract for a registered depository institution" to "be sponsored by an RDI"	Allows for an individual to be licensed as a mortgage loan originator if he/she works under "an exclusive contract for a registered depository institution" or "be sponsored by a registered depository institution under AS 06.60.014." Sponsored means to conduct business under the supervision of a mortgage licensee or registered depository institution. This section creates a supervisor to employee-type of relationship with contractors.
Section 2 Pg 2, ln 5	Adds a new section: Sec 06.60.014. Registered depository institutions	This section outlines the requirements for a depository institution to be eligible to sponsor a mortgage loan originator.
Adding a Registered Depository Institution or RDI throughout this chapter creates the same requirements as for mortgage licensees.		
Section 3 Pg 3, ln 8	Adds: Exemptions: (4) "a federal, state, or local government agency, including an agency that arranges or provides financing for mortgage loans."	By exempting the government agencies the state of Alaska recognizes them under the final rulings of the SAFE Act effective 8-30-2011.
Non-profit Language Removed	Version A added new subsections establishing requirements for bona fide non-profits to be exempt from certain licensing requirements. The bill sponsor has chosen not to exempt bona fide non-profits from mortgage licensing requirements at this time.	Version H: removed pg 3, ln 8 and lines 24-31 removed sec 4, pg 4, lines 1-31 and pg 5, lines 1-10

Sections 4-7 include RDIs in the bonding requirements for mortgage licensees		
Section 4 Pg 3, ln 12	Add: depository institutions	Depository institution applicant must have a surety bond
Section 5 Pg 3, ln 19	Add: depository institutions	Depository institution applicant that covers more than one location is not required to file more than one bond
Section 6 Pg 3, ln 23	Add: depository institutions	Bond must last for three years
Section 7 Pg 3, ln 27	Add: depository institutions	Determination by the department if a bond is unsatisfactory
Annual Report Requirements		
Section 8 Pg 3, ln 31 Pg 4, ln 1-13	Amends: 06-60-100 Annual Report	Requires a depository institution to follow the same reporting requirements as a mortgage licensee and be subject to the same penalties if the report is not filed as required
Sections 9 – 13 include a registered depository institution in the existing requirements for managing mortgage records		
Section 9 Pg 4, ln 17	Add: depository institutions	Requirements apply to business transactions
Section 10 Pg 4, ln 20	Add: depository institutions	Accounting records are in accord with generally accepted accounting principles
Section 11 Pg 4, ln 25	Add: depository institutions	Maintaining records including electronic correspondence
Section 12 Pg 5, ln 3	Add: depository institutions	Maintain copies of the note and associated documents for three years
Section 13 Pg 5, ln 11	Add: depository institutions In statute, a mortgage loan servicing agent means “a person who acts on behalf of the owner of a mortgage loan to collect payments on the mortgage loan and enforce the terms of the mortgage loan.”	If a licensee or RDI conducts business as a loan servicing agent for mortgage loans, that person is referred to as a mortgage loan servicing agent. A mortgage loan servicing agent could include an accountant, legal counsel, or collections agent. The mortgage loan servicing agent must also maintain adequate records of the loan.

Section 14 Pg 5, ln 29	Add: depository institutions	Availability of out-of-state records
Section 15 Pg 6, ln 10	Add: depository institutions	Allows the department investigation and examination authority
Section 16 Pg 6, ln 22	New subsection: defines a "person"	"person" and "person subject to this chapter" include a registered depository institution
Section 17 Pg 6, ln 25 - Pg 7, ln 16	Add: depository institutions	Allows the department the authorization to censure, suspension or bar a depository institution in the same manner as a mortgage licensee
Section 18 Pg 7, ln 18	Add: depository institutions	Applicability of administrative procedures to hold administrative hearings and issue disciplinary orders on RDIs
Section 19 Pg 7, ln 26	New definitions	Registered depository institution
Section 20 Section 21 Section 22 Pg 7, ln 30 Pg 8, ln 1-4	Regulations to be adopted by the Department of Commerce, Community and Economic Development by January 1, 2016. Effective date January 1, 2016	