



AMENDMENT #1

OFFERED IN THE HOUSE
TO: CSHB 104(L&C)

BY REPRESENTATIVE WILSON

1 Page 1, line 4:

2 Delete "AS 06.60.015"

3 Insert "AS 06.60.015(a)"

4

5 Page 1, line 5:

6 Delete "Sec. 06.60.015. Exemptions."

7

8 Page 2, line 1, through page 3, line 15:

9 Delete all material and insert:

10 **** Sec. 2.** AS 06.60.015(b) is amended to read:

11 (b) The following [INDIVIDUALS] are exempt from the mortgage loan
12 originator licensing requirements of this chapter:

13 (1) **an individual who is** a registered mortgage loan originator, when
14 acting for an entity described in (a)(1), (2), or (3) of this section;

15 (2) an individual who offers or negotiates terms of a residential
16 mortgage loan with or on behalf of an immediate family member of the individual; in
17 this paragraph, "immediate family member" means a spouse, child, stepchild, sibling,
18 stepsibling, parent, stepparent, grandparent, or grandchild;

19 (3) an individual seller who offers or negotiates terms of a residential
20 mortgage loan secured by a dwelling that serves as the individual's residence;

21 (4) **a seller, including a natural person, estate, trust, corporation,**
22 **or another entity, that offers or negotiates the terms of a residential mortgage**
23 **loan for the sale of residential property owned by the seller, if**

1 (A) the loan is secured by a dwelling on the property;

2 (B) the seller self-finances the loan;

3 (C) during any 12-month period, the seller finances five or
4 fewer sales under this paragraph;

5 (D) in the ordinary course of a business of the seller, the
6 seller has not

7 (i) constructed the dwelling that secures the loan on
8 the property; or

9 (ii) acted as a contractor for the construction of the
10 dwelling that secures the loan on the property;

11 (E) the loan has an interest rate that is fixed for the full
12 term of the loan;

13 (F) the loan does not

14 (i) have a payment schedule that results in negative
15 amortization; or

16 (ii) allow or impose a prepayment penalty; and

17 (G) the seller determines that the purchaser has a
18 reasonable ability to repay the loan;

19 (5) an individual who is a licensed attorney who negotiates the terms
20 of a residential mortgage loan on behalf of a client as an ancillary matter to the
21 attorney's representation of the client, unless the attorney is compensated by a lender,
22 a mortgage broker, or another mortgage loan originator or by an agent of a lender, a
23 mortgage broker, or another mortgage loan originator;

24 (6) an employee of a federal, state, or local government agency that
25 is exempt under (a)(4) of this section from the mortgage lender or mortgage
26 broker licensing requirements of this chapter.

27 * Sec. 3. AS 06.60.015(b), as amended by sec. 2 of this Act, is amended to read:

28 (b) The following are exempt from the mortgage loan originator licensing
29 requirements of this chapter:

30 (1) an individual who is a registered mortgage loan originator, when
31 acting for an entity described in (a)(1), (2), or (3) of this section;

1 (2) an individual who offers or negotiates terms of a residential
2 mortgage loan with or on behalf of an immediate family member of the individual; in
3 this paragraph, "immediate family member" means a spouse, child, stepchild, sibling,
4 stepsibling, parent, stepparent, grandparent, or grandchild;

5 (3) an individual seller who offers or negotiates terms of a residential
6 mortgage loan secured by a dwelling that serves as the individual's residence;

7 (4) a seller, including a natural person, estate, trust, corporation, or
8 another entity, that offers or negotiates the terms of a residential mortgage loan for the
9 sale of residential property owned by the seller, if

10 (A) the loan is secured by a dwelling on the property;

11 (B) the seller self-finances the loan;

12 (C) during any 12-month period, the seller finances five or
13 fewer sales under this paragraph;

14 (D) in the ordinary course of a business of the seller, the seller
15 has not

16 (i) constructed the dwelling that secures the loan on the
17 property; or

18 (ii) acted as a contractor for the construction of the
19 dwelling that secures the loan on the property;

20 (E) the loan has an interest rate that is fixed for the full term of
21 the loan;

22 (F) the loan does not

23 (i) have a payment schedule that results in negative
24 amortization; or

25 (ii) allow or impose a prepayment penalty; and

26 (G) the seller determines that the purchaser has a reasonable
27 ability to repay the loan;

28 (5) an individual who is a licensed attorney who negotiates the terms
29 of a residential mortgage loan on behalf of a client as an ancillary matter to the
30 attorney's representation of the client, unless the attorney is compensated by a lender,
31 a mortgage broker, or another mortgage loan originator or by an agent of a lender, a

1 mortgage broker, or another mortgage loan originator;

2 (6) an employee of a federal, state, or local government agency that is
3 exempt under (a)(4) of this section from the mortgage lender or mortgage broker
4 licensing requirements of this chapter;

5 (7) an employee of a bona fide nonprofit organization if the
6 employee acts as a mortgage loan originator only with respect to

7 (A) the employee's duties to the bona fide nonprofit
8 organization; and

9 (B) residential mortgage loans that have terms that are
10 favorable to the borrower by being consistent with mortgage loan
11 origination for a public or charitable purpose rather than in a commercial
12 context."

13
14 Renumber the following bill sections accordingly.

15
16 Page 4, following line 31:

17 Insert a new bill section to read:

18 **"* Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 **TRANSITION: REGULATIONS.** The Department of Commerce, Community, and
21 Economic Development may adopt regulations necessary to implement the changes made by
22 AS 06.60.015(a)(5), added by sec. 1 of this Act, AS 06.60.015(b)(7), added by sec. 3 of this
23 Act, AS 06.60.015(c) - (e), added by sec. 4 of this Act, and AS 06.60.990(36), added by sec. 5
24 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but
25 not before the effective date of the section being implemented."

26
27 Renumber the following bill sections accordingly.

28
29 Page 5, line 3:

30 Delete "AS 06.60.015(b)(3), as amended by sec. 1"

31 Insert "AS 06.60.015(b)(4), added by sec. 2"

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2 Page 5, line 5:

3 Delete "This Act takes"

4 Insert "Sections 2, 6, and 7 of this Act take"

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6 Page 5, following line 5:

7 Insert a new bill section to read:

8 **"* Sec. 9.** Except as provided by sec. 8 of this Act, this Act takes effect January 1, 2020."