



General Assembly

**Amendment**

January Session, 2009

LCO No. 5646

\*SB0094805646SD0\*

Offered by:

SEN. DUFF, 25<sup>th</sup> Dist.  
SEN. KANE, 32<sup>nd</sup> Dist.  
REP. BARRY, 12<sup>th</sup> Dist.  
REP. STRIPP, 135<sup>th</sup> Dist.

To: Subst. Senate Bill No. 948

File No. 232

Cal. No. 205

**"AN ACT CONCERNING IMPLEMENTATION OF THE S.A.F.E.  
MORTGAGE LICENSING ACT."**

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1 Change the effective dates of sections 1 to 23, inclusive, to "Effective  
2 July 31, 2009."

3 In line 101, bracket "36a-498a" and after the closing bracket insert  
4 "36a-498c"

5 In line 102, after "36a-534b," insert "as amended by this act, and  
6 sections 9 and 19 to 21, inclusive, of this act,"

7 In line 126, after "more" insert "of any class of voting securities; (C)  
8 in the case of a limited liability company, is a managing member; or  
9 (D) in the case of a partnership, has the right to receive upon  
10 dissolution, or has contributed, ten per cent or more"

11 In line 200, after the closing bracket, strike "takes a residential

12 mortgage loan application or offers" and insert "for compensation or  
13 gain or with the expectation of compensation or gain (A) takes a  
14 residential mortgage loan application or (B) offers or negotiates terms  
15 of a residential mortgage loan. "Mortgage loan originator" does not  
16 include (i) an individual engaged solely as a loan processor or  
17 underwriter except as otherwise provided in subdivision (3) of  
18 subsection (b) of section 36a-486, as amended by this act; (ii)"

19 Strike lines 201 to 204, inclusive, in their entirety

20 In line 205, strike "behalf of a mortgage loan originator; (B)"

21 In line 207, strike "individual" and insert "person" in lieu thereof

22 In line 208, strike "mortgage correspondent lender,"

23 In line 210, strike "mortgage correspondent lender,"

24 In line 211, strike "(C)" and insert "(iii)" in lieu thereof

25 In line 213, strike ". For purposes of this subdivision, "administrative  
26 or" and insert ";" in lieu thereof

27 Strike lines 214 to 218, inclusive, in their entirety

28 In line 229, after "exchange", strike "or" and insert "of" in lieu thereof

29 In line 234, after "be" insert "registered or"

30 In line 249, strike "located in this state"

31 In line 300, strike ", by"

32 In line 301, strike "order or regulation, the requirements and  
33 procedures" and insert "requirements as" in lieu thereof

34 In line 302, strike ", including, but not limited to: (A) Applicant" and  
35 insert ", including: (A)" in lieu thereof

36 In line 303, strike "background" and insert "Background" in lieu

37 thereof

38 In line 305, after "(B)" insert "the payment of"

39 In line 306, strike "license" and insert "the setting or resetting of" in  
40 lieu thereof

41 In line 307, strike "process" and insert "requirements" in lieu thereof

42 In line 312, strike "36a-498a" and insert "36a-498c" in lieu thereof,  
43 and after "act," insert "sections 36a-534a and 36a-534b, as amended by  
44 this act, and sections 9 and 19 to 21, inclusive, of this act,"

45 In line 313, after "system." insert "For the purposes of implementing  
46 an orderly and efficient licensing process, the commissioner may adopt  
47 licensing regulations, in accordance with the provisions of chapter 54,  
48 and interim procedures for licensing and acceptance of applications.  
49 For previously licensed individuals, the commissioner may establish  
50 expedited review and licensing procedures."

51 In line 315, strike "36a-498a" and insert "36a-498c" in lieu thereof

52 In line 316, strike "sections 19 and 20 of this act" and insert "sections  
53 36a-534a and 36a-534b, as amended by this act, and sections 9 and 19  
54 to 21, inclusive, of this act"

55 In line 322, strike "498a" and insert "498c" in lieu thereof, and before  
56 the period insert ", sections 36a-534a and 36a-534b, as amended by this  
57 act, and sections 9 and 19 to 21, inclusive, of this act"

58 In line 323, strike "36a-498a" and insert "36a-498c" in lieu thereof

59 In line 324, after "act," insert "sections 36a-534a and 36a-534b, as  
60 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

61 In line 325, strike "under the" and insert "for purposes of subsections  
62 (b) and (c) of section 36a-488, as amended by this act," in lieu thereof

63 In line 326, strike "federal S.A.F.E. Mortgage Licensing Act,"

- 64 In line 330, strike "36a-498a" and insert "36a-498c" in lieu thereof
- 65 In line 331, after "act," insert "sections 36a-534a and 36a-534b, as  
66 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"
- 67 In line 332, before the comma insert "for purposes of subsections (b)  
68 and (c) of section 36a-488, as amended by this act"
- 69 Strike lines 375 and 376 in their entirety
- 70 In line 404, bracket "36a-498a" and after the closing bracket insert  
71 "36a-498c"
- 72 In line 405, after the comma, strike "and" and before the period  
73 insert ", as amended by this act, and sections 9 and 19 to 21, inclusive,  
74 of this act"
- 75 In line 428, insert an opening bracket before "sections"
- 76 In line 429, after "inclusive" insert a closing bracket, strike ", as  
77 amended by this act, or section 36a-534b" and insert "section 36a-489,  
78 as amended by this act" in lieu thereof
- 79 In line 435, strike "sections 36a-485 to 36a-498a, inclusive," and insert  
80 "section 36a-489, as amended by this act." in lieu thereof
- 81 Strike line 436 in its entirety
- 82 In line 437, strike "amended by this act."
- 83 In line 441, strike the brackets around "person" and strike "sponsor"
- 84 After line 478, insert the following:
- 85 "(5) Notwithstanding the licensing requirements of this subsection,  
86 an individual acting exclusively as a servicer engaging in loss  
87 mitigation efforts with respect to existing mortgage transactions is not  
88 required to meet the education, testing, background and licensing  
89 requirements applicable to mortgage loan originators until July 1, 2011,

90 provided this extension is approved by the United States Department  
91 of Housing and Urban Development."

92 In line 485, bracket "36a-498a" and after the closing bracket insert  
93 "36a-498c" and strike "and section" and insert "sections 36a-534a and"  
94 in lieu thereof

95 In line 486, before the colon insert ", and sections 9 and 19 to 21,  
96 inclusive, of this act"

97 In line 499, strike "36a-498a" and insert "36a-498c" in lieu thereof

98 In line 500, strike "and section" and insert "sections 36a-534a and" in  
99 lieu thereof

100 In line 501, before the colon insert ", and sections 9 and 19 to 21,  
101 inclusive, of this act"

102 In line 545, bracket "with" and after the closing bracket insert "who  
103 has"

104 In line 546, strike the opening bracket

105 In line 547, before "has]" insert an opening bracket and strike "with"  
106 and insert "have" in lieu thereof

107 In line 553, strike "has" and insert "have" in lieu thereof

108 In line 581, strike "this"

109 In line 582, strike "chapter," and after "act," insert "sections 36a-485  
110 to 36a-498c, inclusive, as amended by this act, sections 36a-534a and  
111 36a-534b, as amended by this act," in lieu thereof

112 In line 585, after "person" insert "of the applicant"

113 In line 624, strike "for" and insert "of" in lieu thereof and after  
114 "persons" insert "for the system and the commissioner"

115 In line 636, strike "this chapter, section 36a-21, as"

116 In line 637, strike "amended by this act," and insert "sections 36a-485  
117 to 36a-498c, inclusive, as amended by this act, sections 36a-534a and  
118 36a-534b, as amended by this act," in lieu thereof

119 In line 685, after "(B)" insert "notwithstanding the provisions of  
120 section 46a-80,"

121 In line 700, strike "this"

122 In line 701, strike "chapter" and insert "sections 36a-485 to 36a-498c,  
123 inclusive, as amended by this act, sections 36a-534a and 36a-534b, as  
124 amended by this act, and sections 9 and 19 to 21, inclusive, of this act"  
125 in lieu thereof

126 In line 752, strike "this"

127 In line 753, strike "chapter" and insert "sections 36a-485 to 36a-498c,  
128 inclusive, as amended by this act, sections 36a-534a and 36a-534b, as  
129 amended by this act, and sections 9 and 19 to 21, inclusive, of this act"  
130 in lieu thereof

131 In line 790, strike "or"

132 In line 791, strike "the date of evaluation" and after "for" insert "an  
133 initial license or"

134 In line 794, strike "under" and insert "referred to in" in lieu thereof

135 In line 795, strike "a person" and insert "an applicant" in lieu thereof

136 In line 810, strike "employer" and insert "sponsor" in lieu thereof

137 Strike lines 815 to 819, inclusive, in their entirety and insert the  
138 following in lieu thereof:

139 "(5) When precicensing education requirements described in  
140 subdivision (1) of this subsection are completed in another state, such  
141 out-of-state precicensing education requirements shall be accepted as  
142 credit towards completion of the precicensing education requirements

143 of this state, provided such out-of-state prelicensing requirements are  
144 approved by the system."

145 Strike lines 820 to 828, inclusive, in their entirety and insert the  
146 following in lieu thereof:

147 "(6) A person previously licensed under section 36a-489 of the  
148 general statutes, as amended by this act, subsequent to the applicable  
149 effective date of the prelicensing and testing requirements referred to  
150 in section 36a-489 of the general statutes, as amended by this act,  
151 applying to be licensed again shall prove that he or she completed all  
152 of the continuing education requirements for the year in which the  
153 license was last held."

154 In line 829, strike "under" and insert "referred to in" in lieu thereof

155 Strike line 845 in its entirety and insert the following in lieu thereof:  
156 "sponsor of the applicant, any subsidiary or affiliate of the sponsor"

157 In line 856, strike "(c)" and insert "(C)" in lieu thereof

158 In line 861, strike "(d)" and insert "(c)" in lieu thereof

159 In line 862, strike "under" and insert "referred to in" in lieu thereof

160 Strike line 864 in its entirety

161 In line 878, strike "employer" and insert "sponsor" in lieu thereof

162 Strike line 879 in its entirety and insert the following in lieu thereof:  
163 "mortgage loan originator or an entity that is affiliated with the  
164 mortgage loan originator by an agency"

165 In line 880, strike "employer" and insert "sponsor" in lieu thereof

166 Strike line 887 in its entirety and insert the following in lieu thereof:  
167 "(6) A licensed mortgage loan originator who is an instructor of an  
168 approved continuing"

169 Strike lines 891 to 895, inclusive, in their entirety and insert the  
170 following in lieu thereof:

171 "(7) When education requirements described in subdivision (1) of  
172 subsection (a) of this section are completed in another state, such out-  
173 of-state education requirements shall be accepted as credit towards  
174 completion of the education requirements of this state, provided such  
175 out-of-state education requirements are approved by the system."

176 In line 905, strike "(e)" and insert "(d)" in lieu thereof

177 In line 1009, bracket "36a-498a" and after the closing bracket insert  
178 "36a-498c"; and strike "and"

179 In line 1010, before the period insert ", and sections 9 and 19 to 21,  
180 inclusive, of this act"

181 In line 1013, bracket "(1)"

182 In line 1045, strike the opening bracket before "Each" and insert an  
183 opening bracket before "(2)"

184 In line 1130, after "licensee" insert "and, effective July 31, 2010, any  
185 mortgage loan originator who is covered by the surety bond of a  
186 mortgage lender, mortgage correspondent lender or mortgage broker,"

187 In line 1137, strike "36a-498a" and insert "36a-498c" in lieu thereof

188 Strike line 1138 in its entirety and insert the following in lieu  
189 thereof: "inclusive, as amended by this act, sections 36a-534a and 36a-  
190 534b, as amended by this act, and sections 9 and 19 to 21, inclusive, of  
191 this act."

192 In line 1216, bracket "36a-498a" and after the closing bracket insert  
193 "36a-498c"; and after "act," insert "sections 36a-534a and 36a-534b, as  
194 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

195 In line 1218, after "person" and before the comma, insert "of the  
196 licensee"



197 In line 1236, bracket "36a-498a" and after the closing bracket insert  
198 "36a-498c"

199 In line 1237, after "act," insert "sections 36a-534a and 36a-534b, as  
200 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

201 In line 1247, bracket "36a-498a" and after the closing bracket insert  
202 "36a-498c"; and after "act," insert "sections 36a-534a and 36a-534b, as  
203 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

204 Strike lines 1258 to 1266, inclusive, in their entirety and insert the  
205 following in lieu thereof:

206 "(c) (1) The commissioner may remove any individual conducting  
207 business under sections 36a-485 to 36a-498c, inclusive, as amended by  
208 this act, sections 36a-534a and 36a-534b, as amended by this act, and  
209 sections 9 and 19 to 21, inclusive, of this act, from office and from  
210 employment or retention as an independent contractor in the mortgage  
211 business in this state whenever the commissioner finds as the result of  
212 an investigation that such person: (A) Has violated any of said sections  
213 or any regulation or order issued thereunder; or (B) for any reason that  
214 would be sufficient grounds for the commissioner to deny a license  
215 under section 36a-489, as amended by this act, by sending a"

216 In line 1267, strike "commissioner may send"

217 In line 1292, strike "subparagraphs (A) to (C), inclusive," and insert  
218 "subparagraph (A) or (B)" in lieu thereof

219 In line 1356, bracket "36a-498a" and after the closing bracket insert  
220 "36a-498c"

221 In line 1357, after "act," insert "sections 36a-534a and 36a-534b, as  
222 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

223 In line 1359, bracket "36a-498a" and after the closing bracket insert  
224 "36a-498c"; and after "act," insert "sections 36a-534a and 36a-534b, as  
225 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

226 In line 1399, bracket "36a-498a" and after the closing bracket insert  
227 "36a-498c"; and after "act," insert "sections 36a-534a and 36a-534b, as  
228 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

229 In line 1408, bracket "36a-498a" and after the closing bracket insert  
230 "36a-498c"; and after "act," insert "sections 36a-534a and 36a-534b, as  
231 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"

232 In line 1476, strike "36a-498a" and insert "36a-498c" in lieu thereof

233 In line 1477, after the comma strike "and"

234 In line 1478, after "statutes," insert "as amended by this act, and  
235 sections 9 and 19 to 21, inclusive, of this act,"

236 In line 1489, strike "36a-498a" and insert "36a-498c" in lieu thereof

237 In line 1490, after "act," strike "or"

238 In line 1491, after "act" insert "and sections 9 and 19 to 21, inclusive,  
239 of this act,"

240 In line 1492, strike "mortgage"

241 Strike line 1493 in its entirety

242 In line 1494, strike "mortgage loan originator" and insert "licensee,  
243 individual or person" in lieu thereof

244 In line 1502, strike "mortgage lender, mortgage correspondent  
245 lender," and insert "licensee, individual or person" in lieu thereof

246 In line 1503, strike "mortgage broker and mortgage loan originator"

247 In line 1504, strike "36a-498a" and insert "36a-498c" in lieu thereof

248 In line 1505, after "act," strike "and"

249 In line 1506, after "act," insert "and sections 9 and 19 to 21, inclusive,  
250 of this act,"

- 251 In line 1524, strike "36a-498a" and insert "36a-498c" in lieu thereof
- 252 In line 1525, after "act," strike "or"
- 253 In line 1526, after "20" insert "or 21"
- 254 Strike line 1542 in its entirety
- 255 In line 1543, strike "mortgage loan originator" and insert "licensee,  
256 individual or person" in lieu thereof; and strike "36a-498a" and insert  
257 "36a-498c" in lieu thereof
- 258 In line 1544, strike "and"
- 259 In line 1545, before the semicolon insert ", and sections 9 and 19 to  
260 21, inclusive, of this act"
- 261 In line 1547, after the semicolon insert "and"
- 262 In line 1549, strike "mortgage lender, mortgage correspondent  
263 lender,"
- 264 In line 1550, strike "mortgage broker or mortgage loan originator"  
265 and insert "licensee, individual or person" in lieu thereof
- 266 In line 1551, strike "36a-498a" and insert "36a-498c" in lieu thereof
- 267 In line 1552, after "act," strike "and"
- 268 In line 1553, after "act," insert "and sections 9 and 19 to 21, inclusive,  
269 of this act,"
- 270 In line 1556, strike "; or" and insert a period in lieu thereof
- 271 Strike lines 1557 to 1562, inclusive, in their entirety
- 272 Strike line 1564 in its entirety
- 273 In line 1565, strike "or mortgage loan originator" and insert "a  
274 licensee, individual or person" in lieu thereof; and strike "36a-498a"

- 275 and insert "36a-498c" in lieu thereof
- 276 In line 1566, strike "and"
- 277 In line 1567, after "act," insert "and sections 9 and 19 to 21, inclusive,  
278 of this act,"
- 279 In line 1575, strike "36a-498a" and insert "36a-498c" in lieu thereof
- 280 In line 1576, after "act," strike "and"
- 281 In line 1577, after "act," insert "and sections 9 and 19 to 21, inclusive,  
282 of this act,"
- 283 In line 1592, strike "36a-498a" and insert "36a-498c" in lieu thereof;  
284 and after "act," insert "sections 36a-534a and 36a-534b of the general  
285 statutes, as amended by this act, and sections 9 and 19 to 21, inclusive,  
286 of this act,"
- 287 Strike line 1596 in its entirety and insert "said sections;" in lieu  
288 thereof
- 289 Strike line 1597 in its entirety
- 290 In line 1599, strike "498a" and insert "498c" in lieu thereof; and after  
291 "act," insert "sections 36a-534a and 36a-534b of the general statutes, as  
292 amended by this act, and sections 9 and 19 to 21, inclusive, of this act,"
- 293 In line 1601, strike "36a-498a" and insert "36a-498c" in lieu thereof
- 294 In line 1602, after "act," insert "sections 36a-534a and 36a-534b of the  
295 general statutes, as amended by this act, and sections 9 and 19 to 21,  
296 inclusive, of this act,"
- 297 In line 1618, after "loan," insert ", as defined in section 36a-485 of the  
298 general statutes, as amended by this act,"
- 299 In line 1624, strike "36a-498a" and insert "36a-498c" in lieu thereof
- 300 In line 1625, before the semicolon insert ", and sections 9 and 19 to

301 21, inclusive, of this act"

302 Strike lines 1638 to 1647, inclusive, in their entirety and insert the  
303 following in lieu thereof:

304 "Sec. 22. (NEW) (*Effective July 31, 2009*) If any provision or  
305 application of sections 9 and 19 to 21, inclusive, of this act, section 36a-  
306 21 of the general statutes, as amended by this act, sections 36a-485 to  
307 36a-498c, inclusive, of the general statutes, as amended by this act, or  
308 36a-534b of the general statutes, as amended by this act, to any person  
309 or circumstance is held invalid by a court of this state, the remainder of  
310 said sections or the application of such provision to other persons or  
311 circumstances shall not be affected."