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S.B. 54 -- Licensing of mortgage brokers

Banks Committee public hearing -- February 25, 2010

Testimony of Raphael L. Podolsky

Recommended Committee action : REVISION OF §1

As presently drafted, it appears to me that Section 1 of this bill, probably unintentionally, exempts persons from being licensed as a mortgage broker if they are exempt from licensing as a mortgage lender. This would not be appropriate. For example, current law provides that a person making up to five residential mortgage loans in a year is not required to be licensed as a mortgage lender. Section 1 of this bill appears to say that such a person is also exempt from being licensed as a mortgage broker, even if he brokers dozens of loans per year. See lines 4-10 of the bill. I do not believe that this is intended by the drafters of the bill.

The Banks Committee should make sure that the final version of this bill corrects this and any other portions of the draft that do not adequately implement the bill's intent.