



General Assembly

January Session, 2017

Raised Bill No. 7019

LCO No. 3434



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING THE DEPARTMENT OF BANKING'S ENFORCEMENT AUTHORITY OVER MORTGAGE LENDERS, BROKERS, ORIGINATORS AND LOAN PROCESSORS OR UNDERWRITERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 36a-494 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2017*):

4 (a) (1) The commissioner may suspend, revoke or refuse to renew
5 any mortgage lender, mortgage correspondent lender or mortgage
6 broker license or take any other action, in accordance with the
7 provisions of section 36a-51, for any reason which would be sufficient
8 grounds for the commissioner to deny an application for such license
9 under sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, or
10 if the commissioner finds that the licensee, any control person of the
11 licensee, the qualified individual or branch manager with supervisory
12 authority, trustee, employee or agent of such licensee has done any of
13 the following: (A) Made any material misstatement in the application;

14 (B) committed any fraud, misappropriated funds or misrepresented,
15 concealed, suppressed, intentionally omitted or otherwise intentionally
16 failed to disclose any of the material particulars of any residential
17 mortgage loan transaction, including disclosures required by
18 subdivision (6) of subsection (a) of section 36a-493, or part III of
19 chapter 669 or regulations adopted pursuant thereto, to anyone
20 entitled to such information; (C) violated any of the provisions of this
21 title or of any [regulations] regulation or order adopted or issued
22 pursuant thereto, or any other law or regulation applicable to the
23 conduct of its business; or (D) failed to perform any agreement with a
24 licensee or a borrower. For purposes of this subdivision, "agent"
25 includes any settlement agent used by the licensee and "settlement
26 agent" means the person specified in any Closing Disclosure or other
27 settlement statement, provided such settlement agent has been selected
28 by the licensee. Any settlement agent whose name appears on the
29 licensee's list of approved settlement agents shall be deemed selected
30 by the licensee even if the settlement agent is selected from such list by
31 the borrower.

32 (2) The commissioner may suspend, revoke or refuse to renew any
33 mortgage loan originator license or any loan processor or underwriter
34 license or take any other action, in accordance with the provisions of
35 section 36a-51, for any reason which would be sufficient grounds for
36 the commissioner to deny an application for such license under
37 sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, or if the
38 commissioner finds that the licensee has committed any fraud,
39 misappropriated funds, misrepresented, concealed, suppressed,
40 intentionally omitted or otherwise intentionally failed to disclose any
41 of the material particulars of any residential mortgage loan transaction
42 or has violated any of the provisions of this title or of any regulations
43 adopted pursuant to such title or any other law or regulation
44 applicable to the conduct of such licensee's business.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2017	36a-494(a)

Statement of Purpose:

To further clarify the Department of Banking's enforcement authority with respect to any mortgage lender, mortgage correspondent lender or mortgage broker, or any control person of the licensee, the qualified individual or branch manager and loan originators and loan processors or underwriters.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]