A bill for an act

relating to mortgage lending; prohibiting sale of information provided on a mortgage application; amending Minnesota Statutes 2006, section 13C.01, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 13C.01, is amended by adding a subdivision to read:

Subd. 3. **Sale of certain information prohibited.** A consumer reporting agency or any other business entity may not sell to, or exchange with, a third party, unless the third party holds an existing mortgage loan on the property, any information it obtains from an application for a mortgage loan, including the fact that the applicant applied for the mortgage loan. This subdivision does not apply to information provided by a mortgage originator or servicer to a third party when necessary for the third party to provide a service that the third party has been retained to perform in connection with the origination or servicing of the mortgage loan. For purposes of this subdivision, "third party" does not include an affiliate of the consumer reporting agency or other business entity.

EFFECTIVE DATE. This section is effective August 1, 2007.