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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 990

- 02/11/2019 Authored by Sundin, Davids, O'Driscoll and Howard  
The bill was read for the first time and referred to the Committee on Commerce
- 03/28/2019 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time
- 04/08/2019 Calendar for the Day  
Read for the Third Time  
Passed by the House and transmitted to the Senate

1.1 A bill for an act

1.2 relating to financial institutions; adding an exemption to licensing requirements

1.3 for residential mortgage originators; providing for conformity with federal truth

1.4 in lending requirements; amending Minnesota Statutes 2018, section 58.04,

1.5 subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2018, section 58.04, subdivision 1, is amended to read:

1.8 Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person

1.9 shall act as a residential mortgage originator, or make residential mortgage loans without

1.10 first obtaining a license from the commissioner according to the licensing procedures

1.11 provided in this chapter.

1.12 (b) A licensee must be either a partnership, limited liability partnership, association,

1.13 limited liability company, corporation, or other form of business organization, and must

1.14 have and maintain a surety bond in the amounts prescribed under section 58.08.

1.15 (c) The following persons are exempt from the residential mortgage originator licensing

1.16 requirements:

- 1.17 (1) a person who is not in the business of making residential mortgage loans and who
- 1.18 makes no more than three such loans, with its own funds, during any 12-month period;
- 1.19 (2) a financial institution as defined in section 58.02, subdivision 10;
- 1.20 (3) an agency of the federal government, or of a state or municipal government;
- 1.21 (4) an employee or employer pension plan making loans only to its participants;

2.1 (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a  
2.2 specific order issued by a court of competent jurisdiction; ~~or~~

2.3 (6) a person exempted by order of the commissioner; or

2.4 (7) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b,  
2.5 or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

2.6 (i) performs only clerical or support duties in connection with assisting a consumer in  
2.7 filling out a residential mortgage loan application but does not in any way offer or negotiate  
2.8 loan terms, or hold themselves out as a housing counselor;

2.9 (ii) does not receive any direct or indirect compensation or gain from any individual or  
2.10 company for assisting consumers with a residential mortgage loan application, in excess of  
2.11 the customary salary or commission from the employer in connection with the sales  
2.12 transaction; and

2.13 (iii) discloses to the borrower in writing:

2.14 (A) any corporate affiliation with a lender; and

2.15 (B) if an affiliation with a corporate lender exists, that the lender cannot guarantee the  
2.16 lowest or best terms available and the consumer has the right to choose their lender.