

CHAPTER 240—S.F.No. 3214

An act relating to commerce; clarifying the application of the Minnesota Residential Mortgage Originator and Servicer Licensing Act; clarifying the investment authority of certain insurers; amending Minnesota Statutes 2006, sections 58.02, subdivisions 18, 21; 58.14, subdivisions 3, 4, 5; 60A.11, subdivision 9.

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

Section 1. Minnesota Statutes 2006, section 58.02, subdivision 18, is amended to read:

Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan ~~made primarily for personal, family, or household use and~~ secured primarily by either: (1) a mortgage on residential real property; or (2) certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real property.

Sec. 2. Minnesota Statutes 2006, section 58.02, subdivision 21, is amended to read:

Subd. 21. **Residential real property; residential real estate.** "Residential real property" or "residential real estate" means real property improved or intended to be improved by a structure designed principally for the occupancy of from one to four families, whether or not the owner occupies the real property.

Sec. 3. Minnesota Statutes 2006, section 58.14, subdivision 3, is amended to read:

Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person must investigate and attempt to resolve complaints made regarding acts or practices subject to the provisions of this chapter. If a complaint is received in writing, the licensee or exempt person must maintain a file containing all materials relating to the complaint and subsequent investigation for a period of ~~26~~ 60 months.

Sec. 4. Minnesota Statutes 2006, section 58.14, subdivision 4, is amended to read:

Subd. 4. **Trust account records for mortgage originators.** A residential mortgage originator shall keep and maintain for ~~26~~ 60 months a record of all trust funds, sufficient to identify the transaction, date and source of receipt, and date and identification of disbursement.

Sec. 5. Minnesota Statutes 2006, section 58.14, subdivision 5, is amended to read:

Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for ~~26~~ 60 months the business records, including advertisements, regarding residential mortgage loans applied for, originated, or serviced in the course of its business.

Sec. 6. Minnesota Statutes 2006, section 60A.11, subdivision 9, is amended to read:

Subd. 9. **General considerations.** The following considerations apply in the interpretation of this section:

(a) This section applies to the investments of insurance companies other than life and health insurance companies;

(b) The purpose of this section is to protect and further the interests of policyholders, claimants, creditors and the public by providing standards for the development and administration of programs for the investment of the assets of domestic companies. These standards and the investment programs developed by companies must take into account the safety of company's principal, investment yield and growth, stability in the value of the investment, the liquidity necessary to meet the company's expected business needs, and investment diversification;

(c) All financial terms relating to insurance companies have the meanings assigned to them under statutory accounting methods. All financial terms relating to noninsurance companies have the meanings assigned to them under generally accepted accounting principles;

(d) Investments must be valued in accordance with the valuation procedures established by the National Association of Insurance Commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. Another method of valuation permitted by the commissioner must be at least as conservative as those prescribed in the association's manual. Other invested assets must be valued according to the procedures promulgated by the National Association of Insurance Commissioners, if not addressed in another section, unless the commissioner requires or finds another method of valuation reasonable under the circumstances;

(e) A company may elect to hold an investment which qualifies under more than one subdivision, under the subdivision of its choice. Nothing herein prevents a company from electing to hold an investment under a subdivision different from the one in which it previously held the investment; and

(f) An investment which qualifies under any provision of the law governing investments of insurance companies when acquired will continue to be a qualified investment for as long as it is held by the insurance company.

Presented to the governor April 23, 2008

Signed by the governor April 25, 2008, 3:58 p.m.