

By: Representative Ford

To: Banks and Banking

HOUSE BILL NO. 414

1 AN ACT TO REENACT SECTIONS 81-18-1 THROUGH 81-18-49,  
2 MISSISSIPPI CODE OF 1972, WHICH ARE THE MISSISSIPPI MORTGAGE  
3 CONSUMER PROTECTION LAW; TO AMEND REENACTED SECTION 81-18-19,  
4 MISSISSIPPI CODE OF 1972, TO CORRECT A TYPOGRAPHICAL ERROR; TO  
5 AMEND SECTION 81-18-51, MISSISSIPPI CODE OF 1972, TO EXTEND THE  
6 DATE OF REPEAL ON THE MISSISSIPPI MORTGAGE CONSUMER PROTECTION  
7 LAW; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Section 81-18-1, Mississippi Code of 1972, is  
10 reenacted as follows:

11 81-18-1. This chapter shall be known and cited as the  
12 Mississippi Mortgage Consumer Protection Law.

13 **SECTION 2.** Section 81-18-3, Mississippi Code of 1972, is  
14 reenacted as follows:

15 81-18-3. For purposes of this chapter, the following terms  
16 shall have the following meanings:

17 (a) "Borrower" means a person who submits an  
18 application for a loan secured by a first or subordinate mortgage  
19 or deed of trust on a single- to four-family home to be occupied  
20 by a natural person.

21 (b) "Commissioner" means the Commissioner of the  
22 Mississippi Department of Banking and Consumer Finance.

23 (c) "Commitment" means a statement by a lender required  
24 to be licensed or registered under this chapter that sets forth  
25 the terms and conditions upon which the lender is willing to make  
26 a particular mortgage loan to a particular borrower.

27 (d) "Control" means the direct or indirect possession  
28 of the power to direct or cause the direction of the management  
29 and policies of a person, whether through the ownership of voting



30 securities, by contract or otherwise, and shall include  
31 "controlling," "controlled by" and "under common control with."

32 (e) "Department" means the Department of Banking and  
33 Consumer Finance of the State of Mississippi.

34 (f) "Executive officer" means the chief executive  
35 officer, the president, the principal financial officer, the  
36 principal operating officer, each vice president with  
37 responsibility involving policy-making functions for a significant  
38 aspect of a person's business, the secretary, the treasurer, or  
39 any other person performing similar managerial or supervisory  
40 functions with respect to any organization whether incorporated or  
41 unincorporated.

42 (g) "License" means a license to act as a mortgage  
43 company issued by the department under this chapter.

44 (h) "Licensee" means a person or entity who is required  
45 to be licensed as a mortgage company under this chapter.

46 (i) "Loan originator" means an individual who is an  
47 employee or exclusive agent of a licensed mortgage company and who  
48 directly or indirectly solicits, places or negotiates mortgage  
49 loans for others, or offers to solicit, place or negotiate  
50 mortgage loans for others.

51 (j) "Make a mortgage loan" means to advance funds,  
52 offer to advance funds or make a commitment to advance funds to a  
53 borrower.

54 (k) "Misrepresent" means to make a false statement of a  
55 substantive fact or to engage in, with intent to deceive or  
56 mislead, any conduct that leads to a false belief that is material  
57 to the transaction.

58 (l) "Mortgage company" means any person or entity who  
59 directly, indirectly or by electronic activity, solicits, places  
60 or negotiates mortgage loans for others, or offers to solicit,  
61 place or negotiate mortgage loans for others.



62 (m) "Mortgage loan" means a loan or agreement to extend  
63 credit made to a natural person, which loan is secured by a deed  
64 to secure debt, security deed, mortgage, security instrument, deed  
65 of trust or other document representing a security interest or  
66 loan upon any interest in a lot intended for residential purposes,  
67 or single- to four-family residential property located in  
68 Mississippi, regardless of where made, including the renewal or  
69 refinancing of any loan.

70 (n) "Person" means any individual, sole proprietorship,  
71 corporation, limited liability company, partnership, trust or any  
72 other group of individuals, however organized.

73 (o) "Principal" means a natural person who, directly or  
74 indirectly, owns or controls an ownership interest of ten percent  
75 (10%) or more in a corporation or any other form of business  
76 organization, regardless of whether the natural person owns or  
77 controls the ownership interest through one or more natural  
78 persons or one or more proxies, powers of attorney, nominees,  
79 corporations, associations, limited liability companies,  
80 partnerships, trusts, joint-stock companies, other entities or  
81 devises, or any combination thereof.

82 (p) "Records" or "documents" means any item in hard  
83 copy or produced in a format of storage commonly described as  
84 electronic, imaged, magnetic, microphotographic or otherwise, and  
85 any reproduction so made shall have the same force and effect as  
86 the original thereof and be admitted in evidence equally with the  
87 original.

88 (q) "Registrant" means any person required to register  
89 under Section 81-18-5(n).

90 (r) "Residential property" means improved real property  
91 or lot used or occupied, or intended to be used or occupied, as a  
92 residence by a natural person.

93 (s) "Service a mortgage loan" means the collection or  
94 remittance for another, or the right to collect or remit for



95 another, of payments of principal interest, trust items such as  
96 insurance and taxes, and any other payments pursuant to a mortgage  
97 loan.

98 **SECTION 3.** Section 81-18-5, Mississippi Code of 1972, is  
99 reenacted as follows:

100 81-18-5. The following persons are not subject to the  
101 provisions of this chapter, unless otherwise provided in this  
102 chapter:

103 (a) Any person authorized to engage in business as a  
104 bank holding company, or any subsidiary thereof; or any person  
105 authorized to engage in business as a financial holding company,  
106 bank, credit card bank, savings bank, savings institution, savings  
107 and loan association, building and loan association, trust company  
108 or credit union under the laws of the United States, any state or  
109 territory of the United States, or the District of Columbia, or  
110 any subsidiary or affiliate thereof.

111 (b) Approved mortgagees, sellers, servicers or issuers  
112 of the United States Department of Housing and Urban Development,  
113 the Federal Housing Administration, the Veterans Administration,  
114 the Federal National Mortgage Association (FNMA or "Fannie Mae"),  
115 the Federal Home Mortgage Company (FHLMC or "Freddie Mac"), the  
116 Government National Mortgage Association (GNMA or "Ginnie Mae"),  
117 when the mortgagees have been approved as a seller, servicer,  
118 mortgagee or issuer or when they have satisfied requirements to  
119 qualify for automatic authority; however, if these  
120 mortgagees/lenders close or fund any other type of mortgage loans  
121 not subject to examination or review by any of the above agencies,  
122 they will be subject to Sections 81-18-11, 81-18-21, 81-18-27,  
123 81-18-35 and 81-18-43 as it pertains to those loans, unless  
124 otherwise exempted under paragraph (a) of this section.

125 (c) Any lender holding a license under the Small Loan  
126 Regulatory Law (Section 75-67-101 et seq.), or any subsidiary or  
127 affiliate thereof, and making real estate loans under that law are



128 exempt from this chapter. However, those lenders holding a  
129 license under the Small Loan Regulatory Law and making real estate  
130 loans outside that law shall be subject to the entire provisions  
131 of this chapter, unless otherwise exempted under paragraph (a) of  
132 this section.

133 (d) Any person who funds a mortgage loan which has been  
134 originated and processed by a licensee, by a mortgage company  
135 licensed under this chapter or by a person who is exempt under  
136 this section and who meets all of the following:

137 (i) Does not maintain a place of business in this  
138 state in connection with funding mortgage loans;

139 (ii) Does not directly solicit borrowers in this  
140 state for the purpose of making mortgage loans; and

141 (iii) Does not participate in the negotiation of  
142 mortgage loans.

143 (e) Any attorney licensed to practice law in  
144 Mississippi who provides mortgage loan services incidental to the  
145 practice of law and who is not a principal of a mortgage company  
146 as defined under this chapter.

147 (f) A real estate company or licensed real estate  
148 salesperson or broker who is actively engaged in the real estate  
149 business and who does not receive any fee, commission, kickback,  
150 rebate or other payment for directly or indirectly negotiating,  
151 placing or finding a mortgage for others.

152 (g) Any person performing any act relating to mortgage  
153 loans under order of any court.

154 (h) Any natural person, or the estate of or trust  
155 created by a natural person, making a mortgage loan with his or  
156 her own funds for his or her own investment, including, but not  
157 limited to, those natural persons, or the estates of or trusts  
158 created by the natural person, who makes a purchase money mortgage  
159 or financing sales of his or her own property. Any person who  
160 enters into more than five (5) such investments or sales in any



161 twelve-month period is not exempt from being licensed under this  
162 chapter.

163 (i) Any natural person who purchases mortgage loans  
164 from a licensed mortgage company solely as an investment and who  
165 is not in the business of making or servicing mortgage loans.

166 (j) Any person who makes a mortgage loan to his or her  
167 employee as an employment benefit.

168 (k) The United States of America, the State of  
169 Mississippi or any other state, and any agency, division or  
170 corporate instrumentality thereof including, but not limited to,  
171 the Mississippi Home Corporation, Rural Economic Community  
172 Development (RECD), Habitat for Humanity, the Federal National  
173 Mortgage Association (FNMA), the Federal Home Loan Mortgage  
174 Company (FHLMC), the Government National Mortgage Association  
175 (GNMA), the United States Department of Housing and Urban  
176 Development (HUD), the Federal Housing Administration (FHA), the  
177 Department of Veterans Affairs (VA), the Farmers Home  
178 Administration (FmHA), and the Federal Land Banks and Production  
179 Credit Associations.

180 (l) Government sponsored nonprofit corporations making  
181 mortgage loans to promote home ownership or home improvements for  
182 the disadvantaged.

183 (m) A natural person who is an employee or an exclusive  
184 agent of a licensed mortgage company or any person exempted from  
185 the licensing requirements of this chapter when acting within the  
186 scope of employment or exclusive agency with the licensee or  
187 exempted person.

188 (n) Employees or exclusive agents serving as loan  
189 originators for licensed mortgage companies as defined under  
190 Section 81-18-3 are exempt from the licensing requirements of this  
191 chapter but shall register with the department as a loan  
192 originator. Any natural person required to register under this  
193 paragraph (n) shall register initially with the department and



194 thereafter file an application for renewal of registration with  
195 the department on or before August 31 of each year providing the  
196 department with such information as the department may prescribe  
197 by regulation, including, but not limited to, the business  
198 addresses where the person engages in any business activities  
199 covered by this chapter and a telephone number that customers may  
200 use to contact the person. This initial registration of a loan  
201 originator shall be accompanied by a fee of One Hundred Dollars  
202 (\$100.00). Annual renewals of this registration shall require a  
203 fee of Fifty Dollars (\$50.00). No person required to register  
204 under this paragraph (n) shall transact business in this state  
205 directly or indirectly as a mortgage company or mortgage lender  
206 unless that person is registered with the department.

207 **SECTION 4.** Section 81-18-7, Mississippi Code of 1972, is  
208 reenacted as follows:

209 81-18-7. (1) On and after the effective date of this  
210 chapter, no person or natural person shall transact business in  
211 this state, directly or indirectly, as a mortgage company unless  
212 he or she is licensed as a mortgage company by the department or  
213 is a person exempted from the licensing requirements under Section  
214 81-18-5.

215 (2) A violation of this section does not affect the  
216 obligation of the borrower under the terms of the mortgage loan.  
217 The department shall publish and provide for distribution of  
218 information regarding approved or revoked licenses.

219 (3) On and after the effective date of this chapter, every  
220 person who directly or indirectly controls a person who violates  
221 this section, including a general partner, executive officer,  
222 joint venturer, contractor or director of the person, violates  
223 this section to the same extent as the person, unless the person  
224 whose violation arises under this subsection shows by a  
225 preponderance of evidence the burden of proof that he or she did  
226 not know and, in the exercise of reasonable care, could not have



227 known of the existence of the facts by reason of which the  
228 original violation is alleged to exist.

229 **SECTION 5.** Section 81-18-9, Mississippi Code of 1972, is  
230 reenacted as follows:

231 81-18-9. (1) An application for a license under this  
232 chapter shall be made in writing and in the form as the department  
233 may prescribe.

234 (2) The application shall include at least the following:

235 (a) The legal name, residence and business address of  
236 the applicant and, if applicable the legal name, residence and  
237 business address of every principal, together with the resume of  
238 the applicant and of every principal of the applicant.

239 (b) The name under which the applicant will conduct  
240 business in the state.

241 (c) The complete address of the applicant's initial  
242 registered office, branch office(s) and any other locations at  
243 which the applicant will engage in any business activity covered  
244 by this chapter.

245 (d) A copy of the certificate of incorporation, if a  
246 Mississippi corporation.

247 (e) Documentation satisfactory to the department as to  
248 a certificate of existence of authority to transact business  
249 lawfully in Mississippi, if an individual, sole proprietorship,  
250 limited liability company, partnership, trust or any other group  
251 of individuals, however organized.

252 (f) If a foreign corporation, a copy of a certificate  
253 of authority to conduct business in Mississippi and the address of  
254 the main corporate office of the foreign corporation.

255 (g) Documentation of a minimum of two (2) years'  
256 experience directly in mortgage lending by a person or at least  
257 one (1) executive officer. Evidence shall include, where  
258 applicable:





259 (i) Copies of business licenses issued by  
260 governmental agencies.

261 (ii) Written letters of employment history of the  
262 person filing the application for at least two (2) years before  
263 the date of the filing of an application including, but not  
264 limited to, job descriptions, length of employment, names,  
265 addresses and phone numbers for past employers.

266 (iii) A listing of wholesale lenders with whom the  
267 applicant has done business with in the past two (2) years either  
268 directly as a mortgage company or indirectly as an employee of a  
269 mortgage company.

270 (iv) Any other data and pertinent information as  
271 the department may require with respect to the applicant, its  
272 directors, principals, trustees, officers, members, contractors or  
273 agents.

274 (h) In lieu of documentation of two (2) years'  
275 experience in mortgage lending by an applicant, documentation of  
276 passage of an examination covering mortgage lending, approved by  
277 the department.

278 (3) The application shall be filed together with the  
279 following:

280 (a) The license fee specified in Section 81-18-15;

281 (b) A completed and signed form authorizing the  
282 department to obtain information from outside sources for each  
283 person, executive officer and employee;

284 (c) An original or certified copy of a surety bond in  
285 favor of the State of Mississippi for the use, benefit and  
286 indemnity of any person who suffers any damage or loss as a result  
287 of the mortgage company's breach of contract or of any obligation  
288 arising therefrom or any violation of law; and

289 (d) Except as provided in this paragraph (d), a set of  
290 fingerprints from any local law enforcement agency from the  
291 following applicants:



292 (i) All individuals operating as a sole  
293 proprietorship that plan to conduct a mortgage brokering or  
294 lending business in the State of Mississippi;

295 (ii) Partners in a partnership or principal owners  
296 of a limited liability company that are or will be actively  
297 engaged in the daily operation of a mortgage brokering or lending  
298 business in the State of Mississippi;

299 (iii) The chief executive officer of a  
300 corporation, or his designee, which supervises the Mississippi  
301 location(s) and any shareholders owning twenty-five percent (25%)  
302 or more of the outstanding shares of the corporation that are or  
303 will be actively engaged in the daily operation of a mortgage  
304 brokering or lending business in the State of Mississippi; and

305 (iv) All loan originators.

306 However, any corporation that is owned by or is an affiliate  
307 of a depository institution that is insured by the Federal Deposit  
308 Insurance Corporation or the National Credit Union Administration,  
309 or any financial holding company that is registered under the Bank  
310 Holding Company Act or created under the Gramm-Leach-Bliley  
311 Financial Modernization Act of 1999, shall be exempt from the  
312 fingerprint requirement.

313 **SECTION 6.** Section 81-18-11, Mississippi Code of 1972, is  
314 reenacted as follows:

315 81-18-11. (1) For purposes of Section 81-18-9, the  
316 definitions of the classes of companies and their respective  
317 minimum amounts of surety bonds will be:

318 (a) "Correspondent lender" shall be defined as a  
319 company that directly or indirectly solicits, processes, places or  
320 negotiates mortgage loans for others, or offers to solicit,  
321 process, place or negotiate mortgage loans for others, that uses  
322 its own funds for closing and may hold loans and may service those  
323 loans for a period of time not to exceed six (6) months before  
324 selling the loan in the secondary market. The amount of the



325 surety bond for correspondent lenders shall be Fifty Thousand  
326 Dollars (\$50,000.00).

327 (b) "Mortgage broker" shall be defined as any company  
328 that directly solicits, processes, places or negotiates mortgage  
329 loans for others and that does not close mortgage loans in the  
330 company name, does not use its own funds, or who closes mortgage  
331 loans in the name of the company, and sells, assigns or transfers  
332 the loan to others within forty-eight (48) hours of the closing.  
333 The amount of the surety bond for mortgage brokers shall be  
334 Twenty-five Thousand Dollars (\$25,000.00).

335 (c) "Mortgage lender" shall be defined as any company  
336 that makes a mortgage loan, using its own funds, for others or for  
337 compensation or gain, with the expectation of retaining servicing  
338 rights to those loans, or in the expectation of gain, either  
339 directly or indirectly, sells or offers to sell a mortgage loan to  
340 an investor in the secondary market. The amount of the surety  
341 bond for a mortgage lender shall be One Hundred Fifty Thousand  
342 Dollars (\$150,000.00).

343 (2) All surety bonds shall be in favor, first, of the State  
344 of Mississippi for the use, benefit and indemnity of any person  
345 who suffers any damage or loss as a result of the mortgage  
346 company's breach of contract or of any obligation arising from  
347 contract or any violation of law, and, second, for the payment of  
348 any civil penalties, criminal fines, or costs of investigation  
349 and/or prosecution incurred by the State of Mississippi, including  
350 local law enforcement agencies.

351 **SECTION 7.** Section 81-18-13, Mississippi Code of 1972, is  
352 reenacted as follows:

353 81-18-13. (1) Upon receipt of an application for licensure  
354 or registration, which shall include the required set of  
355 fingerprints from any local law enforcement agency, the department  
356 shall conduct such an investigation as it deems necessary to  
357 determine that the applicant and its officers, directors and



358 principals are of good character and ethical reputation; that the  
359 applicant demonstrates reasonable financial responsibility; that  
360 the applicant has reasonable policies and procedures to receive  
361 and process customer grievances and inquiries promptly and fairly;  
362 and that the applicant has and maintains a place of business in  
363 this state.

364 (2) The department shall not license an applicant unless it  
365 is satisfied that the applicant will operate its mortgage company  
366 activities in compliance with the laws, rules and regulations of  
367 this state and the United States.

368 (3) The department shall not license any mortgage company  
369 unless the applicant meets the requirements of Section 81-18-11.

370 (4) The department shall not issue a license or registration  
371 certificate if it finds that the applicant, or any person who is a  
372 director, officer, partner or principal of the applicant, has been  
373 convicted within ten (10) years of the application for license or  
374 registration of a felony involving moral turpitude in any  
375 jurisdiction or of a crime that, if committed within this state,  
376 would constitute a felony involving moral turpitude under the laws  
377 of this state. For the purposes of this chapter, a person shall  
378 be deemed to have been convicted of a crime if the person has  
379 pleaded guilty to a crime before a court or federal magistrate, or  
380 plea of nolo contendere, or has been found guilty of a crime by  
381 the decision or judgment of a court or federal magistrate or by  
382 the verdict of a jury, irrespective of the pronouncement of  
383 sentence or the suspension of a sentence, unless the plea of  
384 guilty, or the decision, judgment or verdict, has been set aside,  
385 reversed or otherwise abrogated by lawful judicial process, or  
386 unless the person convicted of the crime has received a pardon  
387 from the President of the United States or the Governor or other  
388 pardoning authority in the jurisdiction where the conviction was  
389 obtained.



390 (5) In order to determine the applicant's suitability for a  
391 license, the commissioner shall forward the fingerprints submitted  
392 with the application to the Department of Public Safety; and if no  
393 disqualifying record is identified at the state level, the  
394 fingerprints shall be forwarded by the Department of Public Safety  
395 to the FBI for a national criminal history record check. All  
396 conviction data received by the department shall be used by the  
397 department for the exclusive purpose of carrying out the  
398 responsibilities of this chapter, may not be a public record,  
399 shall be privileged, and may not be disclosed to any other person  
400 or agency, except to any person or agency that otherwise has a  
401 legal right to inspect the file. All records shall be maintained  
402 by the department according to law. As used in this section  
403 "conviction data" means a record of a finding or verdict of guilty  
404 or plea of guilty or plea of nolo contendere with regard to any  
405 crime regardless of whether an appeal of the conviction has been  
406 sought.

407 (6) The department shall deny a license or registration  
408 certificate or otherwise restrict a license or registration  
409 certificate if it finds that the applicant, or any person who is a  
410 director, officer, partner, affiliate, contractor or principal of  
411 the applicant, has had any professional license denied, revoked or  
412 suspended by any state within two (2) years of the date of the  
413 application.

414 (7) Within fifteen (15) days after receipt of a completed  
415 application, final verification from the Department of Public  
416 Safety and/or FBI, and payment of licensing fees prescribed by  
417 this chapter, the department shall either grant or deny the  
418 request for license.

419 (8) A person shall not be indemnified for any act covered by  
420 this chapter or for any fine or penalty incurred under this  
421 chapter as a result of any violation of this chapter or  
422 regulations adopted under this chapter, due to the legal form,



423 corporate structure or choice of organization of the person,  
424 including, but not limited to, a limited liability corporation.

425 **SECTION 8.** Section 81-18-15, Mississippi Code of 1972, is  
426 reenacted as follows:

427 81-18-15. (1) Each license shall remain in full force and  
428 effect until relinquished, suspended, revoked or expired. With  
429 each initial application for a license, the applicant shall pay to  
430 the commissioner a license fee of Seven Hundred Fifty Dollars  
431 (\$750.00), and on or before August 31 of each year thereafter, an  
432 annual renewal fee of Four Hundred Seventy-five Dollars (\$475.00).  
433 If the annual renewal fee remains unpaid thirty (30) days after  
434 August 31, the license shall expire, but not before September 30  
435 of any year for which the annual renewal fee has been paid. If  
436 any person engages in business as provided for in this chapter  
437 without paying the license fee provided for in this subsection  
438 before commencing business or before the expiration of the  
439 person's current license, as the case may be, then the person  
440 shall be liable for the full amount of the license fee, plus a  
441 penalty in an amount not to exceed Twenty-five Dollars (\$25.00)  
442 for each day that the person has engaged in such business without  
443 a license or after the expiration of a license. All licensing  
444 fees and penalties shall be paid into the Consumer Finance Fund of  
445 the department.

446 (2) Any licensee making timely and proper application for a  
447 license renewal shall be permitted to continue to operate under  
448 its existing license until its application is approved or  
449 rejected, but shall not be released from or otherwise indemnified  
450 for any act covered by this chapter or for any penalty incurred  
451 under this chapter as a result of any violation of this chapter or  
452 regulations adopted under this chapter, pending final approval or  
453 disapproval of the application for the license renewal.

454 (3) Each application for licensing renewal or registration  
455 renewal shall include evidence of the satisfactory completion of



456 at least twelve (12) hours of approved continuing education in  
457 primary and subordinated financing transactions by the officers  
458 and principals who are or will be actively engaged in the daily  
459 operation of a mortgage company in the State of Mississippi and  
460 registered originators. For purposes of this subsection (3),  
461 approved courses shall be those as approved by the Mississippi  
462 Mortgage Bankers Association, the Education Committee of the  
463 National Association of Mortgage Brokers or the Mississippi  
464 Association of Mortgage Brokers, who shall submit to the  
465 department a listing of approved schools, courses, programs and  
466 special training sessions.

467 **SECTION 9.** Section 81-18-17, Mississippi Code of 1972, is  
468 reenacted as follows:

469 81-18-17. (1) Each license issued under this chapter shall  
470 state the address of the licensee's principal place of business in  
471 Mississippi and the name of the licensee.

472 (2) A licensee shall post a copy of the license in a  
473 conspicuous place in each place of business of the licensee.

474 (3) A license may not be transferred or assigned.

475 (4) No licensee shall transact business under any name other  
476 than that designated in the license.

477 (5) Each licensee shall notify the department, in writing,  
478 of any change in the address of its principal place of business or  
479 of any additional location of business or any change of officer,  
480 director or principal of the licensee within thirty (30) days of  
481 the change.

482 (6) No licensee shall open a branch office without prior  
483 approval of the department. An application for any branch office  
484 shall be made in writing on a form prescribed by the department,  
485 which shall include at least evidence of compliance with  
486 subsection (1) of Section 81-18-25 as to that branch and shall be  
487 accompanied by payment of a nonrefundable application fee of One  
488 Hundred Dollars (\$100.00). The application shall be approved



489 unless the department finds that the applicant has not conducted  
490 business under this chapter in accordance with law. The  
491 application shall be deemed approved if notice to the contrary has  
492 not been mailed by the department to the applicant within thirty  
493 (30) days of the date that the application is received by the  
494 department. After approval, the applicant shall give written  
495 notice to the department within ten (10) days of the commencement  
496 of business at the branch office.

497 **SECTION 10.** Section 81-18-19, Mississippi Code of 1972, is  
498 reenacted and amended as follows:

499 81-18-19. (1) Except as provided in this section, on and  
500 after July 1, 2000, no person shall acquire directly or indirectly  
501 ten percent (10%) or more of the voting shares of a corporation or  
502 ten percent (10%) or more of the ownership of any other entity  
503 licensed to conduct business under this chapter unless it first  
504 does all of the following:

505 (a) Files an application in such form as the department  
506 may prescribe.

507 (b) Delivers any other information required by the  
508 department \* \* \* concerning the surety bond, the applicants'  
509 background and experience, and activities, its directors and  
510 officers, if applicable, and its members, if applicable, and of  
511 any proposed new directors, officers or members of the licensee.

512 (c) Pays an application fee of One Hundred Fifty  
513 Dollars (\$150.00).

514 (2) Upon the filing and investigation of an application, the  
515 department shall permit the applicant to acquire the interest in  
516 the licensee if it is satisfied and finds that the applicant and  
517 its members, if applicable, its directors and officers, if a  
518 corporation, and any proposed new directors and officers have  
519 provided its surety bond and have the character, reputation and  
520 experience to warrant belief that the business will be operated  
521 fairly and in accordance with the law. The department shall grant





522 or deny the application within sixty (60) days from the date a  
523 completed application accompanied by the required fee is filed,  
524 unless the period is extended by order of the department  
525 specifying the reasons for the extension. If the application is  
526 denied, the department shall notify the applicant of the denial  
527 and the reasons for the denial.

528 (3) A decision of the department denying a license or  
529 registration, original or renewal shall be conclusive, except that  
530 the applicant may seek judicial review in the Chancery Court of  
531 the First Judicial District of Hinds County, Mississippi.

532 (4) The provisions of this section do not apply to the  
533 following, subject to notification as required in this section:

534 (a) The acquisition of an interest in a licensee  
535 directly or indirectly including an acquisition by merger or  
536 consolidation by or with a person exempt from Sections 81-18-1  
537 through 81-18-51 under Section 81-18-5.

538 (b) The acquisition of an interest in a licensee  
539 directly or indirectly including an acquisition by merger or  
540 consolidation by or with a person affiliated through common  
541 ownership with the licensee.

542 (c) The acquisition of an interest in a licensee by a  
543 person by bequest, devise, gift or survivorship or by operation of  
544 law.

545 (5) A person acquiring an interest in a licensee in a  
546 transaction that is requesting exemption from filing an  
547 application for approval of the application shall send a written  
548 request to the department for an exemption within thirty (30) days  
549 before the closing of the transaction.

550 **SECTION 11.** Section 81-18-21, Mississippi Code of 1972, is  
551 reenacted as follows:

552 81-18-21. (1) Any person required to be licensed under this  
553 chapter shall maintain in its offices, or such other location as  
554 the department shall permit, the books, accounts and records



555 necessary for the department to determine whether or not the  
556 person is complying with the provisions of this chapter and the  
557 rules and regulations adopted by the department under this  
558 chapter. These books, accounts and records shall be maintained  
559 apart and separate from any other business in which the person is  
560 involved and may represent historical data for two (2) years  
561 preceding the date of the last license application date forward.

562 (2) To assure compliance with the provisions of this  
563 chapter, the department may examine the books and records of any  
564 licensee without notice during normal business hours. The  
565 commissioner shall charge the licensee an examination fee in an  
566 amount not less than Two Hundred Dollars (\$200.00) nor more than  
567 Three Hundred Dollars (\$300.00) per examination of each office or  
568 location within the State of Mississippi, plus any actual expenses  
569 incurred while examining the licensee's records or books that are  
570 located outside the State of Mississippi. However, in no event  
571 shall a licensee be examined more than once in a two-year period  
572 unless for cause shown based upon consumer complaint and/or other  
573 exigent reasons as determined by the commissioner.

574 (3) The department, its designated officers and employees,  
575 or its duly authorized representatives, for the purposes of  
576 discovering violations of this chapter and for the purpose of  
577 determining whether any person or individual reasonably suspected  
578 by the commissioner of conducting business that requires a license  
579 or registration under this chapter, may investigate those persons  
580 and individuals and examine all relevant books, records and papers  
581 employed by those persons or individuals in the transaction of  
582 business, and may summon witnesses and examine them under oath  
583 concerning matters as to the business of those persons, or other  
584 such matters as may be relevant to the discovery of violations of  
585 this chapter including, without limitation, the conduct of  
586 business without a license or registration as required under this  
587 chapter.



588 (4) The department, in its discretion, may disclose  
589 information concerning any violation of this chapter or any rule,  
590 regulation or order under this chapter, provided the information  
591 is derived from a final order of the department.

592 (5) Examinations and investigations conducted under this  
593 chapter and information obtained by the department, except as  
594 provided in subsection (4) of this section, in the course of its  
595 duties under this chapter are confidential.

596 (6) In the absence of malice, fraud or bad faith a person is  
597 not subject to civil liability arising from the filing of a  
598 complaint with the department, furnishing other information  
599 required by this chapter, information required by the department  
600 under the authority granted in this chapter, or information  
601 voluntarily given to the department related to allegations that a  
602 licensee or prospective licensee has violated this chapter.

603 **SECTION 12.** Section 81-18-23, Mississippi Code of 1972, is  
604 reenacted as follows:

605 81-18-23. (1) Each licensee shall annually, on or before  
606 April 1, file a written report with the department containing the  
607 information that the department may reasonably require concerning  
608 the licensee's business and operations during the preceding  
609 calendar year. The report shall be made in the form prescribed by  
610 the department.

611 (2) Any licensee who fails to file with the department by  
612 April 1 the report required by this section shall be subject to a  
613 late penalty of Fifty Dollars (\$50.00) for each day after April 1  
614 the report is delinquent, but in no event shall the aggregate of  
615 late penalties exceed Five Hundred Dollars (\$500.00).

616 (3) The department, in its discretion, may relieve any  
617 licensee from the payment of any penalty, in whole or in part, for  
618 good cause.



619 (4) If a licensee fails to pay a penalty from which it has  
620 not been relieved, the department may maintain an action at law to  
621 recover the penalty.

622 **SECTION 13.** Section 81-18-25, Mississippi Code of 1972, is  
623 reenacted as follows:

624 81-18-25. (1) Each licensee shall maintain and transact  
625 business from a principal place of business in the state.

626 (2) Each principal place of business and branch office in  
627 the state also shall meet all of the following requirements:

628 (a) Be in compliance with local zoning ordinances and  
629 have posted any licenses required by local government agencies.

630 It is the responsibility of the licensee to meet local zoning  
631 ordinances and obtain the required occupational licenses.

632 (b) Consist of at least one (1) enclosed room or  
633 building of stationary construction in which negotiations of  
634 mortgage loan transactions may be conducted in privacy.

635 (c) Display a permanent sign outside the place of  
636 business readily visible to the general public, unless the display  
637 of sign violates local zoning ordinances or restrictive covenants.  
638 The sign must contain the name of the licensee and the words  
639 "Mississippi Licensed Mortgage Company."

640 (3) Each licensee shall prominently display a copy of its  
641 current license at the principal place of business and each branch  
642 office.

643 (4) Each person registered under this chapter shall  
644 prominently display his or her registration in the office where  
645 the person is employed.

646 **SECTION 14.** Section 81-18-27, Mississippi Code of 1972, is  
647 reenacted as follows:

648 81-18-27. No person required to be licensed or registered  
649 under this chapter shall:

650 (a) Misrepresent the material facts or make false  
651 promises intended to influence, persuade or induce an applicant



652 for a mortgage loan or mortgagee to take a mortgage loan or cause  
653 or contribute to misrepresentation by its agents or employees.

654 (b) Misrepresent to or conceal from an applicant for a  
655 mortgage loan or mortgagor, material facts, terms or conditions of  
656 a transaction to which the mortgage company is a party.

657 (c) Fail to disburse funds in accordance with a written  
658 commitment or agreement to make a mortgage loan.

659 (d) Improperly refuse to issue a satisfaction of a  
660 mortgage loan.

661 (e) Fail to account for or deliver to any person any  
662 personal property obtained in connection with a mortgage loan,  
663 such as money, funds, deposits, checks, drafts, mortgages or other  
664 documents or things of value that have come into the possession of  
665 the mortgage company and that are not the property of the mortgage  
666 company, or that the mortgage company is not by law or at equity  
667 entitled to retain.

668 (f) Engage in any transaction, practice or course of  
669 business that is not in good faith, or that operates a fraud upon  
670 any person in connection with the making of or purchase or sale of  
671 any mortgage loan.

672 (g) Engage in any fraudulent residential mortgage  
673 underwriting practices.

674 (h) Induce, require or otherwise permit the applicant  
675 for a mortgage loan or mortgagor to sign a security deed, note or  
676 other pertinent financial disclosure documents with any blank  
677 spaces to be filled in after it has been signed, except blank  
678 spaces relating to recording or other incidental information not  
679 available at the time of signing.

680 (i) Make, directly or indirectly, any residential  
681 mortgage loan with the intent to foreclose on the borrower's  
682 property. For purposes of this paragraph, there is a presumption  
683 that a person has made a residential mortgage loan with the intent



684 to foreclose on the borrower's property if all of the following  
685 circumstances are proven:

686 (i) Lack of substantial benefit to the borrower;

687 (ii) The probability that full payment of the loan  
688 cannot be made by the borrower;

689 (iii) That the person has made a significant  
690 proportion of loans foreclosed under similar circumstances;

691 (iv) That the person has provided an extension of  
692 credit or collected a mortgage debt by extortion;

693 (v) That the person does business under a trade  
694 name that misrepresents or tends to misrepresent that the person  
695 is a bank, trust company, savings bank, savings and loan  
696 association, credit union or insurance company.

697 (j) Charge or collect any direct payment, compensation  
698 or advance fee from a borrower unless and until a loan is actually  
699 found, obtained and closed for that borrower, and in no event  
700 shall that direct payment, compensation or advance fee exceed  
701 seven and ninety-five one-hundredths percent (7.95%) of the  
702 original principal amount of the loan, and any such direct  
703 payments, compensation or advance fees shall be included in all  
704 annual percentage rate (APR) calculations if required under  
705 Regulation Z of the federal Truth in Lending Act (TILA). A direct  
706 payment, compensation or advance fee as defined in this section  
707 shall not include:

708 (i) Any direct payment, compensation or advance  
709 fee collected by a licensed mortgage company to be paid to a  
710 nonrelated third party;

711 (ii) Any indirect payment to a licensed mortgage  
712 company by a lender if those fees are not required to be disclosed  
713 under the Real Estate Settlement Procedures Act (RESPA);

714 (iii) Any indirect payment or compensation by a  
715 lender to a licensed mortgage company required to be disclosed by  
716 the licensed mortgage company under RESPA, provided that the



717 payment or compensation is disclosed to the borrower by the  
718 licensed mortgage company on a good faith estimate of costs, is  
719 included in the APR if required under Regulation Z of TILA, and is  
720 made pursuant to a written agreement between the licensed mortgage  
721 company and the borrower as may be required by Section 81-18-33;  
722 or

723 (iv) A fee not to exceed one percent (1%) of the  
724 principal amount of a loan for construction, provided that a  
725 binding commitment for the loan has been obtained for the  
726 prospective borrower.

727 **SECTION 15.** Section 81-18-29, Mississippi Code of 1972, is  
728 reenacted as follows:

729 81-18-29. The department shall promulgate those rules and  
730 regulations, not inconsistent with law, necessary for the  
731 enforcement of this chapter.

732 **SECTION 16.** Section 81-18-31, Mississippi Code of 1972, is  
733 reenacted as follows:

734 81-18-31. The department shall promulgate regulations  
735 governing the advertising of mortgage loans, including, but not  
736 limited to, the following requirements:

737 (a) That all advertisements for loans regulated under  
738 this chapter may not be false, misleading or deceptive. No person  
739 whose activities are regulated under this chapter may advertise in  
740 any manner so as to indicate or imply that its interest rates or  
741 charges for loans are "recommended," "approved," "set" or  
742 "established" by the State of Mississippi;

743 (b) That all licensees shall maintain a copy of all  
744 advertisements citing interest rates or payment amounts primarily  
745 disseminated in this state and shall attach to each advertisement  
746 documentation that provides corroboration of the availability of  
747 the interest rate and terms of loans and names the specific media  
748 sources by which the advertisements were distributed;



749 (c) That all published advertisements disseminated  
750 primarily in this state by a license shall contain the name and an  
751 office address of the licensee, which shall be the same as the  
752 name and address of the licensee on record with the department;

753 (d) That an advertisement containing either a quoted  
754 interest rate or monthly payment amount must include:

755 (i) The interest rate of the mortgage, a statement  
756 as to whether the rate is fixed or adjustable, and the adjustment  
757 index and frequency of adjustments;

758 (ii) The term in years or months to fully repay  
759 the mortgage; and

760 (iii) The APR as computed under federal  
761 guidelines; and

762 (e) That no licensee shall advertise its services in  
763 Mississippi in any media disseminated primarily in this state,  
764 whether print or electronic, without the words "Mississippi  
765 Licensed Mortgage Company."

766 **SECTION 17.** Section 81-18-33, Mississippi Code of 1972, is  
767 reenacted as follows:

768 81-18-33. The individual borrower files of a mortgage  
769 company shall contain at least the following:

770 (a) A mortgage origination agreement provided to the  
771 borrower containing at least the information as contained in the  
772 currently effective form of HUD-1-B and including the following  
773 statements:

774 (i) "As required by Mississippi Law, (licensed  
775 company name) has secured a bond issued by (name of insurance  
776 company), a surety company authorized to do business in this  
777 state. A certified copy of this bond is filed with the  
778 Mississippi Commissioner of Banking and Consumer Finance."

779 (ii) "As a borrower you are protected under the  
780 Mississippi Mortgage Consumer Protection Act."





781 (iii) "Complaints against a mortgage company may  
782 be made by contacting the:

783 Mississippi Department of Banking and  
784 Consumer Finance  
785 P.O. Box 23729  
786 Jackson, MS 39225-3729";

787 (b) A copy of the original loan application signed and  
788 dated by the mortgage company;

789 (c) A copy of the signed closing statement as required  
790 by HUD or documentation of denial or cancellation of the loan  
791 application;

792 (d) A copy of the good faith estimate of costs provided  
793 to the borrower;

794 (e) A copy of the appraisal or statement of value if  
795 procured as a part of the loan application process;

796 (f) Evidence of a loan lock-in provided by the lender;  
797 and

798 (g) A copy of the disclosures required under Regulation  
799 Z of the federal Truth In Lending Act and other disclosures as  
800 required under federal regulations and evidence that those  
801 disclosures have been properly and timely made to the borrower.

802 **SECTION 18.** Section 81-18-35, Mississippi Code of 1972, is  
803 reenacted as follows:

804 81-18-35. Each licensee shall maintain a journal of mortgage  
805 transactions at the principal place of business as stated on its  
806 license, which shall include at least the following information:

807 (a) Name of applicant;

808 (b) Date of application; and

809 (c) Disposition of loan application, indicating date of  
810 loan funding, loan denial, withdrawal and name of lender if  
811 applicable.

812 **SECTION 19.** Section 81-18-37, Mississippi Code of 1972, is  
813 reenacted as follows:



814           81-18-37. (1) The department may suspend or revoke any  
815 license or registration for any reason that would have been  
816 grounds for refusal to issue an original license or registration  
817 or for:

818                   (a) A violation of any provision of this chapter or any  
819 rule or regulation adopted under this chapter;

820                   (b) Failure of the licensee or registrant to pay,  
821 within thirty (30) days after it becomes final and nonappealable,  
822 a judgment recovered in any court within this state by a claimant  
823 or creditor in an action arising out of the licensee's or  
824 registrant's business in this state as a mortgage company.

825           (2) Notice of the department's intention to enter an order  
826 denying an application for a license or registration under this  
827 chapter or of an order suspending or revoking a license or  
828 registration under this chapter shall be given to the applicant,  
829 licensee or registrant in writing, sent by registered or certified  
830 mail addressed to the principal place of business of the  
831 applicant, licensee or registrant. Within thirty (30) days of the  
832 date of the notice of intention to enter an order of denial,  
833 suspension or revocation under this chapter, the applicant,  
834 licensee or registrant may request in writing a hearing to contest  
835 the order. If a hearing is not requested in writing within thirty  
836 (30) days of the date of the notice of intention, the department  
837 shall enter a final order regarding the denial, suspension or  
838 revocation. Any final order of the department denying, suspending  
839 or revoking a license or registration shall state the grounds upon  
840 which it is based and shall be effective on the date of issuance.  
841 A copy of the final order shall be forwarded promptly by  
842 registered or certified mail addressed to the principal place of  
843 business of the applicant, licensee or registrant.

844           **SECTION 20.** Section 81-18-39, Mississippi Code of 1972, is  
845 reenacted as follows:



846           81-18-39. (1) For purposes of this section, the term  
847 "person" shall be construed to include any officer, director,  
848 employee, affiliate or other person participating in the conduct  
849 of the affairs of the person subject to the orders issued under  
850 this section.

851           (2) If the department reasonably determines that a person  
852 required to be licensed or registered under this chapter has  
853 violated any law of this state or any order or regulation of the  
854 department, the department may issue a written order requiring the  
855 person to cease and desist from unlawful or unauthorized  
856 practices. In the case of an unlawful purchase of mortgage loans,  
857 the cease and desist order to a purchaser shall constitute the  
858 knowledge required under this section for any subsequent  
859 violations.

860           (3) Whenever a person required to be licensed or registered  
861 under this chapter fails to comply with the terms of an order of  
862 the department that has been properly issued, the department, upon  
863 notice of three (3) days to the person, may petition a court of  
864 competent jurisdiction for an order directing the person to obey  
865 the orders of the department within a period of time specified by  
866 the court. Upon the filing of a petition, the court shall issue  
867 an order to the licensee requiring the licensee to show cause why  
868 it should not be entered. If the court determines, after a  
869 hearing upon the merits or after failure of the person to appear  
870 when so ordered, that the order of the department was properly  
871 issued, it shall grant the relief sought by the department.

872           (4) Any person required to be licensed or registered under  
873 this chapter who has been deemed by the court to have violated the  
874 terms of any order properly issued by the department under this  
875 section shall be liable for a civil penalty not to exceed Three  
876 Thousand Dollars (\$3,000.00). The department, in determining the  
877 amount of the penalty, shall take into account the appropriateness  
878 of the penalty relative to the size of the financial resources of



879 the person, the good faith efforts of the person to comply with  
880 the order, the gravity of the violation, the history of previous  
881 violations by the person, and other factors or circumstances that  
882 contributed to the violation. The department may compromise,  
883 modify or refund any penalty that has been imposed under this  
884 section. Any person assessed a penalty as provided in this  
885 subsection shall have the right to request a hearing on the amount  
886 of the penalty within ten (10) days after receiving notification  
887 of the assessment. If no hearing is requested within ten (10)  
888 days of the receipt of the notice, the penalty shall be final  
889 except as to judicial review in the Chancery Court of the First  
890 Judicial District of Hinds County.

891 **SECTION 21.** Section 81-18-41, Mississippi Code of 1972, is  
892 reenacted as follows:

893 81-18-41. Nothing in this chapter shall preclude a person  
894 whose license or registration has been suspended or revoked from  
895 continuing to service mortgage loans pursuant to servicing  
896 contracts in existence at the time of the suspension or  
897 revocation.

898 **SECTION 22.** Section 81-18-43, Mississippi Code of 1972, is  
899 reenacted as follows:

900 81-18-43. (1) In addition to any other penalty that may be  
901 applicable, any licensee, individual required to be registered, or  
902 employee who willfully violates any provision of this chapter, or  
903 who willfully makes a false entry in any document specifically  
904 required by this chapter, shall be guilty of a misdemeanor and,  
905 upon conviction thereof, shall be punishable by a fine not in  
906 excess of One Thousand Dollars (\$1,000.00) per violation or false  
907 entry.

908 (2) In addition to any other penalty that may be applicable,  
909 any licensee, individual required to be registered, or employee  
910 who fails to make a record of a mortgage transaction and



911 subsequently sells or disposes of the mortgage from that  
912 transaction shall be punished as follows:

913 (a) For a first offense, the licensee, individual  
914 required to be registered, or employee shall be guilty of a  
915 misdemeanor and, upon conviction thereof, shall be punishable by a  
916 fine not in excess of One Thousand Dollars (\$1,000.00) or by  
917 imprisonment in the county jail for not more than one (1) year, or  
918 both fine and imprisonment;

919 (b) For a second or subsequent offense, the licensee,  
920 individual required to be registered, or employee shall be guilty  
921 of a felony and, upon conviction thereof, shall be punishable by a  
922 fine not in excess of Five Thousand Dollars (\$5,000.00) or by  
923 imprisonment in the custody of the State Department of Corrections  
924 for a term not less than one (1) year nor more than five (5)  
925 years, or by both fine and imprisonment.

926 (3) Compliance with the criminal provisions of this chapter  
927 shall be enforced by the appropriate law enforcement agency, which  
928 may exercise for that purpose any authority conferred upon the  
929 agency by law.

930 (4) When the commissioner has reasonable cause to believe  
931 that a person is violating any provision of this chapter, the  
932 commissioner, in addition to and without prejudice to the  
933 authority provided elsewhere in this chapter, may enter an order  
934 requiring the person to stop or to refrain from the violation.  
935 The commissioner may sue in any chancery court of the state having  
936 jurisdiction and venue to enjoin the person from engaging in or  
937 continuing the violation or from doing any act in furtherance of  
938 the violation. In such an action, the court may enter an order or  
939 judgment awarding a preliminary or permanent injunction.

940 (5) The commissioner may, after notice and hearing, impose a  
941 civil penalty against any licensee if the licensee, individual  
942 required to be registered, or employee is adjudged by the  
943 commissioner to be in violation of the provisions of this chapter.



944 The civil penalty shall not exceed Five Hundred Dollars (\$500.00)  
945 per violation and shall be deposited into the Consumer Finance  
946 Fund of the department.

947 (6) The state may enforce its rights under the surety bond  
948 as required in Section 81-18-11 as an available remedy for the  
949 collection of any civil penalties, criminal fines or costs of  
950 investigation and/or prosecution incurred.

951 **SECTION 23.** Section 81-18-45, Mississippi Code of 1972, is  
952 reenacted as follows:

953 81-18-45. The commissioner may employ the necessary  
954 full-time employees above the number of permanent full-time  
955 employees authorized for the department for the fiscal year 2001,  
956 to carry out and enforce the provisions of this chapter. The  
957 commissioner also may expend the necessary funds and equip and  
958 provide necessary travel expenses for those employees.

959 **SECTION 24.** Section 81-18-47, Mississippi Code of 1972, is  
960 reenacted as follows:

961 81-18-47. (1) A licensee under this chapter shall have no  
962 liability for any act or practice done or omitted in conformity  
963 with (a) any rule or regulation of the commissioner, or (b) any  
964 rule, regulation, interpretation or approval of any other state or  
965 federal agency or any opinion of the Attorney General,  
966 notwithstanding that after such act or omission has occurred the  
967 rule, regulation, interpretation, approval or opinion is amended,  
968 rescinded, or determined by judicial or other authority to be  
969 invalid for any reason.

970 (2) A licensee under this chapter, acting in conformity with  
971 a written interpretation or approval by an official or employee of  
972 any state or federal agency or department, shall be presumed to  
973 have acted in accordance with applicable law, notwithstanding that  
974 after such act has occurred, the interpretation or approval is  
975 amended, rescinded, or determined by judicial or other authority  
976 to be incorrect or invalid for any reason.



977           **SECTION 25.** Section 81-18-49, Mississippi Code of 1972, is  
978 reenacted as follows:

979           81-18-49. Notwithstanding any provisions of this chapter to  
980 the contrary, mortgage companies engaging in business on or before  
981 June 1, 2000, shall be duly licensed by the department after  
982 submitting not later than January 1, 2001, the required documents  
983 and fees provided in Sections 81-18-9 and 81-18-15. However, upon  
984 the expiration of the initial licenses for such mortgage  
985 companies, the department shall renew the licenses only if the  
986 mortgage companies satisfy all of the provisions of this chapter.

987           **SECTION 26.** Section 81-18-51, Mississippi Code of 1972, is  
988 amended as follows:

989           81-18-51. Sections 81-18-1 through 81-18-49 shall stand  
990 repealed on July 1, 2003.

991           **SECTION 27.** This act shall take effect and be in force from  
992 and after July 1, 2002.

