

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**Senate Bill No. 2350**

**BY: Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

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

55           81-18-1. This chapter shall be known and cited as the  
56 Mississippi Mortgage Consumer Protection Law.

57           **SECTION 2.** Section 81-18-3, Mississippi Code of 1972, is  
58 reenacted and amended as follows:

59           81-18-3. For purposes of this chapter, the following terms  
60 shall have the following meanings:

61           (a) "Application" means the submission of a borrower's  
62 financial information in anticipation of a credit decision,  
63 whether written or computer-generated. If the submission does not  
64 state or identify a specific property, the submission is an  
65 application for a prequalification and not an application for a  
66 federally related mortgage loan. The subsequent addition of an  
67 identified property to the submission converts the submission to  
68 an application for a federally related mortgage loan.

69           (b) "Borrower" means a person who submits an  
70 application for a loan secured by a first or subordinate mortgage

71 or deed of trust on a single- to four-family home to be occupied  
72 by a natural person.

73 (c) "Branch" means a location of a company in or  
74 outside of the state that conducts business as a mortgage broker  
75 or mortgage lender \* \* \*. A location shall be considered a branch  
76 in any of the following:

77 (i) If the location is used on any type of  
78 advertisement;

79 (ii) If any type of record, loan file or  
80 application of the company is located at the location, with the  
81 exception of unstaffed storage facilities; or

82 (iii) If a \* \* \* consumer is received at the  
83 location or is directed to deliver any information by any means to  
84 the location in regards to Mississippi residential property.

85 (d) "Commissioner" means the Commissioner of the  
86 Mississippi Department of Banking and Consumer Finance.

87 (e) "Commitment" means a statement by a lender required  
88 to be licensed \* \* \* under this chapter that sets forth the terms  
89 and conditions upon which the lender is willing to make a  
90 particular mortgage loan to a particular borrower.

91 (f) "Company" means a licensed mortgage broker or  
92 mortgage lender under this chapter.

93 (g) "Control" means the direct or indirect possession  
94 of the power to direct or cause the direction of the management  
95 and policies of a person, whether through the ownership of voting  
96 securities, by contract or otherwise, and shall include  
97 "controlling," "controlled by," and "under common control with."

98 (h) "Department" means the Department of Banking and  
99 Consumer Finance of the State of Mississippi.

100 (i) "Executive officer" means the chief executive  
101 officer, the president, the principal financial officer, the  
102 principal operating officer, each vice president with

103 responsibility involving policy-making functions for a significant  
104 aspect of a person's business, the secretary, the treasurer, or  
105 any other person performing similar managerial or supervisory  
106 functions with respect to any organization whether incorporated or  
107 unincorporated.

108           (j) "License" means a license to act as a mortgage  
109 broker or mortgage lender issued by the department under this  
110 chapter.

111           (k) "Licensee" means a person \* \* \* who is required to  
112 be licensed as a mortgage broker or mortgage lender under this  
113 chapter.

114           (l) "Loan originator" means an individual who is an  
115 employee of a \* \* \* mortgage broker or mortgage lender working  
116 from one licensed location, whose conduct of the mortgage business  
117 is the responsibility of the company, and whose job  
118 responsibilities include direct contact with borrowers during the  
119 loan origination process, which may include soliciting,  
120 negotiating, acquiring, arranging or making mortgage loans for  
121 others, \* \* \* assisting with the preparation of loan applications  
122 or other documents, quoting loan rates or terms, or providing  
123 required disclosures. This individual must work for a  
124 licensed \* \* \* company and work from the licensed location with  
125 the department. However, an owner of a minimum of ten percent  
126 (10%) of a licensed company or the named principal officer on file  
127 with the department, which are registered loan originators with  
128 the department, may work from any licensed location of the  
129 licensed company on a temporary basis, in the capacity of a loan  
130 originator as described in this chapter. The term does not  
131 include individuals whose job responsibilities on behalf of a  
132 company are solely clerical in nature, which is defined as normal  
133 office procedures, not including any duties listed in the  
134 definition of "loan originator," or sales representatives of a

135 licensed Mississippi manufactured housing operation who transmits  
136 information concerning a sale via mail, courier service, or  
137 electronically to a licensee or registered originator.

138 (m) "Loan processor" means an employee of a licensed  
139 mortgage broker, mortgage lender or a person exempt from licensure  
140 under this chapter and who performs, under the direction and  
141 supervision of the mortgage broker, lender, originator or other  
142 exempt person, certain clerical duties in connection with  
143 residential mortgage loan transactions, which may include  
144 collecting financial information and other related documentation  
145 that is a part of the mortgage loan application process, ordering  
146 verification of employment, verification of deposits, requests for  
147 mortgage or other information necessary to process the mortgage  
148 loan application. A loan processor may not perform any of the  
149 duties of an originator enumerated in paragraph (1), but a loan  
150 originator may perform the duties of a loan processor.

151 (n) "Lock-in agreement" means a written agreement  
152 stating the terms of the lock-in fee.

153 (o) "Lock-in fee" means a fee collected by a licensee  
154 to be paid to a lender to guarantee an interest rate or a certain  
155 number of points on a mortgage loan from the lender.

156 (p) "Make a mortgage loan" means to advance funds,  
157 offer to advance funds or make a commitment to advance funds to a  
158 borrower.

159 (q) "Misrepresent" means to make a false statement of a  
160 substantive fact or to engage in, with intent to deceive or  
161 mislead, any conduct that leads to a false belief that is material  
162 to the transaction.

163 \* \* \*

164 (r) "Mortgage broker" means any person who directly or  
165 indirectly or by electronic activity solicits, places or  
166 negotiates mortgage loans for others, or offers to solicit, place

167 or negotiate mortgage loans for others that does not close  
168 mortgage loans in the company name, does not use its own funds, or  
169 who closes mortgage loans in the name of the company, and sells,  
170 assigns or transfers the loan to others within forty-eight (48)  
171 hours of the closing.

172 (s) "Mortgage lender" means any person who directly or  
173 indirectly or by electronic activity originates, makes, funds or  
174 purchases or offers to originate, make, or fund or purchase a  
175 residential mortgage loan or who services mortgage loans.

176 (t) "Mortgage lending process" means the process  
177 through which a person seeks or obtains a mortgage loan,  
178 including, but not limited to, solicitation, application,  
179 origination, negotiation of terms, third-party provider services,  
180 underwriting, signing and closing, and funding of the loan.  
181 Documents involved in the mortgage lending process include, but  
182 are not limited to, uniform residential loan applications or other  
183 loan applications, appraisal reports, HUD-1 settlement statements,  
184 supporting personal documentation for loan applications such as  
185 W-2 forms, verifications of income and employment, bank  
186 statements, tax returns, payroll stubs and any required  
187 disclosures.

188 (u) "Mortgage loan" means a loan or agreement to extend  
189 credit made to a natural person, which loan is secured by a deed  
190 to secure debt, security deed, mortgage, security instrument, deed  
191 of trust or other document representing a security interest or  
192 loan upon any interest in a lot intended for residential purposes,  
193 or single- to four-family residential property located in  
194 Mississippi, regardless of where made, including the renewal or  
195 refinancing of any loan.

196 (v) "Multistate licensing system" means a system  
197 involving one or more states, the District of Columbia or the  
198 Commonwealth of Puerto Rico established to facilitate the sharing

199 of regulatory information and the licensing and application  
200 processes, by electronic or other means, for mortgage brokers,  
201 mortgage lenders and mortgage loan originators.

202 (w) "Natural person" means a human being, as  
203 distinguished from an artificial person created by law.

204 (x) "Person" means any individual, sole proprietorship,  
205 corporation, limited liability company, partnership, trust or any  
206 other group of individuals, however organized.

207 (y) "Principal" means a \* \* \* person who, directly or  
208 indirectly, owns or controls an ownership interest of ten percent  
209 (10%) or more in a corporation or any other form of business  
210 organization, regardless of whether the \* \* \* person owns or  
211 controls the ownership interest through one or more \* \* \* persons  
212 or one or more proxies, powers of attorney, nominees,  
213 corporations, associations, limited liability companies,  
214 partnerships, trusts, joint-stock companies, other entities or  
215 devises, or any combination thereof.

216 (z) "Principal officer" means an owner or employee of a  
217 mortgage broker or mortgage lender who submits documentation of  
218 two (2) years' experience directly related to mortgage lending,  
219 who registers as a loan originator as defined in this chapter, and  
220 who resides within one hundred twenty-five (125) miles of the  
221 licensed main office of the company.

222 (aa) "Records" or "documents" means any item in hard  
223 copy or produced in a format of storage commonly described as  
224 electronic, imaged, magnetic, microphotographic or otherwise, and  
225 any reproduction so made shall have the same force and effect as  
226 the original thereof and be admitted in evidence equally with the  
227 original.

228 (bb) "Registrant" means any person required to register  
229 under Section 81-18-5(1).

230           (cc) "Residential immovable property" means property  
231 such as, but not limited to, vinyl siding, roofs, pools, spas,  
232 appliances, windows, home additions, landscaping, fencing, etc.

233           (dd) "Residential property" means improved real  
234 property or lot used or occupied, or intended to be used or  
235 occupied, as a residence by a \* \* \* person.

236           (ee) "Service a mortgage loan" means the collection or  
237 remittance for another, \* \* \* the right to collect or remit for  
238 another, or the collection of the company's own loan portfolio,  
239 whether or not the company originated, funded or purchased the  
240 loan in the secondary market, of payments of principal interest,  
241 trust items such as insurance and taxes, and any other payments  
242 pursuant to a mortgage loan.

243       \* \* \*

244           **SECTION 3.** Section 81-18-5, Mississippi Code of 1972, is  
245 reenacted and amended as follows:

246           81-18-5. The following persons are not subject to the  
247 provisions of this chapter, unless otherwise provided in this  
248 chapter:

249           (a) Any person authorized to engage in business as a  
250 bank holding company or as a financial holding company, or any  
251 wholly owned subsidiary thereof; however, the wholly owned  
252 subsidiary must file a notification statement that includes the  
253 following information:

254                   (i) The name or names under which business will be  
255 conducted in Mississippi;

256                   (ii) The name and address of the parent financial  
257 institution;

258                   (iii) The name, mailing address, telephone number,  
259 and fax number of the person or persons responsible for handling  
260 consumer inquiries and complaints;

261 (iv) The name and address of the registered agent  
262 for service of process in Mississippi;

263 (v) A statement signed by the president or chief  
264 executive officer of the entity stating that the entity will  
265 receive and process consumer inquiries and complaints promptly,  
266 fairly, and in compliance with all applicable laws; and

267 (vi) A fee of One Hundred Dollars (\$100.00).

268 The notification statement must be filed before beginning to  
269 conduct a mortgage business in this state and must be updated by  
270 the entity as the information changes. Any entity that fails to  
271 file the notification statement or keep the information current  
272 will be immediately subject to the licensing requirements of  
273 Section 81-18-9. This notification statement must be renewed  
274 annually as of September 30 of each year with a renewal fee of One  
275 Hundred Dollars (\$100.00).

276 (b) Any person authorized to engage in business as a  
277 bank, credit card bank, savings bank, savings institution, savings  
278 and loan association, building and loan association, trust company  
279 or credit union under the laws of the United States, any state or  
280 territory of the United States, or the District of Columbia, the  
281 deposits of which are federally insured, or any wholly owned  
282 subsidiary thereof.

283 \* \* \*

284 (c) Any lender holding a license under the Small Loan  
285 Regulatory Law (Section 75-67-101 et seq.) and the Small Loan  
286 Privilege Tax Law (Section 75-67-201 et seq.).

287 (d) Any attorney licensed to practice law in  
288 Mississippi who provides mortgage loan services incidental to the  
289 practice of law and who is not a principal of a \* \* \* company as  
290 defined under this chapter.

291 (e) A real estate company or licensed real estate  
292 salesperson or broker who is actively engaged in the real estate



293 business and who does not receive any fee, commission, kickback,  
294 rebate or other payment for directly or indirectly negotiating,  
295 placing or finding a mortgage for others.

296           (f) Any person performing any act relating to mortgage  
297 loans under order of any court.

298           (g) Any person who is employed by and represents a  
299 Mississippi manufactured housing operation and who makes a  
300 mortgage loan on manufactured housing and land transactions,  
301 modular homes, or any combination thereof; any person who engages  
302 in owner-financing; or any person engaged in the financing of a  
303 consumer loan secured by a mortgage on residential immovable  
304 property in not more than twelve (12) Mississippi residential  
305 mortgage loans, or who contracts for no more than twelve (12)  
306 Mississippi residential loan transactions, over the licensing  
307 period provided in this chapter, including those acting as  
308 originators. The twelve (12) transactions are cumulative to any  
309 combination of operations owned or controlled by any one  
310 individual, sole proprietorship, corporation, limited liability  
311 company, partnership, trust or any other group of individuals,  
312 however organized. However, within thirty (30) days of loan  
313 closure, the person shall submit to the commissioner a fee of Ten  
314 Dollars (\$10.00), which is not chargeable to the consumer, and  
315 written notification containing such loan information as required  
316 by the commissioner, seeking approval to engage in a residential  
317 mortgage transaction without first complying with the licensing  
318 provisions of this chapter. Any person who enters into more than  
319 twelve (12) of those transactions in the licensing period provided  
320 in this chapter must be licensed according to the procedures  
321 prescribed in this chapter. The fees paid for registration during  
322 a licensing period will be deducted from the cost of an initial  
323 license. This paragraph (g) shall not include persons solely  
324 involved in the making of a mortgage loan on modular homes.

325           (h) Any natural person who purchases mortgage loans  
326 from a licensed mortgage broker or mortgage lender solely as an  
327 investment and who is not in the business of making or servicing  
328 mortgage loans.

329           (i) Any person who makes a mortgage loan to his or her  
330 employee as an employment benefit.

331           (j) The United States of America, the State of  
332 Mississippi or any other state, and any agency, division or  
333 corporate instrumentality thereof including, but not limited to,  
334 the Mississippi Home Corporation, Rural Economic Community  
335 Development (RECD), Habitat for Humanity, the Federal National  
336 Mortgage Association (FNMA), the Federal Home Loan Mortgage  
337 Company (FHLMC), the Government National Mortgage Association  
338 (GNMA), the United States Department of Housing and Urban  
339 Development (HUD), the Federal Housing Administration (FHA), the  
340 Department of Veterans Affairs (VA), the Farmers Home  
341 Administration (FmHA), and the Federal Land Banks and Production  
342 Credit Associations.

343           (k) Nonprofit corporations exempt from federal taxation  
344 under Section 501(c) of the Internal Revenue Code making mortgage  
345 loans to promote home ownership or home improvements for the  
346 disadvantaged.

347           (l) Loan originators as defined under Section  
348 81-18-3(j) are exempt from the licensing requirements of this  
349 chapter except for Sections 81-18-9(3)(d), 81-18-13, 81-18-15(3),  
350 81-18-17, 81-18-37 and 81-18-43, but shall register with the  
351 department as a loan originator. Any \* \* \* person required to  
352 register under this paragraph \* \* \* shall register initially with  
353 the department and thereafter file an application for renewal of  
354 registration with the department on or before December 31 of each  
355 year providing the department with such information as the  
356 department may prescribe by regulation, including, but not limited

357 to, the business address where the person engages in any business  
358 activities covered by this chapter, proof of at least one (1) year  
359 of experience directly in mortgage lending within the two (2)  
360 years prior to the date of application, the residential address of  
361 the applicant and a telephone number that customers may use to  
362 contact the person. If the person does not meet the experience  
363 requirement, then he or she shall complete a minimum of  
364 twenty-four (24) hours of education as approved by the Mississippi  
365 Association of Mortgage Brokers, the National Association of  
366 Mortgage Brokers, the Mortgage Bankers Association or the Mortgage  
367 Bankers Association of Mississippi for the experience waiver. If  
368 the experience did not occur within the State of Mississippi, then  
369 the department shall require the person to complete an education  
370 course of a minimum of four (4) hours covering the Mississippi  
371 Mortgage Consumer Protection Law and to pass an examination  
372 covering the cause material. This initial registration of a loan  
373 originator shall be accompanied by a fee of One Hundred Dollars  
374 (\$100.00). Annual renewals of this registration shall require a  
375 fee of Fifty Dollars (\$50.00). No person required to register  
376 under this paragraph \* \* \* shall transact business in this state  
377 directly or indirectly as a loan originator unless that person is  
378 registered with the department. The loan originator shall display  
379 the current, original registration issued by the department in the  
380 licensed office in which he or she is assigned.

381 **SECTION 4.** Section 81-18-7, Mississippi Code of 1972, is  
382 reenacted and amended as follows:

383 81-18-7. (1) On and after July 1, 2000, no person \* \* \*  
384 shall transact business in this state, directly or indirectly, as  
385 a mortgage broker or mortgage lender unless he or she is  
386 licensed \* \* \* by the department or is a person exempted from the  
387 licensing requirements under Section 81-18-5.

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

392           (3) On and after July 1, 2000, every person who directly or  
393 indirectly controls a person who violates this section, including  
394 a general partner, executive officer, joint venturer, contractor,  
395 or director of the person, violates this section to the same  
396 extent as the person, unless the person whose violation arises  
397 under this subsection shows by a preponderance of evidence the  
398 burden of proof that he or she did not know and, in the exercise  
399 of reasonable care, could not have known of the existence of the  
400 facts by reason of which the original violation is alleged to  
401 exist.

402           **SECTION 5.** Section 81-18-8, Mississippi Code of 1972, is  
403 reenacted as follows:

404           81-18-8. Municipalities and counties in this state may enact  
405 ordinances that are in compliance with, but not more restrictive  
406 than, the provisions of this chapter. Any order, ordinance or  
407 regulation existing on July 1, 2002, or enacted on or after July  
408 1, 2002, that conflicts with this provision shall be null and  
409 void.

410           **SECTION 6.** Section 81-18-9, Mississippi Code of 1972, is  
411 reenacted and amended as follows:

412           81-18-9. (1) An application for a license under this  
413 chapter shall be made in writing and in the form as the department  
414 may prescribe.

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

416           (a) The legal name, residence, and business address of  
417 the applicant and, if applicable the legal name, residence and  
418 business address of every principal, together with the resume of  
419 the applicant and of every principal of the applicant.

420           (b) The legal name of the mortgage broker or mortgage  
421 lender in addition to the name under which the applicant will  
422 conduct business in the state, neither of which may be already  
423 assigned to a licensed mortgage broker or mortgage lender.

424           (c) The complete address of the applicant's main  
425 office, branch office(s) and any other locations at which the  
426 applicant will engage in any business activity covered by this  
427 chapter.

428           (d) A copy of the certificate of incorporation, if a  
429 Mississippi corporation.

430           (e) Documentation satisfactory to the department as to  
431 a certificate of existence of authority to transact business  
432 lawfully in Mississippi, if an individual, sole proprietorship,  
433 limited liability company, partnership, trust or any other group  
434 of individuals, however organized.

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

438           (g) Documentation of a minimum of two (2) years'  
439 experience directly in mortgage lending by a person named as the  
440 principal officer of the company. This experience shall have been  
441 within the previous four (4) years from the date of application.  
442 If the proof of experience is with a company that is located  
443 outside of Mississippi, then the principal officer shall be  
444 required to complete four (4) hours of approved courses on the  
445 Mississippi Mortgage Consumer Protection Law. The principal  
446 officer shall also register as a loan originator with the  
447 department. Evidence shall include, where applicable:

448                   (i) Copies of business licenses issued by  
449 governmental agencies.

450                   (ii) Written letters of employment history of the  
451 person filing the application for at least two (2) years before

452 the date of the filing of an application including, but not  
453 limited to, job descriptions, length of employment, names,  
454 addresses and phone numbers for past employers.

455 (iii) A listing of wholesale lenders with whom the  
456 applicant has done business with in the past two (2) years either  
457 directly as a mortgage broker or loan originator.

458 (iv) Any other data and pertinent information as  
459 the department may require with respect to the applicant, its  
460 directors, principals, trustees, officers, members, contractors or  
461 agents. A résumé alone shall not be sufficient proof of  
462 employment history.

463 \* \* \*

464 (3) The application shall be filed together with the  
465 following:

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

467 (b) A completed \* \* \* form signed by an owner, chief  
468 executive officer or named principal officer authorizing the  
469 department to obtain information from outside sources for each  
470 person, executive officer and employee;

471 (c) An original or certified copy of a surety bond in  
472 favor of the State of Mississippi for the use, benefit, and  
473 indemnity of any person who suffers any damage or loss as a result  
474 of the \* \* \* company's breach of contract or of any obligation  
475 arising therefrom or any violation of law; and

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

479 (i) All persons operating as a sole proprietorship  
480 that plan to conduct a mortgage brokering or lending business in  
481 the State of Mississippi;

482 (ii) Partners in a partnership or principal owners  
483 of a limited liability company that own at least ten percent (10%)  
484 of the voting shares of the company;

485 (iii) \* \* \* Any shareholders owning ten percent  
486 (10%) or more of the outstanding shares of the corporation; and

487 (iv) All loan originators.

488 **SECTION 7.** Section 81-18-11, Mississippi Code of 1972, is  
489 reenacted and amended as follows:

490 81-18-11. (1) For purposes of Section 81-18-9, the  
491 definitions of the classes of companies and their respective  
492 minimum amounts of surety bonds will be:

493 \* \* \*

494 (a) "Mortgage broker" shall be defined as any person  
495 that directly solicits, processes, places or negotiates mortgage  
496 loans for others and that does not close mortgage loans in the  
497 company name, does not use its own funds, or who closes mortgage  
498 loans in the name of the company, and sells, assigns or transfers  
499 the loan to others within forty-eight (48) hours of the closing.  
500 The amount of the surety bond for mortgage brokers shall be  
501 Twenty-five Thousand Dollars (\$25,000.00).

502 (b) "Mortgage lender" shall be defined as any company  
503 that makes a mortgage loan, using its own funds, for others or for  
504 compensation or gain, with the expectation of retaining servicing  
505 rights to those loans, or in the expectation of gain, either  
506 directly or indirectly, sells or offers to sell a mortgage loan to  
507 an investor in the secondary market. This definition includes  
508 companies that utilize the services of a person exempted or  
509 licensed under this chapter to make a mortgage loan, or purchase  
510 or service a mortgage loan, or who services mortgage loans only,  
511 including loans in the company's own portfolio. The amount of the  
512 surety bond for a mortgage lender shall be One Hundred Fifty  
513 Thousand Dollars (\$150,000.00). However, any licensed company

514 that was required by this chapter before July 1, 2007, to hold a  
515 surety bond in the amount of Fifty Thousand Dollars (\$50,000.00)  
516 shall not be required to increase its bond until its 2007 license  
517 year renewal.

518 (2) All surety bonds shall be in favor, first, of the State  
519 of Mississippi for the use, benefit and indemnity of any person  
520 who suffers any damage or loss as a result of the \* \* \* company's  
521 breach of contract or of any obligation arising from contract or  
522 any violation of law, and, second, for the payment of any civil  
523 penalties, criminal fines, or costs of investigation and/or  
524 prosecution incurred by the State of Mississippi, including local  
525 law enforcement agencies.

526 **SECTION 8.** Section 81-18-13, Mississippi Code of 1972, is  
527 reenacted and amended as follows:

528 81-18-13. (1) Upon receipt of an application for licensure  
529 or registration, which shall include the required set of  
530 fingerprints from any local law enforcement agency, the department  
531 or designated third party shall conduct such an investigation as  
532 it deems necessary to determine that the applicant and its  
533 officers, directors and principals are of good character and  
534 ethical reputation; that the applicant demonstrates reasonable  
535 financial responsibility; and that the applicant has reasonable  
536 policies and procedures to receive and process customer grievances  
537 and inquiries promptly and fairly.

538 (2) The department shall not license an applicant unless it  
539 is satisfied that the applicant will operate its mortgage \* \* \*  
540 activities in compliance with the laws, rules and regulations of  
541 this state and the United States.

542 (3) The department shall not license any mortgage broker or  
543 mortgage lender unless the applicant meets the requirements of  
544 Section 81-18-11.



545           (4) The department shall not issue a license or  
546 registration \* \* \* if it finds that the applicant, or any person  
547 who is a director, officer, partner or principal officer of the  
548 applicant, has been convicted \* \* \* of: (a) a felony in which  
549 fraud, theft, forgery, embezzlement or making a fraudulent or  
550 false statement is an essential element in any jurisdiction; or  
551 (b) a crime that, if committed within this state, would constitute  
552 a felony in which fraud, theft, forgery, embezzlement or making a  
553 fraudulent or false statement is an essential element under the  
554 laws of this state \* \* \*. The department may renew the existing  
555 license or registration of any such applicant or person who holds  
556 a license or registration on July 1, 2007. However, any person  
557 submitting an initial application for license or registration with  
558 a different company after July 1, 2007, in which the background  
559 check discloses a felony as described in this section shall be  
560 denied licensure or registration by the department. For the  
561 purposes of this chapter, a person shall be deemed to have been  
562 convicted of a crime if the person has pleaded guilty to a crime  
563 before a court or federal magistrate, or plea of nolo contendere,  
564 or has been found guilty of a crime by the decision or judgment of  
565 a court or federal magistrate or by the verdict of a jury,  
566 irrespective of the pronouncement of sentence or the suspension of  
567 a sentence, unless the plea of guilty, or the decision, judgment  
568 or verdict, has been set aside, reversed or otherwise abrogated by  
569 lawful judicial process, or unless the person convicted of the  
570 crime has received a pardon from the President of the United  
571 States or the Governor or other pardoning authority in the  
572 jurisdiction where the conviction was obtained.

573           (5) In order to determine the applicant's suitability for a  
574 license, the commissioner or a designated third party shall  
575 forward the fingerprints submitted with the application to the  
576 Department of Public Safety; and if no disqualifying record is

577 identified at the state level, the fingerprints shall be forwarded  
578 by the Department of Public Safety or a designated third party to  
579 the FBI for a national criminal history record check. All  
580 conviction data received by the department shall be used by the  
581 department for the exclusive purpose of carrying out the  
582 responsibilities of this chapter, may not be a public record,  
583 shall be privileged, and may not be disclosed to any other person  
584 or agency, except to any person or agency that otherwise has a  
585 legal right to inspect the file. All records shall be maintained  
586 by the department according to law, except as provided in the  
587 uniform multistate administration of an automated licensing system  
588 for mortgage brokers, mortgage lenders and loan originators. As  
589 used in this section "conviction data" means a record of a finding  
590 or verdict of guilty or plea of guilty or plea of nolo contendere  
591 with regard to any crime regardless of whether an appeal of the  
592 conviction has been sought.

593 (6) The department shall deny a license or  
594 registration \* \* \* or otherwise restrict a license or  
595 registration \* \* \* if it finds that the applicant, or any person  
596 who is a director, officer, partner, affiliate, contractor or  
597 principal of the applicant, has had any professional license  
598 denied, revoked or suspended by any state within two (2) years of  
599 the date of the application.

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

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

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

611 **SECTION 9.** Section 81-18-15, Mississippi Code of 1972, is  
612 reenacted and amended as follows:

613 81-18-15. (1) Each license shall remain in full force and  
614 effect until relinquished, suspended, revoked or expired. With  
615 each initial application for a license to operate as a mortgage  
616 broker or mortgage lender, the applicant shall pay to the  
617 commissioner a license fee of Seven Hundred Fifty Dollars  
618 (\$750.00), and on or before December 31 of each year thereafter,  
619 an annual renewal fee of Four Hundred Seventy-five Dollars  
620 (\$475.00). If the annual renewal fee remains unpaid \* \* \*, the  
621 license shall expire, but not before December 31 of any year for  
622 which the annual renewal fee has been paid. If any person engages  
623 in business as provided for in this chapter without paying the  
624 license fee provided for in this subsection before commencing  
625 business or before the expiration of the person's current license,  
626 as the case may be, then the person shall be liable for the full  
627 amount of the license fee, plus a penalty in an amount not to  
628 exceed Twenty-five Dollars (\$25.00) for each day that the person  
629 has engaged in such business without a license or after the  
630 expiration of a license. All licensing fees and penalties shall  
631 be paid into the Consumer Finance Fund of the department. If the  
632 application is withdrawn or denied, the application fee is not  
633 refundable.

634 (2) Any licensee making timely and proper application for a  
635 license renewal shall be permitted to continue to operate under  
636 its existing license until its application is approved or  
637 rejected, but shall not be released from or otherwise indemnified  
638 for any act covered by this chapter or for any penalty incurred  
639 under this chapter as a result of any violation of this chapter or

640 regulations adopted under this chapter, pending final approval or  
641 disapproval of the application for the license renewal.

642 (3) Each application for licensing renewal or registration  
643 renewal shall include evidence of the satisfactory completion of  
644 at least twelve (12) hours of approved continuing education in  
645 primary and subordinated financing transactions by the principal  
646 officer on file with the department \* \* \* and registered loan  
647 originators. Two (2) of the twelve (12) hours shall consist of  
648 instruction on the Mississippi Mortgage Consumer Protection Law  
649 and shall be approved by the department once the course is  
650 approved by the Mississippi Association of Mortgage Brokers, the  
651 National Association of Mortgage Brokers, the Mortgage Bankers  
652 Association or the Mortgage Bankers Association of Mississippi.  
653 For purposes of this subsection (3), approved courses shall be  
654 those as approved by the \* \* \* Mortgage Bankers Association,  
655 the \* \* \* National Association of Mortgage Brokers, the  
656 Mississippi Association of Mortgage Brokers or the Mortgage  
657 Bankers Association of Mississippi, who shall submit to the  
658 department a listing of approved schools, courses, programs and  
659 special training sessions. However, each application for  
660 licensing renewal or registration renewal of manufactured housing  
661 licensees or originators shall include evidence of the  
662 satisfactory completion of at least twelve (12) hours of  
663 continuing education, of which eight (8) hours must be approved by  
664 the Commissioner of Insurance and four (4) hours consisting of  
665 courses in primary and subordinated financing transactions must be  
666 approved by the Mississippi Manufactured Housing Association,  
667 which shall submit to the department a listing of those approved  
668 schools, courses, programs and special training sessions. A  
669 manufactured housing licensee or loan originator may submit  
670 evidence of completion of courses that have been approved by  
671 the \* \* \* Mortgage Bankers Association, the \* \* \* National

672 Association of Mortgage Brokers, the Mississippi Association of  
673 Mortgage Brokers or the Mortgage Bankers Association of  
674 Mississippi to satisfy the four-hour requirement of courses in  
675 primary and subordinated financing transactions.

676 **SECTION 10.** Section 81-18-17, Mississippi Code of 1972, is  
677 reenacted and amended as follows:

678 81-18-17. (1) Each license or registration issued under  
679 this chapter shall state the address of the licensee's principal  
680 place of business, the registrant's assigned licensed location and  
681 the name of the licensee or registrant.

682 (2) A licensee or registrant shall post the original license  
683 or original registration in a conspicuous place in the assigned  
684 place of business of the licensee.

685 (3) A license or registration may not be transferred or  
686 assigned.

687 (4) No licensee or registrant shall transact business under  
688 any name other than that designated in the license or  
689 registration.

690 (5) Each licensee shall notify the department, in writing,  
691 of any change in the address of its principal place of business or  
692 registered loan originator or of any additional location of  
693 business or any change of officer, director or principal of the  
694 licensee, or registered loan originator within thirty (30) days of  
695 the change.

696 (6) No licensee shall open a branch office in this state or  
697 a branch office outside this state from which the licensee has  
698 direct contact with \* \* \* consumers regarding origination or  
699 brokering Mississippi residential property, without prior approval  
700 of the department. An application for any branch office shall be  
701 made in writing on a form prescribed by the department, which  
702 shall include at least evidence of compliance with subsection (1)  
703 of Section 81-18-25 as to that branch and shall be accompanied by

704 payment of a nonrefundable application fee of One Hundred Dollars  
705 (\$100.00) and at least one (1) loan originator application  
706 registered at that branch office. The application shall be  
707 approved unless the department finds that the applicant has not  
708 conducted business under this chapter in accordance with law. The  
709 application shall be deemed approved if notice to the contrary has  
710 not been mailed by the department to the applicant within thirty  
711 (30) days of the date that the complete application is received by  
712 the department. After approval, the applicant shall give written  
713 notice to the department within ten (10) days of the commencement  
714 of business at the branch office. Each branch office that  
715 currently holds a branch license shall renew that branch license  
716 before the expiration date of the main company license, on or  
717 before December 31. The license renewal shall be on a form  
718 prescribed by the department with a nonrefundable renewal  
719 application fee of Twenty-five Dollars (\$25.00).

720 **SECTION 11.** Section 81-18-19, Mississippi Code of 1972, is  
721 reenacted as follows:

722 81-18-19. (1) Except as provided in this section, no person  
723 shall acquire directly or indirectly twenty-five percent (25%) or  
724 more of the voting shares of a corporation or twenty-five percent  
725 (25%) or more of the ownership of any other entity licensed to  
726 conduct business under this chapter unless it first files an  
727 application in accordance with the requirements prescribed in  
728 Section 81-18-9.

729 (2) Upon the filing and investigation of an application, the  
730 department shall permit the applicant to acquire the interest in  
731 the licensee if it is satisfied and finds that the applicant and  
732 its members, if applicable, its directors and officers, if a  
733 corporation, and any proposed new directors and officers have  
734 provided its surety bond and have the character, reputation and  
735 experience to warrant belief that the business will be operated

736 fairly and in accordance with the law. If the application is  
737 denied, the department shall notify the applicant of the denial  
738 and the reasons for the denial.

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

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

745 (a) The acquisition of an interest in a licensee  
746 directly or indirectly including an acquisition by merger or  
747 consolidation by or with a person registered under this chapter or  
748 exempt from this chapter under Section 81-18-5.

749 (b) The acquisition of an interest in a licensee  
750 directly or indirectly including an acquisition by merger or  
751 consolidation by or with a person affiliated through common  
752 ownership with the licensee.

753 (c) The acquisition of an interest in a licensee by a  
754 person by bequest, device, gift or survivorship or by operation of  
755 law.

756 (5) A person acquiring an interest in a licensee in a  
757 transaction that is requesting exemption from filing an  
758 application for approval of the application shall send a written  
759 request to the department for an exemption within thirty (30) days  
760 before the closing of the transaction.

761 **SECTION 12.** Section 81-18-21, Mississippi Code of 1972, is  
762 reenacted and amended as follows:

763 81-18-21. (1) Any person required to be licensed under this  
764 chapter shall maintain in its offices, or such other location as  
765 the department shall permit, the books, accounts and records  
766 necessary for the department to determine whether or not the  
767 person is complying with the provisions of this chapter and the

768 rules and regulations adopted by the department under this  
769 chapter. These books, accounts and records shall be maintained  
770 apart and separate from any other business in which the person is  
771 involved and may represent historical data for three (3) years  
772 preceding the date of the last license application date forward.  
773 The books, accounts and records shall be kept in a secure location  
774 under conditions that will not lead to their damage or  
775 destruction. If the licensee wishes to keep the files in a  
776 location other than the location listed on the license \* \* \*, then  
777 the licensee first must submit a written request on a form  
778 designated by the department and gain written approval from the  
779 commissioner before storing the files at an off-site secure  
780 location.

781 (2) To assure compliance with the provisions of this  
782 chapter, the department may examine the books and records of any  
783 licensee without notice during normal business hours. The  
784 commissioner shall charge the licensee an examination fee in an  
785 amount not less than Three Hundred Dollars (\$300.00) nor more than  
786 Six Hundred Dollars (\$600.00) for each office or location within  
787 the State of Mississippi, plus any actual expenses incurred while  
788 examining the licensee's records or books that are located outside  
789 the State of Mississippi. However, in no event shall a licensee  
790 be examined more than once in a two-year period unless for cause  
791 shown based upon consumer complaint and/or other exigent reasons  
792 as determined by the commissioner.

793 (3) The department, its designated officers and employees,  
794 or its duly authorized representatives, for the purposes of  
795 discovering violations of this chapter and for the purpose of  
796 determining whether any person or individual reasonably suspected  
797 by the commissioner of conducting business that requires a license  
798 or registration under this chapter, may investigate those persons  
799 and individuals and examine all relevant books, records and papers



800 employed by those persons or individuals in the transaction of  
801 business, and may summon witnesses and examine them under oath  
802 concerning matters as to the business of those persons, or other  
803 such matters as may be relevant to the discovery of violations of  
804 this chapter including, without limitation, the conduct of  
805 business without a license or registration as required under this  
806 chapter.

807 (4) The department, in its discretion, may disclose  
808 information concerning any violation of this chapter or any rule,  
809 regulation, or order under this chapter, provided the information  
810 is derived from a final order of the department.

811 (5) Examinations and investigations conducted under this  
812 chapter and information obtained by the department, except as  
813 provided in subsection (4) of this section, in the course of its  
814 duties under this chapter are confidential.

815 (6) In the absence of malice, fraud or bad faith a person is  
816 not subject to civil liability arising from the filing of a  
817 complaint with the department, furnishing other information  
818 required by this chapter, information required by the department  
819 under the authority granted in this chapter, or information  
820 voluntarily given to the department related to allegations that a  
821 licensee or prospective licensee has violated this chapter.

822 **SECTION 13.** Section 81-18-23, Mississippi Code of 1972, is  
823 reenacted and amended as follows:

824 81-18-23. (1) Each company shall annually, on or before  
825 March 31, file a written report with the department containing the  
826 December 31 information that the department may reasonably require  
827 concerning the company's business and operations during the  
828 preceding calendar year. The report shall be made in the form  
829 prescribed by the department.

830 (2) Any company that fails to file with the department by  
831 January 31 the report required by this section shall be subject to

832 a late penalty of Ten Dollars (\$10.00) for each day after January  
833 31 the report is delinquent, but in no event shall the aggregate  
834 of late penalties exceed Two Hundred Dollars (\$200.00).

835 (3) The department, in its discretion, may relieve any  
836 company from the payment of any penalty, in whole or in part, for  
837 good cause.

838 (4) If a company fails to pay a penalty from which it has  
839 not been relieved, the department may maintain an action at law to  
840 recover the penalty.

841 (5) Within fifteen (15) days of the occurrence of any of the  
842 following events, a company shall file a written report with the  
843 commissioner describing the event and its expected impact on the  
844 activities of the company in this state:

845 (a) The filing for bankruptcy or reorganization by the  
846 company;

847 (b) The institution of revocation or suspension  
848 proceedings against the company by any state or governmental  
849 authority;

850 (c) Any felony indictment of the company or any of its  
851 directors, executive officers, principal officer or loan  
852 originators; \* \* \*

853 (d) Any felony conviction of the company or any of its  
854 directors, executive officers, principal officer or loan  
855 originators; or

856 (e) Any misdemeanor conviction, in which fraud is an  
857 essential element, of any of the company's directors, executive  
858 officers, principal officer or loan originators.

859 (6) If the company, owner, principal officer of a company or  
860 registered loan originator is involved in a civil action  
861 concerning the company, then the person shall notify the  
862 commissioner in writing within sixty (60) days after the initial  
863 filing of the civil action.

864           **SECTION 14.** Section 81-18-25, Mississippi Code of 1972, is  
865 reenacted and amended as follows:

866           81-18-25. (1) Each principal place of business and branch  
867 office in the state shall meet all of the following requirements:

868           (a) Be in compliance with local zoning ordinances and  
869 have posted any licenses required by local government agencies.  
870 It is the responsibility of the licensee to meet local zoning  
871 ordinances and obtain the required occupational licenses; however,  
872 zoning cannot be residential. If there is no zoning in the area,  
873 then the person shall submit to the department a letter from the  
874 city or county stating that there is no zoning.

875           (b) Consist of at least one (1) secure enclosed room or  
876 secure building of stationary construction in which negotiations  
877 of mortgage loan transactions may be conducted in privacy.  
878 Stationary construction does not include the use of portable  
879 buildings. If there is no zoning in the requested location and  
880 the property is used for residential purposes, then the person  
881 shall utilize an enclosed room with a dedicated outside door.

882           (c) Display a permanent sign outside the place of  
883 business readily visible to the general public, unless the display  
884 of sign violates local zoning ordinances or restrictive covenants.  
885 The sign must contain the name of the licensee and the words  
886 "Mississippi Licensed Mortgage Company" or "Mississippi Registered  
887 Mortgage Company" or, if the initial license is obtained after  
888 July 1, 2007, the words "Licensed by the Mississippi Department of  
889 Banking and Consumer Finance".

890           (2) Each licensee shall prominently display the original  
891 license at the principal place of business and each branch office.

892           (3) Each person registered under this chapter shall  
893 prominently display his or her original registration in the office  
894 where the person is employed.

895 (4) If one (1) of the following is correct, then that  
896 location shall be licensed as a mortgage broker or mortgage lender  
897 under this chapter and not as a branch:

898 (a) It is a separate entity operating as an independent  
899 business or mortgage operation which is not under the direct  
900 control, management supervision and responsibility of the  
901 licensee;

902 (b) The licensee \* \* \* is not the lessee or owner of  
903 the branch and the branch is not under the direct and daily  
904 ownership, control, management and supervision of the  
905 licensee \* \* \*;

906 (c) All assets and liabilities of the branch are not  
907 assets and liabilities of the licensee, and all income and  
908 expenses of the branch are income and expenses of the licensee and  
909 properly accounted for in the financial records and tax returns of  
910 the licensee; or

911 (d) All practices, policies and procedures, including,  
912 but not limited to, those relating to employment and operations,  
913 are not originated and established by the licensee or registered  
914 company and are not applied consistently to the main office and  
915 all branches.

916 Nothing in this subsection (4) shall affect or change, or be  
917 construed as affecting or changing, the existing statutory law and  
918 common law on agency, principal and agent, independent  
919 contractors, and parent and subsidiary companies.

920 **SECTION 15.** Section 81-18-27, Mississippi Code of 1972, is  
921 reenacted and amended as follows:

922 81-18-27. (1) No person required to be licensed or  
923 registered under this chapter shall:

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

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

928 (b) Misrepresent to or conceal from an applicant for a  
929 mortgage loan or mortgagor, material facts, terms or conditions of  
930 a transaction to which the licensee is a party.

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

933 (d) Improperly refuse to issue a satisfaction of a  
934 mortgage loan.

935 (e) Fail to account for or deliver to any person any  
936 personal property obtained in connection with a mortgage loan,  
937 such as money, funds, deposits, checks, drafts, mortgages or other  
938 documents or things of value that have come into the possession of  
939 the licensee and that are not the property of the licensee, or  
940 that the licensee is not by law or at equity entitled to retain.

941 (f) Engage in any transaction, practice, or course of  
942 business that is not in good faith, or that operates a fraud upon  
943 any person in connection with the making of or purchase or sale of  
944 any mortgage loan, including the use of white-out on any document  
945 associated with the mortgage loan.

946 (g) Engage in any fraudulent residential mortgage  
947 underwriting practices.

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

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

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

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

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

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

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

967 (v) That the person does business under a trade  
968 name that misrepresents or tends to misrepresent that the person  
969 is a bank, trust company, savings bank, savings and loan  
970 association, credit union, or insurance company.

971 (j) Charge or collect any direct payment, compensation  
972 or advance fee from a borrower unless and until a loan is actually  
973 found, obtained and closed for that borrower, and in no event  
974 shall that direct payment, compensation or advance fee exceed  
975 seven and ninety-five one-hundredths percent (7.95%) of the  
976 original principal amount of the loan, and any such direct  
977 payments, compensation or advance fees shall be included in all  
978 annual percentage rate (APR) calculations if required under  
979 Regulation Z of the federal Truth in Lending Act (TILA). A direct  
980 payment, compensation or advance fee as defined in this section  
981 shall not include:

982 (i) Any direct payment, compensation or advance  
983 fee collected by a licensed mortgage broker or mortgage lender to  
984 be paid to a nonrelated third party;

985 (ii) Any indirect payment to a licensed mortgage  
986 broker or mortgage lender by a lender if those fees are not  
987 required to be disclosed under the Real Estate Settlement  
988 Procedures Act (RESPA);

989 (iii) Any indirect payment or compensation by a  
990 lender to a licensee required to be disclosed by the licensee  
991 under RESPA, provided that the payment or compensation is  
992 disclosed to the borrower by the licensee on a good faith estimate  
993 of costs, is included in the APR if required under Regulation Z of  
994 TILA, and is made pursuant to a written agreement between the  
995 licensee and the borrower as may be required by Section 81-18-33;

996 (iv) A fee not to exceed one percent (1%) of the  
997 principal amount of a loan for construction, provided that a  
998 binding commitment for the loan has been obtained for the  
999 prospective borrower; or

1000 (v) An advance fee, known as a lock-in fee,  
1001 collected by a licensee to be paid to a lender to lock in an  
1002 interest rate and/or a certain number of points on a mortgage loan  
1003 from the lender as provided in Section 81-18-28.

1004 (k) Pay to any person not licensed or registered under  
1005 the provisions of this chapter any commission, bonus or fee in  
1006 connection with arranging for or originating a mortgage loan for a  
1007 borrower, except that a registered loan originator may be paid a  
1008 bonus, commission, or fee by his or her licensed employer.

1009 (l) Refuse to provide the loan payoff within three (3)  
1010 business days of an oral or written request from a borrower or  
1011 third party. Proof of authorization of the borrower shall be  
1012 submitted for a third-party request.

1013 (m) Knowingly withhold, extract, remove, mutilate,  
1014 destroy or conceal any books, records, computer records or other  
1015 information which are required by law to be disclosed.

1016 (2) A licensed mortgage broker or mortgage lender shall only  
1017 broker a residential mortgage loan to a mortgage broker or  
1018 mortgage lender licensed \* \* \* under this chapter or to a person  
1019 exempt from licensure under the provisions of this chapter.

1020       (3) No nonbanking entity may use any sign or hand-written or  
1021 printed paper indicating that it is a bank, savings bank, trust  
1022 company or place of banking. No entity may use the word "bank,"  
1023 "savings bank," "banking," "banker" or "trust company," or the  
1024 equivalent or plural of any of these words, in connection with any  
1025 business other than that of banking. This subsection does not  
1026 prohibit a person from acting in a trust capacity.

1027       (4) No person shall use the name or logo of any banking  
1028 entity in connection with the sale, offering for sale, or  
1029 advertising of any financial product or service without the  
1030 express written consent of the banking entity.

1031       **SECTION 16.** Section 81-18-28, Mississippi Code of 1972, is  
1032 reenacted and amended as follows:

1033       81-18-28. (1) A licensed mortgage broker or mortgage lender  
1034 may enter into lock-in agreements and collect a lock-in fee from a  
1035 borrower on the lender's behalf. The lock-in fee shall not exceed  
1036 the following:

1037           (a) No fee may be collected to lock in for sixty (60)  
1038 days or less;

1039           (b) One percent (1%) of the principal amount of the  
1040 loan to lock in for more than sixty (60) days, but not to exceed  
1041 one hundred eighty (180) days;

1042           (c) One and one-half percent (1-1/2%) of the principal  
1043 amount of the loan to lock in for more than one hundred eighty  
1044 (180) days, but not to exceed two hundred seventy (270) days; or

1045           (d) Two percent (2%) of the principal amount of the  
1046 loan to lock in for more than two hundred seventy (270) days.

1047       (2) Before the collection of a lock-in fee, the applicant  
1048 must be provided a copy of the lock-in fee agreement. This  
1049 agreement shall contain at least the following:

1050           (a) Identification of the property that is being  
1051 purchased with the loan;



- 1052           (b) The principal amount and term of the loan;
- 1053           (c) The initial interest rate and/or points, whether
- 1054 the interest rate is fixed or variable, and if variable, the index
- 1055 and margin, or the method by which an interest rate change for the
- 1056 mortgage loan will be calculated;
- 1057           (d) The amount of the lock-in fee, whether the fee is
- 1058 refundable or nonrefundable, the time by which the lock-in fee
- 1059 must be paid to the lender, and if the fee is refundable, the
- 1060 terms and conditions necessary to obtain the refund; and
- 1061           (e) The length of the lock-in period that the agreement
- 1062 covers.

1063           **SECTION 17.** Section 81-18-29, Mississippi Code of 1972, is

1064 reenacted and amended as follows:

1065           81-18-29. The commissioner shall promulgate those rules and

1066 regulations, not inconsistent with law, necessary for the

1067 enforcement of this chapter.

1068           **SECTION 18.** Section 81-18-31, Mississippi Code of 1972, is

1069 reenacted and amended as follows:

1070           81-18-31. The department shall promulgate regulations

1071 governing the advertising of mortgage loans, including, but not

1072 limited to, the following requirements:

1073           (a) That all advertisements for loans regulated under

1074 this chapter may not be false, misleading or deceptive. No person

1075 whose activities are regulated under this chapter may advertise in

1076 any manner so as to indicate or imply that its interest rates or

1077 charges for loans are "recommended," "approved," "set" or

1078 "established" by the State of Mississippi;

1079           (b) That all licensees shall maintain a copy of all

1080 advertisements citing interest rates or payment amounts primarily

1081 disseminated in this state and shall attach to each advertisement

1082 documentation that provides corroboration of the availability of

1083 the interest rate and terms of loans and names the specific media  
1084 sources by which the advertisements were distributed;

1085 (c) That all published advertisements disseminated  
1086 primarily in this state by a license shall contain the name and an  
1087 office address of the licensee, which shall be the same as the  
1088 name and address of the licensee on record with the department;

1089 (d) That an advertisement containing either a quoted  
1090 interest rate or monthly payment amount must include:

1091 (i) The interest rate of the mortgage, a statement  
1092 as to whether the rate is fixed or adjustable, and the adjustment  
1093 index and frequency of adjustments;

1094 (ii) The term in years or months to fully repay  
1095 the mortgage;

1096 (iii) The APR as computed under federal  
1097 guidelines; and

1098 (e) That no licensee shall advertise its services in  
1099 Mississippi in any media disseminated primarily in this state,  
1100 whether print or electronic, without the words "Mississippi  
1101 Licensed Mortgage Company" or "Mississippi Registered Mortgage  
1102 Company" or, if the initial license is obtained after July 1,  
1103 2007, the words "Licensed by the Mississippi Department of Banking  
1104 and Consumer Finance".

1105 **SECTION 19.** Section 81-18-33, Mississippi Code of 1972, is  
1106 reenacted and amended as follows:

1107 81-18-33. The individual borrower files of a licensee shall  
1108 contain at least the following:

1109 (a) A mortgage origination agreement provided to the  
1110 borrower containing at least the following statements:

1111 (i) "As required by Mississippi Law, (licensed  
1112 company name) has secured a bond issued by (name of insurance  
1113 company), a surety company authorized to do business in this

1114 state. A certified copy of this bond is filed with the  
1115 Mississippi Commissioner of Banking and Consumer Finance."

1116 (ii) "As a borrower you are protected under the  
1117 Mississippi Mortgage Consumer Protection Law."

1118 (iii) "Complaints against a licensee may be made  
1119 by contacting the:

1120 Mississippi Department of Banking and  
1121 Consumer Finance  
1122 P.O. Box 23729  
1123 Jackson, MS 39225-3729";

1124 (b) A copy of the original loan application signed and  
1125 dated by the licensee;

1126 (c) A copy of the signed closing statement as required  
1127 by HUD or documentation of denial or cancellation of the loan  
1128 application;

1129 (d) A copy of the good faith estimate of costs provided  
1130 to the borrower;

1131 (e) A copy of the appraisal or statement of value if  
1132 procured as a part of the loan application process;

1133 (f) A copy of a loan lock-in agreement, if any,  
1134 provided by the licensee; \* \* \*

1135 (g) A copy of the disclosures required under Regulation  
1136 Z of the federal Truth In Lending Act and other disclosures as  
1137 required under federal regulations and evidence that those  
1138 disclosures have been properly and timely made to the borrower;  
1139 and

1140 (h) A copy of the final signed Uniform Residential Loan  
1141 Application.

1142 **SECTION 20.** Section 81-18-35, Mississippi Code of 1972, is  
1143 reenacted and amended as follows:

1144           81-18-35. Each licensee shall maintain a journal of mortgage  
1145 transactions at the principal place of business as stated on its  
1146 license, which shall include at least the following information:

1147           (a) Name of applicant and co-applicant, if applicable;

1148           (b) Date of application; and

1149           (c) Disposition of loan application, indicating date of  
1150 loan funding, loan denial, withdrawal and name of lender if  
1151 applicable.

1152           **SECTION 21.** Section 81-18-36, Mississippi Code of 1972, is  
1153 reenacted and amended as follows:

1154           81-18-36. (1) (a) All monies paid to a licensee for  
1155 payment of taxes, loan commitment deposits, work completion  
1156 deposits, appraisals, credit reports or insurance premiums on  
1157 property that secures any loan made or serviced by the licensee  
1158 shall be deposited in an account that is insured by the Federal  
1159 Deposit Insurance Corporation or the National Credit Union  
1160 Administration and shall be kept separate, distinct, and apart  
1161 from funds belonging to the licensee.

1162           (b) The funds, when deposited, are to be designated as  
1163 an "escrow account," or under some other appropriate name,  
1164 indicating that the funds are not the funds of the licensee.

1165           (2) The licensee shall, upon reasonable notice, account to  
1166 any debtor whose property secures a loan made by the licensee for  
1167 any funds which that person has paid to the licensee for the  
1168 payment of taxes or insurance premiums on the property in  
1169 question.

1170           (3) The licensee shall, upon reasonable notice, account to  
1171 the commissioner for all funds in the company's escrow account.

1172           (4) Escrow accounts are not subject to execution or  
1173 attachment on any claim against the licensee.

1174           (5) It is unlawful for any licensee knowingly to keep or  
1175 cause to be kept any funds or money in any bank or other financial

1176 institution under the heading of "escrow account" or any other  
1177 name designating the funds or monies belonging to the debtors of  
1178 the licensee, except actual funds paid to the licensee for the  
1179 payment of taxes and insurance premiums on property securing loans  
1180 made or serviced by the company.

1181 **SECTION 22.** Section 81-18-37, Mississippi Code of 1972, is  
1182 reenacted and amended as follows:

1183 81-18-37. (1) The department may suspend or revoke any  
1184 license or registration for any reason that would have been  
1185 grounds for refusal to issue an original license or registration  
1186 or for:

1187 (a) A violation of any provision of this chapter or any  
1188 rule or regulation adopted under this chapter;

1189 (b) Failure of the licensee or registrant to pay,  
1190 within thirty (30) days after it becomes final and nonappealable,  
1191 a judgment recovered in any court within this state by a claimant  
1192 or creditor in an action arising out of the licensee's or  
1193 registrant's business in this state as a mortgage broker or  
1194 mortgage lender.

1195 (2) Notice of the department's intention to enter an order  
1196 denying an application for a license or registration under this  
1197 chapter or of an order suspending or revoking a license or  
1198 registration under this chapter shall be given to the applicant,  
1199 licensee or registrant in writing, sent by registered or certified  
1200 mail addressed to the principal place of business of the  
1201 applicant, licensee or registrant. Within thirty (30) days of the  
1202 date of the notice of intention to enter an order of denial,  
1203 suspension or revocation under this chapter, the applicant,  
1204 licensee or registrant may request in writing a hearing to contest  
1205 the order. If a hearing is not requested in writing within thirty  
1206 (30) days of the date of the notice of intention, the department  
1207 shall enter a final order regarding the denial, suspension or

1208 revocation. Any final order of the department denying, suspending  
1209 or revoking a license or registration shall state the grounds upon  
1210 which it is based and shall be effective on the date of issuance.  
1211 A copy of the final order shall be forwarded promptly by  
1212 registered or certified mail addressed to the principal place of  
1213 business of the applicant, licensee or registrant.

1214 **SECTION 23.** Section 81-18-39, Mississippi Code of 1972, is  
1215 reenacted as follows:

1216 81-18-39. (1) For purposes of this section, the term  
1217 "person" shall be construed to include any officer, director,  
1218 employee, affiliate or other person participating in the conduct  
1219 of the affairs of the person subject to the orders issued under  
1220 this section.

1221 (2) If the department reasonably determines that a person  
1222 required to be licensed or registered under this chapter has  
1223 violated any law of this state or any order or regulation of the  
1224 department, the department may issue a written order requiring the  
1225 person to cease and desist from unlawful or unauthorized  
1226 practices. In the case of an unlawful purchase of mortgage loans,  
1227 the cease and desist order to a purchaser shall constitute the  
1228 knowledge required under this section for any subsequent  
1229 violations.

1230 (3) Any person required to be licensed or registered under  
1231 this chapter who has been deemed by the commissioner, after notice  
1232 and hearing, to have violated the terms of any order properly  
1233 issued by the department under this section shall be liable for a  
1234 civil penalty not to exceed Three Thousand Dollars (\$3,000.00).  
1235 The department, in determining the amount of the penalty, shall  
1236 take into account the appropriateness of the penalty relative to  
1237 the size of the financial resources of the person, the good faith  
1238 efforts of the person to comply with the order, the gravity of the  
1239 violation, the history of previous violations by the person, and

1240 other factors or circumstances that contributed to the violation.  
1241 The department may compromise, modify or refund any penalty that  
1242 has been imposed under this section. Any person assessed a  
1243 penalty as provided in this subsection shall have the right to  
1244 request a hearing on the amount of the penalty within ten (10)  
1245 days after receiving notification of the assessment. If no  
1246 hearing is requested within ten (10) days of the receipt of the  
1247 notice, the penalty shall be final except as to judicial review in  
1248 the Chancery Court of the First Judicial District of Hinds County.  
1249 Upon the filing of a petition for judicial review, the court shall  
1250 issue an order to the licensee requiring the licensee to show  
1251 cause why it should not be entered. If the court determines,  
1252 after a hearing upon the merits or after failure of the person to  
1253 appear when so ordered, that the order of the department was  
1254 properly issued, it shall grant the penalty sought by the  
1255 department.

1256       **SECTION 24.** Section 81-18-41, Mississippi Code of 1972, is  
1257 reenacted and amended as follows:

1258       81-18-41. Nothing in this chapter shall preclude a person  
1259 whose license \* \* \* has been suspended or revoked from continuing  
1260 to service mortgage loans pursuant to servicing contracts in  
1261 existence at the time of the suspension or revocation for a  
1262 reasonable transition period, as determined by the commissioner,  
1263 after the date of the entry of the final decision in the case  
1264 suspending or revoking the license.

1265       **SECTION 25.** Section 81-18-43, Mississippi Code of 1972, is  
1266 reenacted and amended as follows:

1267       81-18-43. (1) In addition to any other penalty that may be  
1268 applicable, any licensee, person required to be registered, or  
1269 employee who willfully violates any provision of this chapter, or  
1270 who willfully makes a false entry in any document specifically  
1271 required by this chapter, shall be guilty of a misdemeanor and,

1272 upon conviction thereof, shall be punishable by a fine not in  
1273 excess of One Thousand Dollars (\$1,000.00) per violation or false  
1274 entry.

1275 (2) In addition to any other penalty that may be applicable,  
1276 any licensee, person required to be registered, or employee who  
1277 fails to make a record of a mortgage transaction and subsequently  
1278 sells or disposes of the mortgage from that transaction shall be  
1279 punished as follows:

1280 (a) For a first offense, the licensee, person required  
1281 to be registered, or employee shall be guilty of a misdemeanor  
1282 and, upon conviction thereof, shall be punishable by a fine not in  
1283 excess of One Thousand Dollars (\$1,000.00) or by imprisonment in  
1284 the county jail for not more than one (1) year, or both fine and  
1285 imprisonment;

1286 (b) For a second or subsequent offense, the licensee,  
1287 person required to be registered, or employee shall be guilty of a  
1288 felony and, upon conviction thereof, shall be punishable by a fine  
1289 not in excess of Five Thousand Dollars (\$5,000.00) or by  
1290 imprisonment in the custody of the State Department of Corrections  
1291 for a term not less than one (1) year nor more than five (5)  
1292 years, or by both fine and imprisonment.

1293 (3) Compliance with the criminal provisions of this section  
1294 shall be enforced by the appropriate law enforcement agency, which  
1295 may exercise for that purpose any authority conferred upon the  
1296 agency by law.

1297 (4) When the commissioner has reasonable cause to believe  
1298 that a person is violating any provision of this chapter, the  
1299 commissioner, in addition to and without prejudice to the  
1300 authority provided elsewhere in this chapter, may enter an order  
1301 requiring the person to stop or to refrain from the violation.  
1302 The commissioner may sue in any chancery court of the state having  
1303 jurisdiction and venue to enjoin the person from engaging in or



1304 continuing the violation or from doing any act in furtherance of  
1305 the violation. In such an action, the court may enter an order or  
1306 judgment awarding a preliminary or permanent injunction.

1307 (5) The commissioner may, after notice and hearing, impose a  
1308 civil penalty against any licensee if the licensee, person  
1309 required to be registered, or employee is adjudged by the  
1310 commissioner to be in violation of the provisions of this chapter.  
1311 The civil penalty shall not exceed Five Hundred Dollars (\$500.00)  
1312 per violation and shall be deposited into the Consumer Finance  
1313 Fund of the department.

1314 (6) The commissioner may make public any final  
1315 administrative action imposed against a licensee or registrant for  
1316 a violation of this chapter, including cease and desist orders,  
1317 civil monetary penalties, license suspensions, revocations or  
1318 application denials.

1319 (7) The state may enforce its rights under the surety bond  
1320 as required in Section 81-18-11 as an available remedy for the  
1321 collection of any civil penalties, criminal fines or costs of  
1322 investigation and/or prosecution incurred.

1323 **SECTION 26.** Section 81-18-45, Mississippi Code of 1972, is  
1324 reenacted as follows:

1325 81-18-45. The commissioner may employ the necessary  
1326 full-time employees above the number of permanent full-time  
1327 employees authorized for the department for the fiscal year 2001,  
1328 to carry out and enforce the provisions of this chapter. The  
1329 commissioner also may expend the necessary funds and equip and  
1330 provide necessary travel expenses for those employees.

1331 **SECTION 27.** Section 81-18-47, Mississippi Code of 1972, is  
1332 reenacted as follows:

1333 81-18-47. (1) A licensee under this chapter shall have no  
1334 liability for any act or practice done or omitted in conformity  
1335 with (a) any rule or regulation of the commissioner, or (b) any

1336 rule, regulation, interpretation or approval of any other state or  
1337 federal agency or any opinion of the Attorney General,  
1338 notwithstanding that after such act or omission has occurred the  
1339 rule, regulation, interpretation, approval or opinion is amended,  
1340 rescinded, or determined by judicial or other authority to be  
1341 invalid for any reason.

1342 (2) A licensee under this chapter, acting in conformity with  
1343 a written interpretation or approval by an official or employee of  
1344 any state or federal agency or department, shall be presumed to  
1345 have acted in accordance with applicable law, notwithstanding that  
1346 after such act has occurred, the interpretation or approval is  
1347 amended, rescinded, or determined by judicial or other authority  
1348 to be incorrect or invalid for any reason.

1349 **SECTION 28.** Section 81-18-49, Mississippi Code of 1972, is  
1350 reenacted as follows:

1351 81-18-49. Notwithstanding any provisions of this chapter to  
1352 the contrary, mortgage companies engaging in business on or before  
1353 June 1, 2000, shall be duly licensed by the department after  
1354 submitting not later than January 1, 2001, the required documents  
1355 and fees provided in Sections 81-18-9 and 81-18-15. However, upon  
1356 the expiration of the initial licenses for such mortgage  
1357 companies, the department shall renew the licenses only if the  
1358 mortgage companies satisfy all of the provisions of this chapter.

1359 **SECTION 29.** Section 81-18-51, Mississippi Code of 1972, is  
1360 amended as follows:

1361 81-18-51. Sections 81-18-1 through 81-18-49 shall stand  
1362 repealed on July 1, 2012.

1363 **SECTION 30.** (1) A person commits the offense of residential  
1364 mortgage fraud when, with the intent to defraud such person, he:

1365 (a) Knowingly makes any deliberate misstatement,  
1366 misrepresentation or omission during the mortgage lending process  
1367 with the intention that it be relied on by a licensed mortgage

1368 broker or mortgage lender, borrower or any other party to the  
1369 mortgage lending process;

1370           (b) Knowingly uses or facilitates the use of any  
1371 deliberate misstatement, misrepresentation or omission, knowing  
1372 the same to contain a misstatement, misrepresentation or omission,  
1373 during the mortgage lending process with the intention that it be  
1374 relied on by a company, borrower, or any other party to the  
1375 mortgage lending process;

1376           (c) Receives any proceeds or any other funds in  
1377 connection with a residential mortgage closing that such person  
1378 knew resulted from a violation of paragraph (a) or (b) of this  
1379 subsection;

1380           (d) Conspires to violate any of the provisions of  
1381 paragraph (a), (b) or (c) of this subsection; or

1382           (e) Files or causes to be filed with the chancery clerk  
1383 of any county of this state any deed of trust such person knows to  
1384 contain a deliberate misstatement, misrepresentation or omission.

1385           (2) An offense of residential mortgage fraud shall not be  
1386 predicated solely upon information lawfully disclosed under  
1387 federal disclosure laws, regulations and interpretations related  
1388 to the mortgage lending process.

1389           (3) For the purposes of venue under this section, any  
1390 violation of this section shall be considered to have been  
1391 committed:

1392           (a) In the county in which the residential property for  
1393 which a mortgage loan is being sought is located;

1394           (b) In any county in which any act was performed in  
1395 furtherance of this violation;

1396           (c) In any county in which any person alleged to have  
1397 violated this chapter had control or possession of any proceeds of  
1398 this violation;

1399 (d) If a closing occurred, in any county in which the  
1400 closing occurred; or

1401 (e) In any county in which a document containing a  
1402 deliberate misstatement, misrepresentation or omission is filed  
1403 with the chancery clerk.

1404 (4) District attorneys and the Attorney General shall have  
1405 the authority to conduct the criminal investigation of all cases  
1406 of residential mortgage fraud under this section.

1407 (5) (a) Any person violating this section shall be guilty  
1408 of a felony and, upon conviction, shall be punished by  
1409 imprisonment for not less than one (1) year nor more than ten (10)  
1410 years, by a fine not to exceed Five Thousand Dollars (\$5,000.00),  
1411 or both.

1412 (b) If a violation of this section involves engaging or  
1413 participating in a pattern of residential mortgage fraud or a  
1414 conspiracy or endeavor to engage or participate in a pattern of  
1415 residential mortgage fraud, the violation shall be punishable by  
1416 imprisonment for not less than three (3) years nor more than  
1417 twenty (20) years, by a fine not to exceed One Hundred Thousand  
1418 Dollars (\$100,000.00), or both.

1419 (c) Each residential property transaction subject to a  
1420 violation of this section shall constitute a separate offense and  
1421 shall not merge with any other crimes set forth in this section.

1422 (6) All real and personal property of every kind used or  
1423 intended for use in the course of, derived from, or realized  
1424 through a violation of this section shall be subject to forfeiture  
1425 to the state. Forfeiture shall be had by the same procedure as  
1426 outlined in Sections 97-43-9 and 97-43-11. District attorneys and  
1427 the Attorney General may commence forfeiture proceedings under  
1428 this section.

1429 (7) For purposes of this section, the term "pattern of  
1430 residential mortgage fraud" means one or more misstatements,

1431 misrepresentations or omissions made during the mortgage lending  
1432 process that involve two (2) or more residential properties which  
1433 have the same or similar intents, results, accomplices, victims or  
1434 methods of commission or otherwise are interrelated by  
1435 distinguishing characteristics.

1436         **SECTION 31.** This act shall take effect and be in force from  
1437 and after July 1, 2007.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1         AN ACT TO REENACT SECTIONS 81-18-1 THROUGH 81-18-49,  
2 MISSISSIPPI CODE OF 1972, KNOWN AS THE MISSISSIPPI MORTGAGE  
3 CONSUMER PROTECTION LAW; TO AMEND REENACTED SECTION 81-18-3,  
4 MISSISSIPPI CODE OF 1972, TO DEFINE CERTAIN TERMS; TO AMEND  
5 REENACTED SECTION 81-18-5, MISSISSIPPI CODE OF 1972, TO DELETE THE  
6 EXEMPTION FOR ANY PERSON WHO IS A WHOLESALE LENDER OR WHO IS  
7 REGISTERED BY CERTAIN FEDERAL AGENCIES; TO AMEND REENACTED SECTION  
8 81-18-7, MISSISSIPPI CODE OF 1972, TO DELETE THE REFERENCES TO  
9 "NATURAL PERSON" AND TO "REGISTRATION"; TO AMEND REENACTED SECTION  
10 81-18-9, MISSISSIPPI CODE OF 1972, TO REVISE THE APPLICATION  
11 REQUIREMENTS FOR LICENSE; TO AMEND REENACTED SECTION 81-18-11,  
12 MISSISSIPPI CODE OF 1972, TO DELETE THE CLASSIFICATION OF  
13 "CORRESPONDENT LENDER" IN REGARD TO THE MINIMUM AMOUNT OF SURETY  
14 BOND; TO AMEND REENACTED SECTION 81-18-13, MISSISSIPPI CODE OF  
15 1972, TO AUTHORIZE A DESIGNATED THIRD PARTY TO CONDUCT BACKGROUND  
16 INVESTIGATIONS OF APPLICANTS AND TO REVISE THE LICENSING CRITERIA  
17 WITH REGARD TO PRIOR CRIMINAL CONVICTIONS; TO AMEND REENACTED  
18 SECTION 81-18-15, MISSISSIPPI CODE OF 1972, TO CHANGE THE ANNUAL  
19 RENEWAL DATE AND TO REVISE THE CONTINUING EDUCATION REQUIREMENT;  
20 TO AMEND REENACTED SECTION 81-18-17, MISSISSIPPI CODE OF 1972, TO  
21 REQUIRE THE ORIGINAL LICENSE TO BE POSTED IN EACH PLACE OF  
22 BUSINESS AND TO REQUIRE THE FILING OF A LOAN ORIGINATOR  
23 APPLICATION; TO AMEND REENACTED SECTION 81-18-21, MISSISSIPPI CODE  
24 OF 1972, TO REQUIRE APPROVAL BEFORE A LICENSEE MAY STORE FILES AT  
25 AN OFF-SITE SECURE LOCATION; TO AMEND REENACTED SECTION 81-18-23,  
26 MISSISSIPPI CODE OF 1972, IN CONFORMITY; TO AMEND REENACTED  
27 SECTION 81-18-25, MISSISSIPPI CODE OF 1972, TO REVISE REQUIREMENTS  
28 FOR OFFICES WHERE THERE IS NO ZONING IN THE REQUESTED LOCATION; TO  
29 AMEND REENACTED SECTION 81-18-27, MISSISSIPPI CODE OF 1972, TO  
30 REVISE THE PROHIBITED ACTS OF MORTGAGE COMPANIES; TO AMEND  
31 REENACTED SECTION 81-18-28, MISSISSIPPI CODE OF 1972, IN  
32 CONFORMITY; TO AMEND REENACTED SECTION 81-18-29, MISSISSIPPI CODE  
33 OF 1972, TO AUTHORIZE THE COMMISSIONER OF BANKING TO ESTABLISH BY  
34 RULE SUCH REQUIREMENTS AS ARE NECESSARY UNDER THE PROVISIONS OF  
35 THIS ACT; TO AMEND REENACTED SECTION 81-18-31, MISSISSIPPI CODE OF  
36 1972, TO REQUIRE INDIVIDUAL BORROWER FILES TO CONTAIN A FINAL  
37 SIGNED UNIFORM RESIDENTIAL LOAN APPLICATION; TO AMEND REENACTED  
38 SECTION 81-18-33, MISSISSIPPI CODE OF 1972, TO REVISE THE REQUIRED  
39 CONTENTS OF INDIVIDUAL BORROWER FILES OF A LICENSEE; TO AMEND  
40 REENACTED SECTION 81-18-35, MISSISSIPPI CODE OF 1972, TO REQUIRE  
41 THE NAME OF CO-APPLICANT IN THE JOURNAL OF MORTGAGE TRANSACTIONS;  
42 TO AMEND REENACTED SECTIONS 81-18-36 AND 81-18-37, MISSISSIPPI  
43 CODE OF 1972, IN CONFORMITY; TO AMEND REENACTED SECTION 81-18-41,  
44 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A SUSPENDED LICENSEE MAY  
45 CONTINUE SERVICING CONTRACTS ONLY FOR A REASONABLE TRANSITION

46 PERIOD AS DETERMINED BY THE COMMISSIONER; TO AMEND REENACTED  
47 SECTION 81-18-43, MISSISSIPPI CODE OF 1972, IN CONFORMITY; TO  
48 AMEND SECTION 81-18-51, MISSISSIPPI CODE OF 1972, TO EXTEND THE  
49 REPEALER; TO CREATE A NEW SECTION TO CREATE THE CRIMINAL OFFENSE  
50 OF RESIDENTIAL MORTGAGE FRAUD AND PRESCRIBE THE PENALTIES  
51 THEREFOR; AND FOR RELATED PURPOSES.