

By: Representative Yancey

To: Business and Commerce

HOUSE BILL NO. 934

1 AN ACT TO LIMIT THE REDISCLOSURE OF CONSUMER REPORTS
 2 REQUESTED IN CONNECTION WITH A CREDIT TRANSACTION INVOLVING AN
 3 EXTENSION OF CREDIT SECURED BY REAL ESTATE; TO BRING FORWARD
 4 SECTIONS 75-24-215, 81-18-9, AND 93-11-69, MISSISSIPPI CODE OF
 5 1972, WHICH RELATE TO OBLIGATIONS OF CONSUMER REPORTING AGENCIES,
 6 THE MISSISSIPPI S.A.F.E. MORTGAGE ACT, AND ENFORCEMENT OF SUPPORT
 7 FOR DEPENDENTS, FOR PURPOSES OF POSSIBLE AMENDMENT; AND FOR
 8 RELATED PURPOSES.

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

10 **SECTION 1.** If a person requests a report from a consumer
 11 reporting agency in connection with a credit transaction involving
 12 an extension of credit secured by real estate, such agency shall
 13 not, solely on the basis of such request, furnish a report to a
 14 third party, unless such third party has submitted documentation
 15 to such agency certifying that such third party has the consumer's
 16 consent or has a current relationship, relating to credit,
 17 servicing, or other financial services, with such consumer.

18 **SECTION 2.** Section 75-24-215, Mississippi Code of 1972, is
 19 brought forward as follows:

20 75-24-215. If a third party requests access to a consumer
 21 report on which a security freeze applies, and this request is in



22 connection with an application for credit, insurance or any other
23 use, and the consumer does not immediately request the consumer
24 reporting agency to lift the security freeze and allow his or her
25 credit report to be accessed for that specific party or period of
26 time, the third party may treat the consumer's application as
27 incomplete.

28 **SECTION 3.** Section 81-18-9, Mississippi Code of 1972, is
29 brought forward as follows:

30 81-18-9. (1) Applicants for a license shall apply in a form
31 as prescribed by the commissioner. Each such form shall contain
32 content as set forth by rule, regulation, instruction or procedure
33 of the commissioner and may be changed or updated as necessary by
34 the commissioner in order to carry out the purposes of this
35 chapter.

36 (2) The mortgage broker and mortgage lender application
37 through the Nationwide Mortgage Licensing System and Registry
38 shall include, but is not limited to, the following:

39 (a) The legal name, residence and business address of
40 the applicant and, if applicable, the legal name, residence and
41 business address of every principal and executive officer,
42 together with the résumé of the applicant and of every principal
43 and executive officer of the applicant. In addition, an
44 independent credit report obtained from a consumer-reporting
45 agency described in Section 603(p) of the Fair Credit Reporting
46 Act and information related to any administrative, civil or



47 criminal findings by any governmental jurisdiction of every
48 principal and executive officer.

49 (b) The legal name of the mortgage broker or mortgage
50 lender in addition to the name under which the applicant will
51 conduct business in the state, neither of which may be already
52 assigned to a licensed mortgage broker or mortgage lender.

53 (c) The complete address of the applicant's principal
54 place of business, branch office(s) and any other locations at
55 which the applicant will engage in any business activity covered
56 by this chapter. All locations shall be within the United States
57 of America or a territory of the United States of America,
58 including Puerto Rico and the U.S. Virgin Islands.

59 (d) A copy of the certificate of incorporation, if a
60 Mississippi corporation.

61 (e) Documentation satisfactory to the department as to
62 a certificate of existence of authority to transact business
63 lawfully in Mississippi from the Mississippi Secretary of State's
64 office, if a limited liability company, partnership, trust or any
65 other group of persons, however organized. This paragraph does
66 not pertain to applicants organized as an individual or as a sole
67 proprietorship.

68 (f) If a foreign entity, a copy of a certificate of
69 authority to conduct business in Mississippi and the address of
70 the principal place of business of the foreign entity.



71 (g) Documentation of a minimum of two (2) years'
72 experience directly related to mortgage activities by a person
73 named as the qualifying individual of the company. The qualifying
74 individual shall be primarily responsible for the operations of
75 the licensed mortgage broker or mortgage lender. Only one (1)
76 qualifying individual shall be named for Mississippi and this
77 person shall be the qualifying individual for only one (1)
78 licensee. Evidence of experience shall include, where applicable:

79 (i) Copies of business licenses issued by
80 governmental agencies.

81 (ii) Employment history of the person filing the
82 application for at least two (2) years before the date of the
83 filing of an application, including, but not limited to, job
84 descriptions, length of employment, names, addresses and phone
85 numbers for past employers.

86 (iii) Any other data and pertinent information as
87 the department may require with respect to the applicant, its
88 directors, principals, trustees, officers, members, contractors or
89 agents. A résumé alone shall not be sufficient proof of
90 employment history.

91 (3) The mortgage broker and mortgage lender applications
92 shall be filed on the Nationwide Mortgage Licensing System and
93 Registry together with the following:

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



95 (b) An original or certified copy of a surety bond in
96 favor of the State of Mississippi for the use, benefit and
97 indemnity of any person who suffers any damage or loss as a result
98 of the company's breach of contract or of any obligation arising
99 therefrom or any violation of law;

100 (c) A set of fingerprints from any local law
101 enforcement agency from the following applicants:

102 (i) All persons operating as a sole proprietorship
103 that plan to conduct a mortgage-brokering or lending business in
104 the State of Mississippi;

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

108 (iii) Any shareholders owning ten percent (10%) or
109 more of the outstanding shares of the corporation;

110 (iv) All executive officers of the applicant;

111 (v) All loan originators; and

112 (vi) The named qualifying individual of the
113 company as required in Section 81-18-9(2)(g). The applicant shall
114 name only one (1) individual as the qualifying individual for the
115 State of Mississippi; and

116 (d) At least one (1) employee shall be licensed as a
117 loan originator at a licensed location.

118 (4) In connection with an application for licensing as a
119 mortgage broker or lender under this chapter, the required



120 stockholders, owners, directors and executive officers of the
121 applicant shall, at a minimum, furnish to the Nationwide Mortgage
122 Licensing System and Registry information concerning the
123 individual's identity, including:

124 (a) Fingerprints from any local law enforcement agency
125 for submission to the Federal Bureau of Investigation and any
126 governmental entity authorized to receive that information for a
127 state, national and/or international criminal history background
128 check; and

129 (b) Personal history and experience in a form
130 prescribed by the Nationwide Mortgage Licensing System and
131 Registry, including the submission of authorization for the
132 Nationwide Mortgage Licensing System and Registry and the
133 commissioner to obtain:

134 (i) An independent credit report obtained from a
135 consumer-reporting agency described in Section 603(p) of the Fair
136 Credit Reporting Act; and

137 (ii) Information related to any administrative,
138 civil or criminal findings by any governmental jurisdiction.

139 (5) Upon receipt of an application for licensure, the
140 department or designated third party shall conduct an
141 investigation as it deems necessary to determine that the
142 applicant and its officers, directors and principals are of good
143 character and ethical reputation; that the applicant demonstrates
144 reasonable financial responsibility; and that the applicant has



145 reasonable policies and procedures to receive and process customer
146 grievances and inquiries promptly and fairly.

147 (6) The commissioner shall not license an applicant unless
148 he is satisfied that the applicant will operate its mortgage
149 activities in compliance with the laws, rules and regulations of
150 this state and the United States.

151 (7) If an applicant satisfies the requirements of this
152 chapter for a mortgage broker or mortgage lender license, the
153 commissioner shall issue the license unless the commissioner finds
154 any of the following:

155 (a) The applicant has had a mortgage lender, mortgage
156 broker or mortgage servicer license revoked in any governmental
157 jurisdiction, except that a subsequent formal vacation of the
158 revocation shall not be deemed a revocation; or

159 (b) The applicant or its controlling persons has been
160 convicted of, or pled guilty or nolo contendere to, (i) a felony
161 in a domestic, foreign or military court during the seven-year
162 period preceding the date of application for licensing; or (ii) at
163 any time preceding the date of application if such felony involved
164 an act of fraud, dishonesty, a breach of trust, or money
165 laundering. However, any pardon or expungement of a conviction
166 shall not be a conviction for purposes of this subsection.

167 (8) Applicants for a mortgage loan originator license shall
168 apply in a form as prescribed by the commissioner and shall be
169 filed on the Nationwide Mortgage Licensing System and Registry.



170 Each such form shall contain content as set forth by rules,
171 regulations, instructions or procedures of the commissioner and
172 may be changed or updated as necessary by the commissioner in
173 order to carry out the purposes of this chapter. The initial
174 license of a mortgage loan originator shall be accompanied by a
175 fee of Two Hundred Dollars (\$200.00), to be paid to the Nationwide
176 Mortgage Licensing System and Registry, and any additional fees as
177 required by the Nationwide Mortgage Licensing System and Registry.
178 The commissioner shall not issue a mortgage loan originator
179 license unless the commissioner makes at a minimum the following
180 findings:

181 (a) The applicant has never had a mortgage loan
182 originator license revoked in any governmental jurisdiction,
183 except that a later formal vacation of that revocation shall not
184 be deemed a revocation.

185 (b) The applicant has not been convicted of, or pled
186 guilty or nolo contendere to, (i) a felony in a domestic, foreign
187 or military court during the seven-year period preceding the date
188 of application for licensing; or (ii) at any time preceding the
189 date of application if such felony involved an act of fraud,
190 dishonesty, a breach of trust or money laundering. However, any
191 pardon or expungement of a conviction shall not be a conviction
192 for purposes of this subsection.

193 (c) The applicant has demonstrated financial
194 responsibility, character and general fitness such as to command



195 the confidence of the community and to warrant a determination
196 that the mortgage loan originator will operate honestly, fairly
197 and efficiently within the purposes of this chapter.

198 (d) The applicant has completed the prelicensing
199 education requirement described in Section 81-18-14(1).

200 (e) The applicant has passed a written test that meets
201 the test requirement described in Section 81-18-14(7).

202 (f) The applicant has met the surety bond requirement
203 as provided in Section 81-18-11.

204 (g) This individual must work for a Mississippi
205 licensed company and work from the location licensed with the
206 department. The licensed location that he or she is assigned to
207 must be within one hundred twenty-five (125) miles of his or her
208 residency. If the licensed loan originator resides and works in
209 Mississippi, then he or she may work from any licensed location of
210 the licensed company within the State of Mississippi. However, an
211 owner of a minimum of ten percent (10%) of a licensed company or
212 the named qualifying individual on file with the department, who
213 is a licensed loan originator with the department, may work from
214 any licensed location of the licensed company within the State of
215 Mississippi in the capacity of a loan originator as described in
216 this chapter.

217 (9) In order to fulfill the purposes of this chapter, the
218 commissioner is authorized to establish relationships or contracts
219 with the Nationwide Mortgage Licensing System and Registry or



220 other entities designated by the Nationwide Mortgage Licensing
221 System and Registry to collect and maintain records and process
222 transaction fees or other fees related to licensees or other
223 persons subject to this chapter.

224 (10) In connection with an application for licensing as a
225 mortgage loan originator, the applicant shall, at a minimum,
226 furnish to the Nationwide Mortgage Licensing System and Registry
227 information concerning the applicant's identity, including:

228 (a) Fingerprints for submission to the Federal Bureau
229 of Investigation, and any governmental agency or entity authorized
230 to receive that information for a state, national and/or
231 international criminal history background check; and

232 (b) Personal history and experience in a form
233 prescribed by the Nationwide Mortgage Licensing System and
234 Registry, including the submission of authorization for the
235 Nationwide Mortgage Licensing System and Registry and the
236 commissioner to obtain:

237 (i) An independent credit report obtained from a
238 consumer-reporting agency described in Section 603(p) of the Fair
239 Credit Reporting Act; and

240 (ii) Information related to any administrative,
241 civil or criminal findings by any governmental jurisdiction.

242 (11) For the purposes of this section and in order to reduce
243 the points of contact which the Federal Bureau of Investigation
244 may have to maintain for purposes of subsection (10) (a) and



245 (b) (ii) of this section, the commissioner may use the Nationwide
246 Mortgage Licensing System and Registry as a channeling agent for
247 requesting information from and distributing information to the
248 Department of Justice or any governmental agency.

249 (12) For the purposes of this section and in order to reduce
250 the points of contact which the commissioner may have to maintain
251 for purposes of subsection (10) (b) (i) and (ii) of this section,
252 the commissioner may use the Nationwide Mortgage Licensing System
253 and Registry as a channeling agent for requesting and distributing
254 information to and from any source so directed by the
255 commissioner.

256 **SECTION 4.** Section 93-11-69, Mississippi Code of 1972, is
257 brought forward as follows:

258 93-11-69. (1) As used in this section:

259 (a) "Noncustodial parent" means a parent from whom the
260 Department of Human Services is collecting support payments, and
261 shall have the same meaning as "absent parent."

262 (b) "Consumer reporting agency" means any person who,
263 for monetary fees, dues, or on a cooperative nonprofit basis,
264 regularly engages in whole or in part in the practice of
265 assembling or evaluating consumer credit information or other
266 information on consumers for the purpose of furnishing consumer
267 reports to third parties, and who uses any means or facility of
268 interstate commerce for the purpose of preparing or furnishing
269 consumer reports.



270 (c) "Department" means the Department of Human
271 Services.

272 (d) "Overdue support" means any payments that are
273 ordered by any court to be paid by an absent parent for the
274 support of a child that have remained unpaid for at least thirty
275 (30) days after payment is due. Overdue support shall also
276 include payments that are ordered by any court to be paid for
277 maintenance of a spouse in cases in which the department is
278 collecting such support in conjunction with child support.

279 (2) The department shall make available to any consumer
280 reporting agency a report of the amount of overdue support owed by
281 an absent parent.

282 (3) Before any information regarding an absent parent's
283 overdue support may be made available pursuant to subsection (2)
284 of this section, a copy of the report shall be mailed to the
285 absent parent at such parent's last known address and the absent
286 parent shall be given the opportunity to contest the information
287 contained in the report as follows:

288 (a) The absent parent may, within fifteen (15) days
289 after such notice is mailed, contest the accuracy of the
290 information contained in the report by filing with the department
291 a brief written statement concerning the nature of the alleged
292 inaccuracies.



293 (b) Upon receipt of such statement the department
294 shall, within a reasonable amount of time, reexamine the
295 information contained in the report.

296 (c) If upon such reexamination the information in the
297 report is found to be inaccurate, the department shall correct the
298 information and send a copy of such corrected information to the
299 absent parent.

300 (d) If upon such reexamination the information
301 contained in the report is found to be accurate, the department
302 shall notify the absent parent of this fact.

303 (e) Within ten (10) days after a copy of the reexamined
304 information contained in the report is mailed to the absent
305 parent, such absent parent may again contest the accuracy of such
306 information by filing a brief written statement concerning the
307 alleged inaccuracies and the department shall clearly note in any
308 report to the consumer reporting agency the fact that the
309 information is disputed unless there are reasonable grounds to
310 believe that the statement filed by the absent parent is frivolous
311 or irrelevant.

312 (4) The fee charged by the department for furnishing a
313 report pursuant to this section shall not exceed the actual cost
314 of furnishing such report.

315 (5) The Child Support Unit of the department may provide
316 overdue support information to consumer reporting agencies through
317 an automated computer system free of charge and with notice to the



318 defendant as required by Title IV-D of the Social Security Act and
319 the implementing regulations.

320 **SECTION 5.** This act shall take effect and be in force from
321 and after July 1, 2024.

