

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1492

By: Hall

AS INTRODUCED

An Act relating to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act; amending 59 O.S. 2021, Section 2095.2, which relates to definitions; defining terms; amending 59 O.S. 2021, Section 2095.3, which relates to exemptions; updating statutory reference; amending 59 O.S. 2021, Section 2095.5, which relates to licenses; updating statutory references; amending 59 O.S. 2021, Section 2095.6, which relates to required information by applicant; updating statutory references; providing requirements for certain licensure; modifying conditions for renewal and reinstatement; providing for promulgation of rules for certain fees; amending 59 O.S. 2021, Section 2095.7, which relates to requirement for mortgage loan originator license; updating statutory reference; amending 59 O.S. 2021, Section 2095.8, which relates to prelicensing education; updating statutory reference; amending 59 O.S. 2021, Section 2095.9, which relates to qualified written test; updating statutory reference; amending 59 O.S. 2021, Section 2095.10, which relates to minimum standards for license renewal for mortgage loan originators; updating statutory references; amending 59 O.S. 2021, Section 2095.11, which relates to mortgage broker licensing requirements; updating statutory references; removing provision for certain licensing for offices; amending 59 O.S. 2021, Section 2095.11.1, which relates to mortgage lender licensing requirements; updating statutory references; removing provision for certain licensing for offices; amending 59 O.S. 2021, Section 2095.12, which relates to minimum standards for license renewal for mortgage brokers; updating statutory references; amending 59 O.S. 2021, Section 2095.12.1, which relates to minimum standards for license renewal for mortgage

1 lenders; updating statutory references; amending 59
2 O.S. 2021, Section 2095.13, which relates to
3 administrator's requirements; updating statutory
4 references; amending 59 O.S. 2021, Section 2095.14,
5 which relates to challenge of information; updating
6 statutory references; amending 59 O.S. 2021, Section
7 2095.18, which relates to violations; updating
8 statutory references; amending 59 O.S. 2021, Section
9 2095.20, which relates to the Oklahoma Mortgage
10 Broker and Mortgage Loan Originator Recovery Fund;
11 increasing amount for reimbursement; amending 59 O.S.
12 2021, Section 2095.21, which relates to continuing
13 education requirements; updating statutory
14 references; amending 59 O.S. 2021, Section 2095.22,
15 which relates to confidential information; updating
16 statutory references; amending 59 O.S. 2021, Section
17 2095.23, which relates to administrative
18 investigations; removing authority for Administrator
19 to require payment of an examination fee at time of
20 certain applications; amending 59 O.S. 2021, Section
21 2095.24, which relates to licensee required reports;
22 updating statutory references; amending 59 O.S. 2021,
23 Section 2095.25, which relates to Consumer Credit
24 required reports; updating statutory references;
25 authorizing the use of remote locations; requiring
26 certain policies and procedures to be put in place;
27 specifying certain requirements to be in place for
28 lawful use; providing for codification; and providing
29 an effective date.

30 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

31 SECTION 1. AMENDATORY 59 O.S. 2021, Section 2095.2, is
32 amended to read as follows:

33 Section 2095.2. As used in the Oklahoma Secure and Fair
34 Enforcement for Mortgage Licensing Act:

35 1. "Administrator" means the Administrator of Consumer Credit;

1 2. "Affiliate" means an entity which directly or indirectly,
2 through one or more intermediaries, controls, is controlled by or is
3 under common control with the entity specified;

4 3. "Borrower" means any individual who consults with or retains
5 a mortgage broker or mortgage loan originator in an effort to obtain
6 or seek advice or information on obtaining or applying to obtain or
7 modify a residential mortgage loan for himself, herself, or
8 individuals including himself or herself, regardless of whether the
9 individual actually obtains or modifies such a loan;

10 4. "Branch office" means any location, other than a mortgage
11 lender's or mortgage broker's principal place of business or a
12 remote location, where the licensee or its employees or independent
13 contractors maintain a physical presence for the purpose of
14 conducting business;

15 5. "Commission" means the Commission on Consumer Credit;

16 ~~5.~~ 6. "Compensation" means anything of value or any benefit
17 including points, commissions, bonuses, referral fees and loan
18 origination fees;

19 ~~6.~~ 7. "Depository institution" has the same meaning as in
20 Section 3 of the Federal Deposit Insurance Act and includes any
21 credit union;

22 ~~7.~~ 8. "Entity" means a corporation, company, limited liability
23 company, partnership or association;

1 ~~8.~~ 9. "Federal banking agencies" means the Board of Governors
2 of the Federal Reserve System, the Comptroller of the currency, the
3 Director of the Office of Thrift Supervision, the National Credit
4 Union Administration and the Federal Deposit Insurance Corporation;

5 ~~9.~~ 10. "Immediate family member" means a spouse, child,
6 sibling, parent, grandparent or grandchild and includes stepparents,
7 stepchildren, stepsiblings and adoptive relationships;

8 ~~10.~~ 11. "Individual" means a natural person and also includes a
9 sole proprietorship;

10 ~~11.~~ 12. a. "Loan processor or underwriter" means an entity
11 or individual who performs support duties as an
12 employee at the direction of and subject to the
13 supervision and instruction of an entity or individual
14 licensed or exempt from licensing as provided in
15 Section 2095.3 of this title.

16 b. For purposes of this paragraph, the term "clerical or
17 support duties" may include subsequent to the receipt
18 of an application, the receipt collection,
19 distribution and analysis of information necessary for
20 the processing or underwriting or modification of a
21 loan, to the extent that such communication does not
22 include offering or negotiating or modifying loan
23 rates or terms, or counseling consumers about
24 residential mortgage loan rates or terms.

1 c. An entity or individual engaging solely in loan
2 processor or underwriter activities shall not
3 represent to the public through advertising or other
4 means of communicating or providing information,
5 including the use of business cards, stationery,
6 brochures, signs, rate lists or other promotional
7 items, that such entity or individual can or will
8 perform any of the activities of a mortgage broker or
9 mortgage loan originator;

10 ~~12.~~ 13.

11 a. "Mortgage broker" means an entity who for
12 compensation or gain or in the expectation of
13 compensation or gain:

- 14 (1) takes a residential mortgage loan application, ~~or~~
15 (2) offers, negotiates or modifies the terms of a
16 residential mortgage loan, or
17 (3) services a residential mortgage.

18 b. Mortgage broker does not include:

- 19 (1) an entity engaged solely as a loan processor or
20 underwriter except as otherwise provided in
21 Section 2095.5 of this title,
22 (2) an entity that only performs real estate
23 brokerage activities and is licensed or
24 registered in accordance with Oklahoma law,
25 unless the entity is compensated by a lender, a

1 mortgage broker, or other mortgage loan
2 originator or by any agent of such lender,
3 mortgage broker or other mortgage loan
4 originator, and

5 (3) an entity solely involved in extensions of credit
6 relating to timeshare plans, as that term is
7 defined in 11 U.S.C., Section 101(53D) United
8 States Code;

9 ~~13.~~ 14. "Mortgage lender" means an entity that takes an
10 application for a residential mortgage loan, makes a residential
11 mortgage loan or services a residential mortgage loan and is an
12 approved or authorized:

- 13 a. mortgagee with direct endorsement underwriting
14 authority granted by the United States Department of
15 Housing and Urban Development,
- 16 b. seller or servicer of the Federal National Mortgage
17 Association or the Federal Home Loan Mortgage
18 Corporation, or
- 19 c. issuer for the Government National Mortgage
20 Association;

21 ~~14.~~ 15. a. "Mortgage loan originator" means an individual
22 who for compensation or gain or in the expectation of
23 compensation or gain:

24 (1) takes a residential mortgage loan application, or
25

1 (2) offers or negotiates or modifies the terms of a
2 residential mortgage loan.

3 b. Mortgage loan originator does not include:

4 (1) an individual engaged solely as a loan processor
5 or underwriter except as otherwise provided in
6 Section 2095.5 of this title,

7 (2) an individual that only performs real estate
8 brokerage activities and is licensed or
9 registered in accordance with Oklahoma law,
10 unless the individual is compensated by a lender,
11 a mortgage broker, or other mortgage loan
12 originator or by any agent of such lender,
13 mortgage broker, or other mortgage loan
14 originator, and

15 (3) an individual solely involved in extensions of
16 credit relating to timeshare plans, as that term
17 is defined in 11 U.S.C., Section 101(53D);

18 ~~15.~~ 16. "Nationwide ~~Mortgage~~ Multistate Licensing System and
19 Registry" means a mortgage licensing system developed and maintained
20 by the Conference of State Bank Supervisors and the American
21 Association of Residential Mortgage Regulators for the licensing and
22 registration of licensed mortgage brokers and mortgage loan
23 originators;

1 ~~16.~~ 17. "Nontraditional mortgage product" means any mortgage
2 product other than a thirty-year fixed rate mortgage;

3 ~~17.~~ 18. "Real estate brokerage activity" means any activity
4 that involves offering or providing real estate brokerage services
5 to the public, including:

- 6 a. acting as a real estate agent or real estate broker
7 for a buyer, seller, lessor or lessee of real
8 property,
- 9 b. bringing together parties interested in the sale,
10 purchase, lease, rental or exchange of real property,
- 11 c. negotiating, on behalf of any party, any portion of a
12 contract relating to the sale, purchase, lease, rental
13 or exchange of real property, other than in connection
14 with providing financing with respect to any such
15 transaction,
- 16 d. engaging in any activity for which an entity engaged
17 in the activity is required to be registered or
18 licensed as a real estate agent or real estate broker
19 under any applicable law, and
- 20 e. offering to engage in any activity or act in any
21 capacity, described in this paragraph;

22 ~~18.~~ 19. "Registered mortgage loan originator" means any
23 individual who:

1 a. meets the definition of mortgage loan originator and
2 is an employee of:

3 (1) a depository institution,

4 (2) a subsidiary that:

5 (a) is owned and controlled by a depository
6 institution, and

7 (b) is regulated by a federal banking agency, or

8 (3) an institution regulated by the Farm Credit
9 Administration, and

10 b. is registered with and maintains a unique identifier
11 through, the Nationwide Mortgage Licensing System and
12 Registry;

13 ~~19.~~ 20. "Remote location" means a location, other than the
14 principal place of business or a branch office, at which the
15 employees or independent contractors of a licensee may conduct
16 mortgage business. Licensable activities from a remote location
17 shall be permitted when conducted under the supervision of the
18 licensee and when all requirements in Section 22 of this act are
19 satisfied;

20 21. "Residential mortgage loan" means any loan primarily for
21 personal, family or household use that is secured by a mortgage,
22 deed of trust, or other equivalent consensual security interest on a
23 dwelling as defined in Section 103(v) of the Truth in Lending Act or
24

1 residential real estate upon which is constructed or intended to be
2 constructed such a dwelling;

3 ~~20.~~ 22. "Residential real estate" means any real property
4 located in this state upon which is constructed or intended to be
5 constructed a dwelling as defined in paragraph ~~19~~ 21 of this
6 section; ~~and~~

7 23. "Servicing" means the administration of a resident mortgage
8 loan following the closing of such loan. An entity shall be deemed
9 to be servicing if they either hold the servicing rights, or engage
10 in any activities determined to be servicing, including:

- 11 a. collection of monthly mortgage payments,
- 12 b. the administration of escrow accounts,
- 13 c. the processing of borrower inquiries and requests, and
- 14 d. default management; and

15 ~~21.~~ 24. "Unique identifier" means a number or other identifier
16 assigned by protocols established by the Nationwide ~~Mortgage~~
17 Multistate Licensing System and Registry.

18 SECTION 2. AMENDATORY 59 O.S. 2021, Section 2095.3, is
19 amended to read as follows:

20 Section 2095.3. The following are exempt from all provisions of
21 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act:

22 1. Registered mortgage loan originators, when acting for an
23 entity described in divisions (1), (2) and (3) of subparagraph a of
24 paragraph ~~18~~ 19 of Section 2095.2 of this title;

1 2. An individual who offers or negotiates or modifies terms of
2 a residential mortgage loan with or on behalf of an immediate family
3 member of the individual;

4 3. An individual who offers or negotiates or modifies terms of
5 a residential mortgage loan secured by a dwelling that served as the
6 individual's residence;

7 4. A licensed attorney who negotiates or modifies the terms of
8 a residential mortgage loan on behalf of a client as an ancillary
9 matter to the attorney's representation of the client, unless the
10 attorney is compensated by a lender, a mortgage broker or other
11 mortgage loan originator or by any agent of such lender, mortgage
12 broker, or other mortgage loan originator;

13 5. Entities described in divisions (1), (2) and (3) of
14 subparagraph a of paragraph ~~18~~ 19 of Section 2095.2 of this title;
15 or

16 6. Any entity that is an organization recognized by the
17 Internal Revenue Service as a 501(c)(3) charitable entity that meets
18 the conditions set forth in (B) through (F) of subparagraph (ii),
19 paragraph (7), subsection (e) of Section 1008.103 of Title 12 of the
20 Code of Federal Regulations.

21 SECTION 3. AMENDATORY 59 O.S. 2021, Section 2095.5, is
22 amended to read as follows:

23 Section 2095.5. A. 1. An entity or individual, unless
24 specifically exempted from the Oklahoma Secure and Fair Enforcement
25

1 for Mortgage Licensing Act, as provided in Section 2095.3 of this
2 title, shall not engage in the business of a mortgage broker,
3 mortgage lender or mortgage loan originator with respect to any
4 dwelling located in this state without first obtaining and
5 maintaining annually a license under the Oklahoma Secure and Fair
6 Enforcement for Mortgage Licensing Act. Each licensed mortgage
7 broker, mortgage lender and mortgage loan originator must register
8 with and maintain a valid unique identifier issued by the Nationwide
9 ~~Mortgage~~ Multistate Licensing System and Registry.

10 2. In order to facilitate an orderly transition to licensing
11 and minimize disruption in the mortgage marketplace, the effective
12 date for licensing all entities and individuals as provided in this
13 subsection, including those currently licensed as mortgage brokers
14 or mortgage loan originators, shall be July 31, 2010, or such later
15 date approved by the Secretary of the U.S. Department of Housing and
16 Urban Development, pursuant to the authority granted under 12
17 U.S.C., Section 5107.

18 B. A loan processor or underwriter who is an independent
19 contractor may not engage in the activities of a loan processor or
20 underwriter unless such independent contractor loan processor or
21 underwriter obtains and maintains a license as required by the
22 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.
23 Each independent contractor loan processor or underwriter licensed
24 as a mortgage broker or mortgage loan originator must have and

1 maintain a valid unique identifier issued by the Nationwide ~~Mortgage~~
2 Multistate Licensing System and Registry.

3 C. For the purposes of implementing an orderly and efficient
4 licensing process, the Administrator of Consumer Credit may
5 establish licensing rules, upon approval by the Commission, and the
6 Administrator may establish interim procedures for licensing and
7 acceptance of applications. For previously registered or licensed
8 entities or individuals, the Administrator may establish expedited
9 review and licensing procedures.

10 SECTION 4. AMENDATORY 59 O.S. 2021, Section 2095.6, is
11 amended to read as follows:

12 Section 2095.6. A. Applicants for a license shall apply on a
13 form as prescribed by the Administrator of Consumer Credit.

14 B. In order to fulfill the purposes of the Oklahoma Secure and
15 Fair Enforcement for Mortgage Licensing Act, the Administrator is
16 authorized to establish relationships or contracts with the
17 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or
18 other entities designated by the Nationwide ~~Mortgage~~ Multistate
19 Licensing System and Registry to collect and maintain records and
20 process transaction fees or other fees related to licensees or other
21 entities or individuals subject to the Oklahoma Secure and Fair
22 Enforcement for Mortgage Licensing Act.

23 C. In connection with an application for licensing as a
24 mortgage loan originator, the applicant shall, at a minimum, furnish

1 to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry
2 information concerning the applicant's identity including:

3 1. Fingerprints for submission to the Federal Bureau of
4 Investigation and any governmental agency or entity authorized to
5 receive such information for a state, national and international
6 criminal history background check; and

7 2. Personal history and experience in a form prescribed by the
8 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the
9 Administrator to obtain:

10 a. an independent credit report obtained from a consumer
11 reporting agency defined in 15 U.S.C., Section
12 1681a(p), and

13 b. information related to any administrative, civil or
14 criminal findings by any governmental jurisdiction.

15 D. In connection with an application for licensing as a
16 mortgage broker or mortgage lender, the applicant shall, at a
17 minimum, furnish to the Nationwide ~~Mortgage~~ Multistate Licensing
18 System and Registry information concerning each owner, officer,
19 director or partner, as applicable including:

20 1. Fingerprints for submission to the Federal Bureau of
21 Investigation and any governmental agency or entity authorized to
22 receive such information for a state, national and international
23 criminal history background check; and

1 2. Personal history and experience in a form prescribed by the
2 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the
3 Administrator to obtain:

4 a. an independent credit report obtained from a consumer
5 reporting agency described in 15 U.S.C., Section
6 1681a(p), and

7 b. information related to any administrative, civil or
8 criminal findings by any governmental jurisdiction.

9 E. For purposes of this section and in order to reduce points
10 of contact which the Federal Bureau of Investigation may have to
11 maintain for purposes of paragraph 1 and subparagraph b of paragraph
12 2 of subsection D of this section, the Administrator may use the
13 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry as a
14 channeling agent for requesting information from and distributing
15 information to the Department of Justice or any governmental agency.

16 F. For the purposes of this section and in order to reduce the
17 points of contact which the Administrator may have to maintain for
18 purposes of subparagraphs a and b of paragraph 2 of subsection D of
19 this section, the Administrator may use the Nationwide ~~Mortgage~~
20 Multistate Licensing System and Registry as a channeling agent for
21 requesting and distributing information to and from any source so
22 directed by the Administrator.

23 G. A license issued under the Oklahoma Secure and Fair
24 Enforcement for Mortgage Licensing Act shall be valid for a period

1 of one (1) year, unless otherwise revoked or suspended by the
2 Administrator as provided in the Oklahoma Secure and Fair
3 Enforcement for Mortgage Licensing Act.

4 H. The Administrator, on determining that the applicant is
5 qualified and upon payment of the fees by the applicant, shall issue
6 a license to the applicant. An applicant who has been denied a
7 license may not reapply for the license for sixty (60) days from the
8 date of the previous application. A new license issued on or after
9 November 1 shall be effective through December 31 of the following
10 calendar year.

11 I. A licensee shall pay the renewal fee on or before December
12 1. If the license is not renewed by December 1, the licensee shall
13 pay a late renewal fee as prescribed by rule of the Commission on
14 Consumer Credit. Licenses not renewed by December 31 shall expire
15 and the licensee shall not act as a mortgage broker, mortgage lender
16 or mortgage loan originator until a new license is issued pursuant
17 to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
18 Act. A license shall not be granted to the holder of an expired
19 license except as provided in the Oklahoma Secure and Fair
20 Enforcement for Mortgage Licensing Act for the issuance of an
21 original license.

22 J. A licensee shall prominently display the mortgage broker,
23 mortgage lender or mortgage loan originator license in the ~~office~~
24 principal place of business of the mortgage broker, mortgage lender

1 or mortgage loan originator and any branch office of the mortgage
2 broker or mortgage lender.

3 K. 1. ~~Initial and renewal license fees shall be as prescribed~~
4 ~~by rule of the Commission on Consumer Credit~~ An applicant for a
5 mortgage broker or mortgage lender license shall pay a fee of Five
6 Thousand Dollars (\$5,000.00). This fee shall cover the application
7 fee and examination fee for all registered locations, including any
8 changes of address.

9 2. Mortgage broker or mortgage lender licenses may be renewed
10 by submitting an annual assessment fee. The annual assessment fee
11 shall:

12 a. be based on the dollar volume of loans originated for
13 residential real property located in Oklahoma during
14 the twelve-month period ending June 30,

15 b. be based on the dollar volume of loans serviced for
16 residential real property located in Oklahoma as
17 reported on the Q2 mortgage call report for the period
18 ending on June 30,

19 c. be determined by applying a factor of one-hundredth of
20 a percent (0.01%) of the dollar volume of loans
21 originated and the dollar volume of loans serviced in
22 Oklahoma, and

23 d. cover:
24
25

1 (1) the renewal fee for the principal office and any
2 branches, and

3 (2) any examination-related costs incurred by the
4 Department of Consumer Credit.

5 3. The annual assessment fee shall not be:

6 a. less than One Thousand Dollars (\$1,000.00), nor

7 b. more than Ninety Thousand Dollars (\$90,000.00).

8 4. A late renewal fee shall be as prescribed by rule of the
9 Commission on Consumer Credit.

10 ~~3.~~ 5. Branch office fees offices shall be as prescribed by rule
11 ~~of the Commission on Consumer Credit for each year registered with~~
12 ~~the Department and shall be accompanied by an initial registration~~
13 ~~fee of One Hundred Fifty Dollars (\$150.00).~~

14 ~~4.~~ 6. A fee as prescribed by rule of the Commission on Consumer
15 Credit shall be charged for each license change, duplicate license
16 or returned check.

17 ~~5.~~ 7. A fee as prescribed by rule of the Commission on Consumer
18 Credit shall be paid by applicants and licensees into the Oklahoma
19 Mortgage Broker and Mortgage Loan Originator Recovery Fund as
20 provided for in Section 2095.20 of this title for each initial
21 application and each renewal application.

22 ~~6. An examination fee shall be as prescribed by rule of the~~
23 ~~Commission on Consumer Credit.~~

1 ~~7. An application fee shall be as prescribed by rule of the~~
2 ~~Commission on Consumer Credit.~~

3 8. Each additional trade name used by a licensee shall be
4 registered with the Department and shall be accompanied by an
5 initial registration fee of One Hundred Fifty Dollars (\$150.00).

6 9. The Administrator of Consumer Credit may reinstate a license
7 within thirty-one (31) days of the expiration of the license if the
8 licensee pays the assessment fees and a reinstatement fee of Five
9 Hundred Dollars (\$500.00). A licensee shall not be reinstated when
10 the renewal application, fees, or any required information is
11 received on or after February 1 of the following year that the
12 renewal application was due.

13 10. The Administrator may reduce annual assessment fees on a
14 pro rata basis for a specific renewal period by reducing the factor
15 applied to the dollar volume of loans originated and serviced. The
16 Administrator shall notify licensees of an annual assessment fee
17 reduction prior to November 1 of the specific license renewal
18 period. An annual assessment fee does not include an initial
19 license fee for purposes of this subsection.

20 L. 1. An applicant for an initial mortgage loan originator
21 license shall pay a fee of Four Hundred Fifty Dollars (\$450.00).

22 2. An applicant renewing a mortgage loan originator license
23 shall pay a fee of Two Hundred Fifty Dollars (\$250.00).

1 3. A late renewal fee shall be as prescribed by rule of the
2 Commission on Consumer Credit.

3 4. A fee as prescribed by rule of the Commission shall be paid
4 by applicants and licensees into the Oklahoma Mortgage Broker and
5 Mortgage Loan Originator Recovery Fund, as provided in Section
6 2095.20 of this title, for each initial application and each renewal
7 application.

8 SECTION 5. AMENDATORY 59 O.S. 2021, Section 2095.7, is
9 amended to read as follows:

10 Section 2095.7. A. The Administrator of Consumer Credit shall
11 not issue a mortgage loan originator license unless the
12 Administrator makes at a minimum the following findings:

13 1. The applicant has never had a mortgage loan originator
14 license revoked in any governmental jurisdiction, except that a
15 subsequent formal vacation of such revocation shall not be deemed a
16 revocation;

17 2. The applicant has not been convicted of, or pled guilty or
18 nolo contendere to a felony crime that substantially relates to the
19 occupation of a mortgage loan originator and poses a reasonable
20 threat to public safety in a domestic, foreign or military court:

21 a. during the seven-year period preceding the date of the
22 application for licensing and registration, or

1 b. at any time preceding such date of application, if
2 such felony involved an act of fraud, dishonesty, a
3 breach of trust or money laundering.

4 Provided, that any pardon of a conviction shall not be a
5 conviction for purposes of this paragraph;

6 3. The applicant has demonstrated financial responsibility and
7 general fitness such as to command the confidence of the community
8 and to warrant a determination that the mortgage loan originator
9 will operate honestly, fairly and efficiently within the purposes of
10 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.
11 For purposes of this paragraph, an individual has shown that he or
12 she is not financially responsible when he or she has shown a
13 disregard in the management of his or her own financial condition.
14 A determination that an individual has not shown financial
15 responsibility may include, but not be limited to:

- 16 a. current outstanding judgments, except judgments solely
17 as a result of medical expenses,
- 18 b. current outstanding tax liens or other government
19 liens and filings,
- 20 c. foreclosures within the past three (3) years, or
- 21 d. pattern of seriously delinquent accounts within the
22 past three (3) years;

23 4. The applicant has completed the prelicensing education
24 requirement described in Section 2095.8 of this title;

1 5. The applicant has passed a written test that meets the test
2 requirement described in Section 2095.9 of this title;

3 6. The applicant has paid into the Oklahoma Mortgage Broker and
4 Mortgage Loan Originator Recovery Fund as required by paragraph ~~5~~ 7
5 of subsection K of Section 2095.6 of this title; and

6 7. The applicant is sponsored by a licensed mortgage broker or
7 mortgage lender. The Administrator of Consumer Credit may authorize
8 an entity exempt from the requirements of ~~this act~~ the Oklahoma
9 Secure and Fair Enforcement for Mortgage Licensing Act to sponsor an
10 applicant that is an independent contractor of the exempt entity.

11 The Administrator of Consumer Credit may promulgate administrative
12 rules, subject to approval of the Commission on Consumer Credit, to
13 implement sponsorship procedures and requirements.

14 B. As used in this section:

15 1. "Substantially relates" means the nature of criminal conduct
16 for which the person was convicted has a direct bearing on the
17 fitness or ability to perform one or more of the duties or
18 responsibilities necessarily related to the occupation; and

19 2. "Poses a reasonable threat" means the nature of criminal
20 conduct for which the person was convicted involved an act or threat
21 of harm against another and has a bearing on the fitness or ability
22 to serve the public or work with others in the occupation.

23 SECTION 6. AMENDATORY 59 O.S. 2021, Section 2095.8, is
24 amended to read as follows:

1 Section 2095.8. A. In order to meet the prelicensing education
2 requirement referred to in Section 2095.7 of this title, an
3 individual shall complete at least twenty (20) hours of education
4 approved in accordance with subsection B of this section, which
5 shall include at least:

6 1. Three (3) hours of federal law and regulations;

7 2. Three (3) hours of ethics, which shall include instruction
8 on fraud, consumer protection and fair lending issues;

9 3. Two (2) hours of training related to lending standards for
10 the nontraditional mortgage product marketplace; and

11 4. One (1) hour of Oklahoma law and regulations.

12 B. For purposes of subsection A of this section, prelicensing
13 education courses shall be reviewed and approved by the Nationwide
14 ~~Mortgage~~ Multistate Licensing System and Registry based upon
15 reasonable standards. Review and approval of a prelicensing
16 education course shall include review and approval of the course
17 provider.

18 C. Nothing in this section shall preclude any prelicensing
19 education course as approved by the Nationwide ~~Mortgage~~ Multistate
20 Licensing System and Registry that is provided by the employer of
21 the applicant or an entity which is affiliated with the applicant by
22 an agency contract or any subsidiary or affiliate of such employer
23 or entity.

1 D. Prelicensing education may be offered either in a classroom,
2 online or by any other means approved by the Nationwide ~~Mortgage~~
3 Multistate Licensing System and Registry.

4 E. The prelicensing education requirements approved by the
5 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry in
6 paragraph 1 of subsection A and subsections B and C of this section
7 for any state shall be accepted as credit towards completion of
8 prelicensing education requirements in this state.

9 F. An individual previously licensed pursuant to the Oklahoma
10 Secure and Fair Enforcement for Mortgage Licensing Act, subsequent
11 to July 1, 2009, and applying to be licensed again, must prove
12 completion of all of the continuing education requirements for the
13 year in which the license was last held.

14 SECTION 7. AMENDATORY 59 O.S. 2021, Section 2095.9, is
15 amended to read as follows:

16 Section 2095.9. A. In order to meet the written test
17 requirement referred to in Section ~~10 of this act~~ 2095.7 of this
18 title, an individual shall pass, in accordance with standards
19 established under this section, a qualified written test developed
20 by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry
21 and administered by a test provider approved by the Nationwide
22 ~~Mortgage~~ Multistate Licensing System and Registry based upon
23 reasonable standards.

1 B. A written test shall not be treated as a qualified written
2 test for purposes of subsection A of this section unless the test
3 adequately measures the applicant's knowledge and comprehension in
4 appropriate subject areas, including:

5 1. Ethics;

6 2. Federal law and regulations pertaining to mortgage
7 origination;

8 3. State law and regulation pertaining to mortgage origination;
9 and

10 4. Federal and state law and regulation, including instruction
11 on fraud, consumer protection, the nontraditional mortgage
12 marketplace and fair lending issues.

13 C. Nothing in this section shall prohibit a test provider
14 approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and
15 Registry from providing a test at the location of the employer of
16 the applicant or the location of any subsidiary or affiliate of the
17 employer of the applicant or the location of any entity with which
18 the applicant holds an exclusive arrangement to conduct the business
19 of a mortgage loan originator.

20 D. 1. An individual shall not be considered to have passed a
21 qualified written test unless the individual achieves a test score
22 of not less than seventy-five percent (75%) correct answers to
23 questions.

1 2. An individual may retake a test three consecutive times with
2 each consecutive taking occurring at least thirty (30) days after
3 the preceding test.

4 3. After failing three consecutive tests, an individual shall
5 wait at least six (6) months before taking the test again.

6 4. A licensed mortgage loan originator who fails to maintain an
7 active and valid license for a period of five (5) years or longer
8 shall retake the test, not taking into account any time during which
9 such individual is a registered mortgage loan originator.

10 SECTION 8. AMENDATORY 59 O.S. 2021, Section 2095.10, is
11 amended to read as follows:

12 Section 2095.10. A. The minimum standards for license renewal
13 for mortgage loan originators shall include the following:

14 1. The mortgage loan originator continues to meet the minimum
15 standards for license issuance under Section ~~10 of this act~~ 2095.7
16 of this title;

17 2. The mortgage loan originator has satisfied the annual
18 continuing education requirements described in Section ~~24 of this~~
19 ~~act~~ 2095.21 of this title; and

20 3. The mortgage loan originator has paid all required fees for
21 renewal of the license.

22 B. The license of a mortgage loan originator failing to satisfy
23 the minimum standards for license renewal shall expire. The
24 Administrator of Consumer Credit may adopt procedures in addition to

1 the requirements of Section ~~9 of this act~~ 2095.6 of this title for
2 the reinstatement of expired licenses consistent with the standards
3 established by the Nationwide ~~Mortgage~~ Multistate Licensing System
4 and Registry.

5 SECTION 9. AMENDATORY 59 O.S. 2021, Section 2095.11, is
6 amended to read as follows:

7 Section 2095.11. A. The Administrator of Consumer Credit shall
8 not issue a mortgage broker license unless the Administrator makes
9 at a minimum the following findings:

10 1. The applicant or any owner, officer, director or partner has
11 never had a mortgage broker or mortgage loan originator license
12 revoked in any governmental jurisdiction, except that a subsequent
13 formal vacation of such revocation shall not be deemed a revocation;

14 2. Any owner, officer, director or partner of the applicant has
15 not been convicted of, or pled guilty or nolo contendere to, a
16 felony crime that substantially relates to the occupation of a
17 mortgage broker and poses a reasonable threat to public safety in a
18 domestic, foreign or military court:

19 a. during the seven-year period preceding the date of the
20 application for licensing and registration, or

21 b. at any time preceding such date of application, if
22 such felony involved an act of fraud, dishonesty, a
23 breach of trust or money laundering.

1 Provided, that any pardon of a conviction shall not be a
2 conviction for purposes of this paragraph;

3 3. The applicant's owners, officers, directors or partners have
4 demonstrated financial responsibility and general fitness such as to
5 command the confidence of the community and to warrant a
6 determination that the mortgage broker will operate honestly, fairly
7 and efficiently within the purposes of ~~this act~~ the Oklahoma Secure
8 and Fair Enforcement for Mortgage Licensing Act. For purposes of
9 this paragraph, an applicant's owners, officers, directors or
10 partners have shown they are not financially responsible when they
11 have shown a disregard in the management of their own financial
12 condition. A determination that an owner, officer, director or
13 partner has not shown financial responsibility may include, but not
14 be limited to:

- 15 a. current outstanding judgments, except judgments solely
- 16 as a result of medical expenses,
- 17 b. current outstanding tax liens or other government
- 18 liens and filings,
- 19 c. foreclosures within the past three (3) years, or
- 20 d. a pattern of seriously delinquent accounts within the
- 21 past three (3) years;

22 4. The applicant has paid into the Oklahoma Mortgage Broker and
23 Mortgage Loan Originator Recovery Fund as required by paragraph ~~5~~ 7
24 of subsection K of Section 2095.6 of this title; and

1 5. The applicant has paid all required fees for issuance of the
2 license.

3 B. Each mortgage broker applicant shall designate and maintain
4 a principal place of business for the transaction of business. The
5 applicant shall specify the address of the principal place of
6 business and designate a licensed mortgage loan originator to
7 oversee the operations of the principal place of business. If an
8 applicant wishes to maintain one or more ~~locations~~ branch offices
9 for the transaction of business in addition to a principal place of
10 business, the applicant shall first ~~obtain a~~ register the branch
11 office ~~license from~~ location with the Administrator and designate a
12 licensed mortgage loan originator for each branch office to oversee
13 the operations of that branch office. The applicant shall submit a
14 fee as set forth in paragraph ~~3~~ 5 of subsection K of Section 2095.6
15 of this title for each branch ~~office license issued.~~ ~~If the~~
16 ~~Administrator of Consumer Credit determines that the applicant is~~
17 ~~qualified, the Administrator shall issue a branch office license~~
18 ~~indicating the address of the branch office~~ registered. If the
19 address of the principal place of business or of any branch office
20 is changed, the licensee shall immediately notify the Administrator
21 of the change and the Administrator shall endorse the change of
22 address on the license for a fee as prescribed in paragraph ~~4~~ 6 of
23 subsection K of Section 2095.6 of this title.

24 C. As used in this section:
25

1 1. "Substantially relates" means the nature of criminal conduct
2 for which the person was convicted has a direct bearing on the
3 fitness or ability to perform one or more of the duties or
4 responsibilities necessarily related to the occupation; and

5 2. "Poses a reasonable threat" means the nature of criminal
6 conduct for which the person was convicted involved an act or threat
7 of harm against another and has a bearing on the fitness or ability
8 to serve the public or work with others in the occupation.

9 SECTION 10. AMENDATORY 59 O.S. 2021, Section 2095.11.1,
10 is amended to read as follows:

11 Section 2095.11.1. The Administrator of Consumer Credit shall
12 not issue a mortgage lender license unless the Administrator makes
13 at a minimum the following findings:

14 1. The applicant or any owner, officer, director or partner has
15 never had a mortgage lender, mortgage broker or mortgage loan
16 originator license revoked in any governmental jurisdiction, except
17 that a subsequent formal vacation of such revocation shall not be
18 deemed a revocation;

19 2. Any owner, officer, director or partner of the applicant has
20 not been convicted of, or pled guilty or nolo contendere to, a
21 felony crime that substantially relates to the occupation of a
22 mortgage lender and poses a reasonable threat to public safety in a
23 domestic, foreign or military court:

- 1 a. during the seven-year period preceding the date of the
2 application for licensing and registration, or
3 b. at any time preceding such date of application, if
4 such felony involved an act of fraud, dishonesty, a
5 breach of trust or money laundering.

6 Provided, that any pardon of a conviction shall not be a
7 conviction for purposes of this paragraph;

8 3. The applicant and the applicant's owners, officers,
9 directors or partners have demonstrated financial responsibility and
10 general fitness such as to command the confidence of the community
11 and to warrant a determination that the mortgage lender will operate
12 honestly, fairly and efficiently within the purposes of ~~this act~~ the
13 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.

14 For purposes of this paragraph, an applicant's owners, officers,
15 directors or partners have shown they are not financially
16 responsible when they have shown a disregard in the management of
17 their own financial condition. A determination that an owner,
18 officer, director or partner has not shown financial responsibility
19 may include, but not be limited to:

- 20 a. current outstanding judgments, except judgments solely
21 as a result of medical expenses,
22 b. current outstanding tax liens or other government
23 liens and filings,
24 c. foreclosures within the past three (3) years, or
25

1 d. a pattern of seriously delinquent accounts within the
2 past three (3) years;

3 4. The applicant has filed a bond in the amount of One Hundred
4 Thousand Dollars (\$100,000.00) securing the applicant's or
5 licensee's faithful performance of all duties and obligations of a
6 licensee. The bond shall meet the following requirements:

7 a. the bond shall be in a form acceptable to the
8 Administrator,

9 b. the bond shall be issued by an insurance company
10 authorized to conduct business in the State of
11 Oklahoma,

12 c. the bond shall be payable to the Oklahoma Department
13 of Consumer Credit,

14 d. the bond is continuous in nature and shall be
15 maintained at all times as a condition of licensure,

16 e. the bond may not be terminated without thirty (30)
17 days prior written notice to the Administrator and
18 approval of the Administrator,

19 f. the bond shall be available for the recovery of
20 expenses, civil penalties and fees assessed pursuant
21 to the Oklahoma Secure and Fair Enforcement for
22 Mortgage Licensing Act and for losses or damages which
23 are determined by the Administrator to have been
24 incurred by any borrower or consumer as a result of

1 the applicant's or licensee's failure to comply with
2 the requirements of the Oklahoma Secure and Fair
3 Enforcement for Mortgage Licensing Act,

4 g. when an action is commenced on a licensee's bond, the
5 Administrator may require the filing of a new bond,
6 and

7 h. whenever the principal sum of the bond is reduced by
8 one or more recoveries or payments thereon, the
9 licensee shall furnish a new or additional bond so
10 that the total or aggregate principal sum of such bond
11 or such bonds shall equal One Hundred Thousand Dollars
12 (\$100,000.00) or shall furnish an endorsement duly
13 executed by the corporate surety reinstating the bond
14 to the required principal sum;

15 5. The applicant has a net worth of at least Twenty-five
16 Thousand Dollars (\$25,000.00) as reflected by an audited financial
17 statement prepared by a certified public accountant in accordance
18 with generally accepted accounting principles that is accompanied by
19 an opinion acceptable to the Administrator and is dated within
20 fifteen (15) months of the date of application;

21 6. The applicant has paid all required fees for issuance of the
22 license. The license fees for a mortgage lender shall be in the
23 same amount as license fees applicable to a mortgage broker;

1 7. Each mortgage lender applicant shall designate and maintain
2 a principal place of business for the transaction of business. If
3 the mortgage lender applicant engages in activity that satisfies the
4 definition of a mortgage broker, the mortgage lender shall designate
5 a licensed mortgage loan originator to oversee the mortgage loan
6 origination operations of the principal place of business and any
7 branch office location where the mortgage lender applicant engages
8 in activity that satisfies the definition of a mortgage broker. If
9 an applicant wishes to maintain ~~one or more locations~~ branch offices
10 for the transaction of business in addition to a principal place of
11 business, the applicant shall first ~~obtain a~~ register the branch
12 office ~~license from~~ location with the Administrator. The applicant
13 shall submit a fee as set forth in paragraph ~~3~~ 5 of subsection K of
14 Section 2095.6 of this title for each branch office ~~license issued.~~
15 ~~If the Administrator of Consumer Credit determines that the~~
16 ~~applicant is qualified, the Administrator shall issue a branch~~
17 ~~office license indicating the address of the branch office~~
18 registered. If the address of the principal place of business or of
19 any branch office is changed, the licensee shall immediately notify
20 the Administrator of the change and the Administrator shall endorse
21 the change of address on the license for a fee as prescribed in
22 paragraph ~~4~~ 6 of subsection K of Section 2095.6 of this title; and

23 8. A separate mortgage broker license is not required for a
24 mortgage lender that engages in activity that satisfies the

1 definition of a mortgage broker as provided in the Oklahoma Secure
2 and Fair Enforcement for Mortgage Licensing Act. A mortgage lender
3 that engages in activity that satisfies the definition of a mortgage
4 broker shall comply with all requirements of the Oklahoma Secure and
5 Fair Enforcement for Mortgage Licensing Act regarding mortgage
6 brokers.

7 SECTION 11. AMENDATORY 59 O.S. 2021, Section 2095.12, is
8 amended to read as follows:

9 Section 2095.12. A. The minimum standards for license renewal
10 for mortgage brokers shall include the following:

11 1. The mortgage broker continues to meet the minimum standards
12 for license issuance under ~~Section 14 of this act~~ 2095.11 of this
13 title; and

14 2. The mortgage broker has paid all required fees for renewal
15 of the license.

16 B. The license of a mortgage broker failing to satisfy the
17 minimum standards for license renewal shall expire. The
18 Administrator of Consumer Credit may adopt procedures in addition to
19 the requirements of ~~Section 9 of this act~~ paragraph 9 of subsection
20 K of Section 2095.6 of this title for the reinstatement of expired
21 licenses consistent with the standards established by the Nationwide
22 ~~Mortgage~~ Multistate Licensing System and Registry.

23 SECTION 12. AMENDATORY 59 O.S. 2021, Section 2095.12.1,
24 is amended to read as follows:

1 Section 2095.12.1. A. The minimum standards for license
2 renewal for mortgage lenders shall include the following:

3 1. The mortgage lender continues to meet the minimum standards
4 for license issuance under ~~this act~~ the Oklahoma Secure and Fair
5 Enforcement for Mortgage Licensing Act; and

6 2. The mortgage lender has paid all required fees for renewal
7 of the license.

8 B. The license of a mortgage lender failing to satisfy the
9 minimum standards for license renewal shall expire. The
10 Administrator of Consumer Credit may adopt procedures in addition to
11 the requirements set forth in paragraph 9 of subsection K of Section
12 2095.6 of this title for the reinstatement of expired licenses
13 consistent with the standards established by the Nationwide ~~Mortgage~~
14 Multistate Licensing System and Registry.

15 SECTION 13. AMENDATORY 59 O.S. 2021, Section 2095.13, is
16 amended to read as follows:

17 Section 2095.13. In addition to any other duties imposed upon
18 the Administrator of Consumer Credit by law, the Administrator shall
19 require mortgage brokers, mortgage lenders and mortgage loan
20 originators to be licensed and registered through the Nationwide
21 ~~Mortgage~~ Multistate Licensing System and Registry. In order to
22 carry out this requirement, the Administrator is authorized to
23 participate in the Nationwide ~~Mortgage~~ Multistate Licensing System
24 and Registry. For this purpose, the Administrator, upon approval of

1 the Commission, may establish requirements by rule as necessary and
2 consistent with ~~this act~~ the Oklahoma Secure and Fair Enforcement
3 for Mortgage Licensing Act, including but not limited to:

4 1. Background checks for:

5 a. criminal history through fingerprint or other
6 databases,

7 b. civil or administrative records,

8 c. credit history, or

9 d. any other information as deemed necessary by the
10 Nationwide ~~Mortgage~~ Multistate Licensing System and
11 Registry;

12 2. The payment of fees to apply for or renew licenses through
13 the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

14 3. The setting or resetting as necessary of renewal or
15 reporting dates; and

16 4. Requirements for amending or surrendering a license or any
17 other such activities as the Administrator deems necessary for
18 participation in the Nationwide ~~Mortgage~~ Multistate Licensing System
19 and Registry.

20 SECTION 14. AMENDATORY 59 O.S. 2021, Section 2095.14,
21 is amended to read as follows:

22 Section 2095.14. The Administrator of Consumer Credit shall,
23 upon approval by the Commission on Consumer Credit, establish by
24 rule a process whereby mortgage brokers, mortgage lenders and
25

1 mortgage loan originators may challenge information entered into the
2 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry by the
3 Administrator.

4 SECTION 15. AMENDATORY 59 O.S. 2021, Section 2095.18, is
5 amended to read as follows:

6 Section 2095.18. It is a violation of ~~this act~~ the Oklahoma
7 Secure and Fair Enforcement for Mortgage Licensing Act for an entity
8 or individual subject to ~~this act~~ the Oklahoma Secure and Fair
9 Enforcement for Mortgage Licensing Act to:

10 1. Directly or indirectly employ any scheme, device, or
11 artifice to defraud or mislead borrowers or lenders or to defraud
12 any entity or individual;

13 2. Engage in any unfair or deceptive practice toward any entity
14 or individual;

15 3. Obtain property by fraud or misrepresentation;

16 4. Solicit or enter into a contract with a borrower that
17 provides in substance that the entity or individual subject to ~~this~~
18 ~~act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
19 Act may earn a fee or commission through "best efforts" to obtain or
20 modify a loan even though a loan is not actually obtained or
21 modified for the borrower;

22 5. Solicit, advertise or enter into a contract for specific
23 interest rates, points or other financing terms unless the terms are
24

1 actually available at the time of soliciting, advertising or
2 contracting;

3 6. Conduct any business covered by ~~this act~~ the Oklahoma Secure
4 and Fair Enforcement for Mortgage Licensing Act without holding a
5 valid license as required under ~~this act~~ the Oklahoma Secure and
6 Fair Enforcement for Mortgage Licensing Act or assist or aide and
7 abet any entity or individual in the conduct of business under ~~this~~
8 ~~act~~ the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
9 Act without a valid license as required under ~~this act~~ the Oklahoma
10 Secure and Fair Enforcement for Mortgage Licensing Act;

11 7. Fail to make disclosures as required by ~~this act~~ the
12 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and
13 any other applicable state or federal law including regulations
14 thereunder;

15 8. Fail to comply with ~~this act~~ the Oklahoma Secure and Fair
16 Enforcement for Mortgage Licensing Act or rules promulgated under
17 ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage
18 Licensing Act or fail to comply with any other state or federal law,
19 including any rules thereunder, applicable to any business
20 authorized or conducted under ~~this act~~ the Oklahoma Secure and Fair
21 Enforcement for Mortgage Licensing Act;

22 9. Make, in any manner, any false or deceptive statement or
23 representation, including, with regard to the rates, points, or
24

1 other financing terms or conditions for a residential mortgage loan
2 or engage in bait and switch advertising;

3 10. Negligently make any false statement or knowingly and
4 willfully make any omission of material fact in connection with any
5 information or reports filed with a governmental agency or the
6 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or in
7 connection with any investigation conducted by the Administrator of
8 Consumer Credit or another governmental agency;

9 11. Make any payment, threat or promise, directly or
10 indirectly, to any entity or individual for the purposes of
11 influencing the independent judgment of the entity or individual in
12 connection with a residential mortgage loan or make any payment,
13 threat or promise, directly or indirectly, to any appraiser of a
14 property, for the purposes of influencing the independent judgment
15 of the appraiser with respect to the value of the property;

16 12. Collect, charge, attempt to collect or charge or use or
17 propose any agreement purporting to collect or charge any fee
18 prohibited by ~~this act~~ the Oklahoma Secure and Fair Enforcement for
19 Mortgage Licensing Act;

20 13. Cause or require a borrower to obtain property insurance
21 coverage in an amount that exceeds the replacement cost of the
22 improvements as established by the property insurer; or

23 14. Fail to truthfully account for monies belonging to a party
24 to a residential mortgage loan transaction.

1 SECTION 16. AMENDATORY 59 O.S. 2021, Section 2095.20, is

2 amended to read as follows:

3 Section 2095.20. A. 1. There is hereby created in the State
4 Treasury a revolving fund for the Commission on Consumer Credit to
5 be designated the "Oklahoma Mortgage Broker and Mortgage Loan
6 Originator Recovery Fund". The fund shall consist of fees received
7 by the Administrator of Consumer Credit ~~as required by paragraph 6~~
8 ~~of subsection M of Section 2095.6 of this title~~ to be paid into the
9 fund.

10 2. The revolving fund shall be a continuing fund not subject to
11 fiscal year limitations and shall be under the administrative
12 direction of the Administrator. Monies accruing to the credit of
13 this fund are hereby appropriated and may be budgeted and expended
14 by the Commission, pursuant to rules promulgated by the Commission,
15 for the purposes specified in subsection B of this section. The
16 provisions of this paragraph shall have retroactive and prospective
17 application.

18 3. Expenditures from the fund shall be made upon warrants
19 issued by the State Treasurer against claims filed as prescribed by
20 law with the Director of the Office of Management and Enterprise
21 Services for approval and payment.

22 B. 1. Subject to the limitations of this subsection, monies in
23 the fund shall be used to reimburse any entity or individual in an
24 amount not to exceed ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand

1 Dollars (\$10,000.00) who has been adjudged by a court of competent
2 jurisdiction to have suffered monetary damages by an entity or
3 individual required to have a license under the Oklahoma Secure and
4 Fair Enforcement for Mortgage Licensing Act in any transaction or
5 series of transactions for which a license is required under the
6 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act
7 because of the acquisition of money or property by fraud,
8 misrepresentation, deceit, false pretenses, artifice, trickery, or
9 by any other act which would constitute a violation of the Oklahoma
10 Secure and Fair Enforcement for Mortgage Licensing Act.

11 2. Payments for claims based on judgments against any one
12 person required to have a license under ~~this act~~ the Oklahoma Secure
13 and Fair Enforcement for Mortgage Licensing Act shall not exceed in
14 the aggregate ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand
15 Dollars (\$60,000.00).

16 3. Payments for claims may only be made for a cause of action
17 which has accrued on or after November 1, 1997, and which has
18 accrued not more than two (2) years prior to filing the action in
19 district court.

20 SECTION 17. AMENDATORY 59 O.S. 2021, Section 2095.21, is
21 amended to read as follows:

22 Section 2095.21. A. In order to meet the annual continuing
23 education requirements as provided in subsection A of Section
24 2095.10 of this title, a licensed mortgage loan originator shall

1 complete at least eight (8) hours of education approved as provided
2 in subsection B of this section, which shall include at least:

- 3 1. Three (3) hours of federal law and regulations;
- 4 2. Two (2) hours of ethics, which shall include instruction on
5 fraud, consumer protection and fair lending issues; and
- 6 3. Two (2) hours of training related to lending standards for
7 the nontraditional mortgage product marketplace.

8 B. For purposes of subsection A of this section, continuing
9 education courses shall be reviewed and approved by the Nationwide
10 ~~Mortgage~~ Multistate Licensing System and Registry based upon
11 reasonable standards. Review and approval of a continuing education
12 course shall include review and approval of the course provider.

13 C. Nothing in this section shall preclude any education course
14 as approved by the Nationwide ~~Mortgage~~ Multistate Licensing System
15 and Registry that is provided by the employer of the mortgage loan
16 originator or an entity which is affiliated with the mortgage loan
17 originator by an agency contract or any subsidiary or affiliate of
18 such employer or entity.

19 D. Continuing education may be offered either in a classroom,
20 online or by any other means approved by the Nationwide ~~Mortgage~~
21 Multistate Licensing System and Registry.

22 E. A licensed mortgage loan originator, except as provided in
23 subsection B of Section 2095.10 of this title and subsection I of
24 this section:

1 1. May only receive credit for a continuing education course in
2 the year in which the course is taken; and

3 2. May not take the same approved course in the same or
4 successive years to meet the annual requirements for continuing
5 education.

6 F. A licensed mortgage loan originator who is an approved
7 instructor of an approved continuing education course may receive
8 credit for the licensed mortgage loan originator's own annual
9 continuing education requirement at the rate of two (2) hours credit
10 for every one (1) hour taught.

11 G. An individual having successfully completed the education
12 requirements approved by the Nationwide ~~Mortgage~~ Multistate
13 Licensing System and Registry in paragraph 1 of subsection A and
14 subsections B and C of this section for any state shall be accepted
15 as credit towards completion of continuing education requirements in
16 this state.

17 H. A licensed mortgage loan originator who subsequently becomes
18 unlicensed must complete the continuing education requirements for
19 the last year in which the license was held prior to issuance of a
20 new or renewed license.

21 I. An individual meeting the requirements of paragraphs 1 and 2
22 of subsection A of Section 2095.10 of this title may make up any
23 deficiency in continuing education as established by rule.

1 SECTION 18. AMENDATORY 59 O.S. 2021, Section 2095.22, is

2 amended to read as follows:

3 Section 2095.22. In order to promote more effective regulation
4 and reduce regulatory burden through supervisory information
5 sharing:

6 1. Except as otherwise provided in 12 U.S.C., Section 5111, the
7 requirements under federal or Oklahoma law, regarding the privacy or
8 confidentiality of any information or material provided to the
9 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and any
10 privilege arising under federal or state law, including the rules of
11 any federal or state court, with respect to such information or
12 material, shall continue to apply to such information or material
13 after the information or material has been disclosed to the
14 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry. Such
15 information and material may be shared with all state and federal
16 regulatory officials with mortgage industry oversight authority
17 without the loss of privilege or the loss of confidentiality
18 protections provided by federal or Oklahoma law.

19 2. For these purposes, the Administrator of Consumer Credit is
20 authorized to enter into agreements or sharing arrangements with
21 other governmental agencies, the Conference of State Bank
22 Supervisors, the American Association of Residential Mortgage
23 Regulators or other associations representing governmental agencies.

1 3. Information or material that is subject to a privilege or
2 confidentiality under paragraph 1 of this section shall not be
3 subject to:

4 a. disclosure under any federal or state law governing
5 the disclosure to the public of information held by an
6 officer or an agency of the federal government or the
7 respective state, or

8 b. subpoena or discovery, or admission into evidence, in
9 any private civil action or administrative process,
10 unless with respect to any privilege held by the
11 Nationwide ~~Mortgage~~ Multistate Licensing System and
12 Registry with respect to such information or material,
13 the entity or individual to whom such information or
14 material pertains waives, in whole or in part, in the
15 discretion of such entity or individual, that
16 privilege.

17 4. Any provision of Oklahoma law relating to the disclosure of
18 confidential supervisory information or any information or material
19 described in paragraph 1 of this section that is inconsistent with
20 paragraph 1 of this section shall be superseded by the requirements
21 of this section.

22 5. This section shall not apply with respect to the information
23 or material relating to the employment history of and publicly
24 adjudicated disciplinary and enforcement actions against mortgage
25

1 brokers and mortgage loan originators that is included in the
2 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry for
3 access by the public.

4 SECTION 19. AMENDATORY 59 O.S. 2021, Section 2095.23, is
5 amended to read as follows:

6 Section 2095.23. A. In addition to any authority allowed under
7 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,
8 the Administrator of Consumer Credit shall have the authority to
9 conduct investigations and examinations of the following:

10 1. Criminal, civil and administrative history information,
11 including nonconviction data;

12 2. Personal history and experience information including
13 independent credit reports obtained from a consumer reporting agency
14 described in 15 U.S.C., Section 1681a(p);

15 3. The financial condition and internal management policies and
16 procedures of any entity licensed or required to be licensed as a
17 mortgage lender for purposes of determining that the entity is
18 operating honestly, fairly and efficiently within the purposes of
19 ~~this act~~ the Oklahoma Secure and Fair Enforcement for Mortgage
20 Licensing Act; and

21 4. Any other documents, information or evidence the
22 Administrator deems relevant to the inquiry or investigation
23 regardless of the location, possession, control or custody of such
24 documents, information or evidence.

1 B. For the purposes of investigating violations or complaints
2 arising under the Oklahoma Secure and Fair Enforcement for Mortgage
3 Licensing Act or for the purposes of examination, the Administrator
4 may review, investigate or examine any licensee or entity or
5 individual subject to the Oklahoma Secure and Fair Enforcement for
6 Mortgage Licensing Act, as often as necessary in order to carry out
7 the purposes of the Oklahoma Secure and Fair Enforcement for
8 Mortgage Licensing Act. The Administrator may direct, subpoena or
9 order the attendance of and examine under oath all individuals whose
10 testimony may be required about the loans or the business or subject
11 matter of any such examination or investigation and may direct,
12 subpoena or order such individual to produce books, accounts,
13 records, files and any other documents the Administrator deems
14 relevant to the inquiry. Any examination or investigation report
15 and any information obtained during an examination or investigation
16 shall not be subject to disclosure under the Oklahoma Open Records
17 Act. However, any examination or investigation report and any
18 information obtained during an examination or investigation shall be
19 subject to disclosure pursuant to a court order and may also be
20 disclosed in an individual proceeding and any order issued pursuant
21 to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
22 Act.

23 ~~C. The Administrator may require payment of an examination fee~~
24 ~~either at the time of initial application, renewal of the license or~~
25

1 ~~after an examination has been conducted. The examination fee shall~~
2 ~~be prescribed by rule of the Commission on Consumer Credit. The~~
3 ~~Administrator shall require a licensee or an entity or individual~~
4 ~~subject to the requirements of this act to pay travel costs for~~
5 ~~conducting examinations or investigations outside of the State of~~
6 ~~Oklahoma.~~

7 ~~D.~~ Each licensee or entities or individuals subject to the
8 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act
9 shall make available to the Administrator, upon request, any books
10 and records relating to the requirements of the Oklahoma Secure and
11 Fair Enforcement for Mortgage Licensing Act. The Administrator
12 shall have access to such books and records and interview the
13 officers, principals, mortgage loan originators, employees,
14 independent contractors, agents and customers of the licensee,
15 entity or individual subject to the Oklahoma Secure and Fair
16 Enforcement for Mortgage Licensing Act concerning the requirements
17 of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing
18 Act. Books and records shall be maintained for a period of time
19 required by rule of the Administrator.

20 ~~E.~~ D. Each licensee or entity or individual subject to the
21 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act
22 shall make or compile reports or prepare other information as
23 directed by the Administrator in order to carry out the purposes of
24 this section including, but not limited to:

1 1. Accounting compilations;

2 2. Information lists and data concerning loan transactions in a
3 format prescribed by the Administrator; or

4 3. Such other information deemed necessary to carry out the
5 purposes of this section.

6 ~~F.~~ E. In making any examination or investigation authorized by
7 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,
8 the Administrator may control access to any documents and records of
9 the licensee or entity or individual under examination or
10 investigation. The Administrator may take possession of the
11 documents and records or place an entity or individual in exclusive
12 charge of the documents and records in the place where they are
13 usually kept. During the period of control, no entity or individual
14 shall remove or attempt to remove any of the documents and records
15 except pursuant to a court order or with the consent of the
16 Administrator. Unless the Administrator has reasonable grounds to
17 believe the documents or records of the licensee have been, or are
18 at risk of being altered or destroyed for purposes of concealing a
19 violation of the Oklahoma Secure and Fair Enforcement for Mortgage
20 Licensing Act, the licensee or owner of the documents and records
21 shall have access to the documents or records as necessary to
22 conduct its ordinary business affairs.

23 ~~G.~~ F. In order to carry out the purposes of this section, the
24 Administrator may:

1 1. Retain attorneys, accountants, or other professionals and
2 specialists as examiners, auditors or investigators to conduct or
3 assist in the conduct of examinations or investigations;

4 2. Enter into agreements or relationships with other government
5 officials or regulatory associations in order to improve
6 efficiencies and reduce regulatory burden by sharing resources,
7 standardized or uniform methods or procedures and documents,
8 records, information or evidence obtained under this section;

9 3. Use, hire, contract or employ public or privately available
10 analytical systems, methods or software to examine or investigate
11 the licensee, entity or individual subject to the Oklahoma Secure
12 and Fair Enforcement for Mortgage Licensing Act;

13 4. Accept and rely on examination or investigation reports made
14 by other government officials, within or without this state;

15 5. Accept audit reports made by an independent certified public
16 accountant for the licensee or entity or individual subject to the
17 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act in
18 the course of that part of the examination covering the same general
19 subject matter as the audit and may incorporate the audit report in
20 the report of the examination, report of investigation or other
21 writing of the Administrator; or

22 6. Participate in multistate mortgage examinations as scheduled
23 by the Multi-State Mortgage Committee established by the Conference
24

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1 of State Bank Supervisors and the American Association of
2 Residential Mortgage Regulators.

3 ~~H.~~ G. The authority of this section shall remain in effect,
4 whether such a licensee or entity or individual subject to the
5 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act acts
6 or claims to act under any licensing or registration law of this
7 state or claims to act without such authority.

8 ~~F.~~ H. No licensee or entity or individual subject to
9 investigation or examination under this section may knowingly
10 withhold, abstract, remove, mutilate, destroy or secrete any books,
11 records, computer records or other information.

12 SECTION 20. AMENDATORY 59 O.S. 2021, Section 2095.24, is
13 amended to read as follows:

14 Section 2095.24. Each licensee shall submit to the Nationwide
15 Mortgage Licensing System and Registry reports of condition, which
16 shall be in such form and shall contain such information as the
17 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry may
18 require.

19 SECTION 21. AMENDATORY 59 O.S. 2021, Section 2095.25, is
20 amended to read as follows:

21 Notwithstanding or subject to state privacy law, the
22 Administrator of Consumer Credit is required to regularly report
23 violations of ~~this act~~ the Oklahoma Secure and Fair Enforcement for
24 Mortgage Licensing Act as well as enforcement actions and other

1 relevant information to the Nationwide ~~Mortgage~~ Multistate Licensing
2 System and Registry subject to the provisions contained in ~~Section~~
3 ~~25 of this act~~ Section 2095.22 of this title.

4 SECTION 22. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 2095.27 of Title 59, unless
6 there is created a duplication in numbering, reads as follows:

7 A licensee may permit its employees or independent contractors
8 to work at remote locations in compliance with the licensee's
9 written policies and procedures subject to the following conditions:

10 1. The licensee has written policies and procedures for
11 supervision of employees and independent contractors working from
12 remote locations;

13 2. Access to a licensee's platforms and customer information
14 shall be in accordance with the licensee's comprehensive written
15 information security plan;

16 3. No in-person customer interaction shall occur at an
17 employee's or independent contractor's residence unless such
18 residence is a licensed or registered location;

19 4. Physical records shall not be maintained at a remote
20 location;

21 5. Interactions with and conversations about consumers shall be
22 in compliance with federal and state information security
23 requirements, including applicable provisions under the Gramm-Leach-
24 Bliley Act and the Safeguards Rule established under the Federal

1 Trade Commission, set forth in 16 CFR Part 313, as such may be
2 amended from time to time;

3 6. Employees or independent contractors working at a remote
4 location shall have access to the licensee's secure systems,
5 including a cloud-based system, directly from any out-of-office
6 device that such employee or independent contractor may use
7 including, but not limited to, a laptop, mobile phone, desktop
8 computer, or tablet, via a virtual private network, or comparable
9 system, that ensures secure connectivity and requires passwords or
10 forms of authentication to access;

11 7. The licensee shall ensure that appropriate security updates,
12 patches, or other alterations to the security of all devices used at
13 remote locations are installed and maintained;

14 8. The licensee shall have an ability to remotely lock or erase
15 company-related contents of any device or other otherwise remotely
16 limit all access to the licensee's secure systems; and

17 9. The Nationwide Multistate Licensing System and Registry
18 record of a mortgage loan originator that works from a remote
19 location shall designate the principal place of business as his or
20 her registered location unless such mortgage loan originator elects
21 to choose a licensed branch office as a registered location.

22 SECTION 23. This act shall become effective November 1, 2024.
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