

Union Calendar No. 414

115TH CONGRESS
2D SESSION

H. R. 2948

[Report No. 115–552]

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2017

Mr. STIVERS (for himself, Mrs. BEATTY, Ms. SINEMA, and Mr. POLIQUIN) introduced the following bill; which was referred to the Committee on Financial Services

FEBRUARY 13, 2018

Additional sponsors: Mrs. COMSTOCK, Mr. EMMER, Mr. DELANEY, Ms. SEWELL of Alabama, Mr. WILLIAMS, Ms. BROWNLEY of California, Mrs. CAROLYN B. MALONEY of New York, Mr. MESSER, Mr. SHERMAN, Mr. BARR, Mr. DAVID SCOTT of Georgia, Mrs. NAPOLITANO, Mr. MEEKS, Ms. MOORE, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. COFFMAN, Mr. GOTTHEIMER, Mr. SEAN PATRICK MALONEY of New York, Mr. PETERS, Mr. BROOKS of Alabama, Mr. HIMES, Mr. FITZPATRICK, Mr. FOSTER, Mr. PERLMUTTER, Ms. BLUNT ROCHESTER, Mr. HUIZENGA, Mr. LARSON of Connecticut, Mr. CRIST, Mr. KIHUEN, Mr. HULTGREN, Mr. LUCAS, Mr. POSEY, Mr. ROSS, Mr. BUDD, Mr. CLEAVER, Ms. TENNEY, Mr. RENACCI, Mr. KILDEE, Mr. AGUILAR, Mr. YODER, Mr. POLIS, Mr. KIND, and Mr. LOBIONDO

FEBRUARY 13, 2018

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To amend the S.A.F.E. Mortgage Licensing Act of 2008 to provide a temporary license for loan originators transitioning between employers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ELIMINATING BARRIERS TO JOBS FOR LOAN**
4 **ORIGINATORS.**

5 (a) IN GENERAL.—The S.A.F.E. Mortgage Licensing
6 Act of 2008 (12 U.S.C. 5101 et seq.) is amended by add-
7 ing at the end the following:

8 **“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINA-**
9 **TORS.**

10 “(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS
11 FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY
12 INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—

13 “(1) IN GENERAL.—Upon employment by a
14 State-licensed mortgage company, an individual who
15 is a registered loan originator shall be deemed to
16 have temporary authority to act as a loan originator
17 in an application State for the period described in
18 paragraph (2) if the individual—

19 “(A) has not had an application for a loan
20 originator license denied, or had such a license
21 revoked or suspended in any governmental ju-
22 risdiction;

23 “(B) has not been subject to or served
24 with a cease and desist order in any govern-

1 mental jurisdiction or as described in section
2 1514(c);

3 “(C) has not been convicted of a felony
4 that would preclude licensure under the law of
5 the application State;

6 “(D) has submitted an application to be a
7 State-licensed loan originator in the application
8 State; and

9 “(E) was registered in the Nationwide
10 Mortgage Licensing System and Registry as a
11 loan originator during the 12-month period pre-
12 ceding the date of submission of the informa-
13 tion required under section 1505(a).

14 “(2) PERIOD.—The period described in para-
15 graph (1) shall begin on the date that the individual
16 submits the information required under section
17 1505(a) and shall end on the earliest of—

18 “(A) the date that the individual with-
19 draws the application to be a State-licensed
20 loan originator in the application State;

21 “(B) the date that the application State
22 denies, or issues a notice of intent to deny, the
23 application;

24 “(C) the date that the application State
25 grants a State license; or

1 “(D) the date that is 120 days after the
2 date on which the individual submits the appli-
3 cation, if the application is listed on the Nation-
4 wide Mortgage Licensing System and Registry
5 as incomplete.

6 “(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS
7 FOR STATE-LICENSED LOAN ORIGINATORS MOVING
8 INTERSTATE.—

9 “(1) IN GENERAL.—A State-licensed loan origi-
10 nator shall be deemed to have temporary authority
11 to act as a loan originator in an application State
12 for the period described in paragraph (2) if the
13 State-licensed loan originator—

14 “(A) meets the requirements of subpara-
15 graphs (A), (B), (C), and (D) of subsection
16 (a)(1);

17 “(B) is employed by a State-licensed mort-
18 gage company in the application State; and

19 “(C) was licensed in a State that is not the
20 application State during the 30-day period pre-
21 ceding the date of submission of the informa-
22 tion required under section 1505(a) in connec-
23 tion with the application submitted to the appli-
24 cation State.

1 “(2) PERIOD.—The period described in para-
2 graph (1) shall begin on the date that the State-li-
3 censed loan originator submits the information re-
4 quired under section 1505(a) in connection with the
5 application submitted to the application State and
6 end on the earliest of—

7 “(A) the date that the State-licensed loan
8 originator withdraws the application to be a
9 State-licensed loan originator in the application
10 State;

11 “(B) the date that the application State
12 denies, or issues a notice of intent to deny, the
13 application;

14 “(C) the date that the application State
15 grants a State license; or

16 “(D) the date that is 120 days after the
17 date on which the State-licensed loan originator
18 submits the application, if the application is
19 listed on the Nationwide Mortgage Licensing
20 System and Registry as incomplete.

21 “(c) APPLICABILITY.—

22 “(1) Any person employing an individual who is
23 deemed to have temporary authority to act as a loan
24 originator in an application State pursuant to this
25 section shall be subject to the requirements of this

1 title and to applicable State law to the same extent
 2 as if such individual was a State-licensed loan origi-
 3 nator licensed by the application State.

4 “(2) Any individual who is deemed to have tem-
 5 porary authority to act as a loan originator in an ap-
 6 plication State pursuant to this section and who en-
 7 gages in residential mortgage loan origination activi-
 8 ties shall be subject to the requirements of this title
 9 and to applicable State law to the same extent as if
 10 such individual was a State-licensed loan originator
 11 licensed by the application State.

12 “(d) DEFINITIONS.—In this section, the following
 13 definitions shall apply:

14 “(1) STATE-LICENSED MORTGAGE COMPANY.—
 15 The term ‘State-licensed mortgage company’ means
 16 an entity licensed or registered under the law of any
 17 State to engage in residential mortgage loan origina-
 18 tion and processing activities.

19 “(2) APPLICATION STATE.—The term ‘applica-
 20 tion State’ means a State in which a registered loan
 21 originator or a State-licensed loan originator seeks
 22 to be licensed.”.

23 (b) TABLE OF CONTENTS AMENDMENT.—The table
 24 of contents in section 1(b) of the Housing and Economic
 25 Recovery Act of 2008 (42 U.S.C. 4501 note) is amended

1 by inserting after the item relating to section 1517 the
2 following:

“Sec. 1518. Employment transition of loan originators.”.

3 **SEC. 2. AMENDMENT TO CIVIL LIABILITY OF THE BUREAU**
4 **AND OTHER OFFICIALS.**

5 Section 1513 of the S.A.F.E. Mortgage Licensing Act
6 of 2008 (12 U.S.C. 5112) is amended by striking “are
7 loan originators or are applying for licensing or registra-
8 tion as loan originators.” and inserting “have applied, are
9 applying, or are currently licensed or registered through
10 the Nationwide Mortgage Licensing System and Registry.
11 The previous sentence shall only apply to persons in an
12 industry with respect to which persons were licensed or
13 registered through the Nationwide Mortgage Licensing
14 System and Registry on the date of the enactment of this
15 sentence.”.

16 **SEC. 3. EFFECTIVE DATE.**

17 This Act and the amendments made by this Act shall
18 take effect on the date that is 18 months after the date
19 of the enactment of this Act.

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