

SECOND REGULAR SESSION

HOUSE BILL NO. 990

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES PORTWOOD (Sponsor), AVERY, SMITH (14), LeVOTA, JONES, GUEST, WALLACE, YATES, RUPP, MUNZLINGER, LEMBKE, STEFANICK, PRATT, COOPER (120), PARKER, DEMPSEY, BEAN, WRIGHT, SANDER AND SKAGGS (Co-sponsors).

Read 1st time January 8, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2995L.011

AN ACT

To repeal sections 443.803, 443.805, 443.821, 443.823, 443.827, 443.833, 443.839, 443.849, 443.851, 443.855, 443.857, 443.859, and 443.885, RSMo, and to enact in lieu thereof thirteen new sections relating to residential mortgage brokers.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 443.803, 443.805, 443.821, 443.823, 443.827, 443.833, 443.839, 2 443.849, 443.851, 443.855, 443.857, 443.859, and 443.885, RSMo, are repealed and thirteen 3 new sections enacted in lieu thereof, to be known as sections 443.803, 443.805, 443.821, 4 443.823, 443.827, 443.833, 443.839, 443.849, 443.851, 443.855, 443.857, 443.859, and 443.885, 5 to read as follows:

443.803. 1. For the purposes of sections 443.800 to 443.893, the following terms mean:

2 (1) "Advertisement", the attempt by publication, dissemination or circulation to induce, 3 directly or indirectly, any person to apply for a loan to be secured by residential real estate;

4 (2) "Affiliate":

5 (a) Any entity that directly controls, or is controlled by, the licensee and any other 6 company that is directly affecting activities regulated by sections 443.800 to 443.893 that is 7 controlled by the company that controls the licensee;

8 (b) Any entity:

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

9 a. That is controlled, directly or indirectly, by a trust or otherwise by, or for the benefit
10 of, shareholders who beneficially, or otherwise, control, directly or indirectly, by trust or
11 otherwise, the licensee or any company that controls the licensee; or

12 b. A majority of the directors or trustees of which constitute a majority of the persons
13 holding any such office with the licensee or any company that controls the licensee;

14 (c) Any company, including a real estate investment trust, that is sponsored and advised
15 on a contractual basis by the licensee or any subsidiary or affiliate of the licensee;

16 (3) "Annual audit", a certified audit of the licensee's books and records and systems of
17 internal control performed by a certified public accountant in accordance with generally accepted
18 accounting principles and generally accepted auditing standards;

19 (4) "Board", the residential mortgage board, created in section 443.816;

20 (5) "Borrower", the person or persons who use the services of a [loan] **mortgage** broker,
21 originator or lender;

22 (6) **"Continuing education" or "certified course of continuing education", a course**
23 **or study consisting of sixteen hours of classroom education every two years relating to loan**
24 **originating which is:**

25 (a) **Certified by the National Association of Mortgage Brokers or any successor**
26 **entities; or**

27 (b) **Certified in a manner established by the director if the National Association of**
28 **Mortgage Brokers or any successor entities cease to exist;**

29 (7) "Director", the director of the division of finance within the department of economic
30 development;

31 [(7)] (8) "Escrow agent", a third party, individual or entity, charged with the fiduciary
32 obligation for holding escrow funds on a residential mortgage loan pending final payout of those
33 funds in accordance with the terms of the residential mortgage loan;

34 [(8)] (9) "Exempt entity", the following entities:

35 (a) Any bank or trust company organized under the laws of this or any other state or any
36 national bank or any foreign banking corporation licensed by the division of finance or the
37 United States Comptroller of the Currency to transact business in this state;

38 (b) Any state or federal savings and loan association, savings bank or credit union or any
39 consumer finance company licensed under sections 367.100 to 367.215, RSMo, which is actively
40 engaged in consumer credit lending;

41 (c) Any insurance company authorized to transact business in this state;

42 (d) Any person engaged solely in commercial mortgage lending or any person making
43 or acquiring residential or commercial construction loans with the person's own funds for the
44 person's own investment;

45 (e) Any service corporation of a federally chartered or state-chartered savings and loan
46 association, savings bank or credit union;

47 (f) Any first-tier subsidiary of a national or state bank that has its principal place of
48 business in this state, provided that such first-tier subsidiary is regularly examined by the
49 division of finance or the Comptroller of the Currency or a consumer compliance examination
50 of it is regularly conducted by the Federal Reserve;

51 (g) Any person engaged solely in the business of securing loans on the secondary market
52 provided such person does not make decisions about the extension of credit to the borrower;

53 (h) Any mortgage banker as defined in subdivision (19) of this subsection; or

54 (i) Any wholesale mortgage lender who purchases mortgage loans originated by a
55 licensee provided such wholesale lender does not make decisions about the extension of credit
56 to the borrower;

57 (j) Any person making or acquiring residential mortgage loans with the person's own
58 funds for the person's own investment;

59 (k) [Any person employed or contracted by a licensee to assist in the performance of the
60 activities regulated by sections 443.800 to 443.893 who is compensated in any manner by only
61 one licensee;

62 (l) Any person licensed pursuant to the real estate agents and brokers licensing law,
63 chapter 339, RSMo, who engages in servicing or the taking of applications and credit and
64 appraisal information to forward to a licensee or an exempt entity for transactions in which the
65 licensee is acting as a real estate broker and who is compensated by either a licensee or an
66 exempt entity;

67 [(m)] (l) Any person who originates, services or brokers residential mortgage loans and
68 who receives no compensation for those activities, subject to the director's regulations regarding
69 the nature and amount of compensation;

70 [(9)] (10) "Financial institution", a savings and loan association, savings bank, credit
71 union, mortgage banker or bank organized under the laws of Missouri or the laws of the United
72 States with its principal place of business in Missouri;

73 [(10)] (11) "First-tier subsidiary", as defined by administrative rule promulgated by the
74 director;

75 [(11)] (12) "Full-service office", office and staff in Missouri reasonably adequate to
76 handle efficiently communications, questions and other matters relating to any application for
77 a new, or existing, home mortgage loan which the licensee is brokering, funding, originating,
78 purchasing or servicing. The management and operation of each full-service office must include
79 observance of good business practices such as adequate, organized and accurate books and
80 records, ample phone lines, hours of business, staff training and supervision and provision for

81 a mechanism to resolve consumer inquiries, complaints and problems. The director shall
82 promulgate regulations with regard to the requirements of this subdivision and shall include an
83 evaluation of compliance with this subdivision in the periodic examination of the licensee;

84 [(12)] (13) "Government-insured mortgage loan", any mortgage loan made on the
85 security of residential real estate insured by the Department of Housing and Urban Development
86 or Farmers Home Loan Administration, or guaranteed by the Veterans Administration;

87 [(13)] (14) "Lender", any person who either lends money for or invests money in
88 residential mortgage loans;

89 [(14)] (15) "Licensee" [or "residential mortgage licensee"], a person who is licensed to
90 engage in [the] **mortgage brokering or loan originating** activities **as defined in and** regulated
91 by sections 443.800 to 443.893;

92 [(15)] "Loan broker" or "broker", a person exempted from licensing pursuant to
93 subdivision (8) of this subsection, who performs the activities described in subdivisions (17) and
94 (32) of this subsection;]

95 (16) **"Loan originator", a person who, for compensation or gain, solicits or receives**
96 **a mortgage application, assembles information and prepares paperwork and**
97 **documentation necessary for obtaining a residential mortgage loan, or arranges for a**
98 **conditional mortgage loan commitment between a borrower and a lender, or arranges for a**
99 **residential loan commitment from a lender, or solicits financial and mortgage**
100 **information from the public for sale to another residential mortgage broker, but does not**
101 **include a person who does not deal directly with borrowers, negotiate interest rates, advise**
102 **on loan programs, offer loan locks or loan commitments, or individuals who complete**
103 **incidental services in arranging or procuring a mortgage loan, including administrative**
104 **staff whose primary function is the verification of data provided by the borrower, assembly**
105 **of documents, and coordination of third party services such as ordering an appraisal, title**
106 **report, or credit report;**

107 (17) "Loan brokerage agreement", a written agreement in which a broker agrees to do
108 either of the following:

109 (a) Obtain a residential mortgage loan for the borrower or assist the borrower in
110 obtaining a residential mortgage loan; or

111 (b) Consider making a residential mortgage loan to the borrower;

112 [(17)] (18) "Loan brokering", "mortgage brokering", or "mortgage brokerage service",
113 the act of helping to obtain for an investor or from an investor for a borrower, a loan secured by
114 residential real estate situated in Missouri or assisting an investor or a borrower in obtaining a
115 loan secured by residential real estate in return for consideration;

116 [(18)] (19) "Making a residential mortgage loan" or "funding a residential mortgage

117 loan", for compensation or gain, either, directly or indirectly, advancing funds or making a
118 commitment to an applicant for a residential mortgage loan;

119 [(19)] (20) "Mortgage banker", a mortgage loan company which is subject to licensing,
120 supervision, or annual audit requirements by the Federal National Mortgage Association
121 (FNMA), or the Federal Home Loan Mortgage Corporation (FHLMC), or the United States
122 Veterans Administration (VA), or the United States Department of Housing and Urban
123 Development (HUD), or a successor of any of the foregoing agencies or entities, as an approved
124 lender, loan correspondent, seller, or servicer;

125 [(20)] (21) **"Mortgage broker" or "broker", a person licensed pursuant to this**
126 **chapter who performs mortgage brokering and servicing;**

127 (22) "Mortgage loan" or "residential mortgage loan", a loan to, or for the benefit of, any
128 natural person made primarily for personal, family or household use, including a reverse
129 mortgage loan, primarily secured by either a mortgage or reverse mortgage on residential real
130 property or certificates of stock or other evidence of ownership interests in, and proprietary
131 leases from, corporations or partnerships formed for the purpose of cooperative ownership of
132 residential real property;

133 [(21)] (23) "Net worth", as provided in section 443.859;

134 [(22)] (24) **"Originate" or "originating", [the advertising, soliciting, taking applications,**
135 **processing, closing, or issuing of commitments for, and funding of, residential mortgage loans]**
136 **those activities associated with a loan originator;**

137 [(23)] (25) "Party to a residential mortgage financing transaction", a borrower, lender or
138 loan broker in a residential mortgage financing transaction;

139 [(24)] (26) "Payments", payment of all, or any part of, the following: principal, interest
140 and escrow reserves for taxes, insurance and other related reserves and reimbursement for lender
141 advances;

142 [(25)] (27) "Person", any individual, firm, partnership, corporation, company or
143 association and the legal successors thereof;

144 [(26)] (28) "Personal residence address", a street address, but shall not include a post
145 office box number;

146 [(27)] (29) "Purchasing", the purchase of conventional or government-insured mortgage
147 loans secured by residential real estate from either the lender or from the secondary market;

148 [(28)] (30) **"Residential loan originator license certification course", a course of**
149 **study consisting of twenty-four hours of education followed by a one-hundred question**
150 **examination relating to loan originating which is:**

151 (a) **Certified by the National Association of Mortgage Brokers or any successor**
152 **entities; or**

153 **(b) Certified in a manner established by the director if the National Association of**
154 **Mortgage Brokers or any successor entities cease to exist;**

155 **(31)** "Residential mortgage board", the residential mortgage board created in section
156 443.816;

157 **[(29)] (32)** "Residential mortgage financing transaction", the negotiation, acquisition,
158 sale or arrangement for, or the offer to negotiate, acquire, sell or arrange for, a residential
159 mortgage loan or residential mortgage loan commitment;

160 **[(30)] (33)** "Residential mortgage loan commitment", a written conditional agreement
161 to finance a residential mortgage loan;

162 **[(31)] (34)** "Residential real property" or "residential real estate", real property located
163 in this state improved by a one-family to four-family dwelling;

164 **[(32)] (35)** "Servicing", the collection or remittance for, or the right or obligation to
165 collect or remit for, any lender, noteowner, noteholder or for a licensee's own account, of
166 payments, interests, principal and trust items such as hazard insurance and taxes on a residential
167 mortgage loan and includes loan payment follow-up, delinquency loan follow-up, loan analysis
168 and any notifications to the borrower that are necessary to enable the borrower to keep the loan
169 current and in good standing;

170 **[(33)] (36)** "Soliciting, processing, placing or negotiating a residential mortgage loan",
171 for compensation or gain, either, directly or indirectly, accepting or offering to accept an
172 application for a residential mortgage loan, assisting or offering to assist in the processing of an
173 application for a residential mortgage loan on behalf of a borrower, or negotiating or offering to
174 negotiate the terms or conditions of a residential mortgage loan with a lender on behalf of a
175 borrower including, but not limited to, the submission of credit packages for the approval of
176 lenders, the preparation of residential mortgage loan closing documents, and including a closing
177 in the name of a broker;

178 **[(34)] (37)** "Ultimate equitable owner", a person who, directly or indirectly, owns or
179 controls an ownership interest in a corporation, foreign corporation, alien business organization,
180 trust or any other form of business organization regardless of whether the person owns or
181 controls the ownership interest through one or more persons or one or more proxies, powers of
182 attorney, nominees, corporations, associations, partnerships, trusts, joint stock companies or
183 other entities or devices, or any combination thereof.

184 2. The director may define by rule any terms used in sections 443.800 to 443.893 for
185 efficient and clear administration. **No rule or portion of a rule promulgated pursuant to the**
186 **authority of this section shall become effective unless it has been promulgated pursuant to**
187 **chapter 536, RSMo.**

443.805. 1. No person shall engage in the business of brokering, funding, originating,

2 servicing or purchasing of residential mortgage loans without first obtaining [a] **the applicable**
3 **mortgage broker or loan originator** license from the director, pursuant to sections 443.800 to
4 443.893 and the regulations promulgated thereunder. The **mortgage broker** licensing provisions
5 of sections 443.805 to 443.812 shall not apply to any entity engaged solely in commercial
6 mortgage lending or to any person exempt as provided in section 443.803 or pursuant to
7 regulations promulgated as provided in sections 443.800 to 443.893. **The loan originator**
8 **licensing provisions of sections 443.800 to 443.893 shall not apply to banks, savings banks,**
9 **trust companies, saving and loan associations, profit sharing and pension trusts, credit**
10 **unions, consumer finance companies, receiverships, and persons who use personal moneys**
11 **for mortgage loans for personal investment.**

12 2. No person except a licensee or exempt entity shall do any business under any name
13 or title or circulate or use any advertising or make any representation or give any information to
14 any person which indicates or reasonably implies activity within the scope of the provisions of
15 sections 443.800 to 443.893.

16 3. **The provisions of this section shall not apply to mortgage brokers or loan**
17 **originators who were registered, licensed, or otherwise employed to originate loans prior**
18 **to August 28, 2004. On and after such date, such individuals shall have until August 28,**
19 **2005, or their next license renewal date, whichever is earlier, to meet all loan originator**
20 **licensing requirements as provided in sections 443.800 to 443.893.**

443.821. The director shall issue a license upon completion of the following:

2 (1) The filing of [an] **a mortgage broker application or loan originator** application,
3 **both of which shall include evidence of the satisfactory completion of the residential loan**
4 **originator license certification course and examination;**

5 (2) The filing with the director of a listing of judgments entered against, and bankruptcy
6 petitions by, the applicant for the preceding seven years;

7 (3) The payment of investigation and application fees to be established by administrative
8 rule; and

9 (4) An investigation of the averments required by **subdivisions (1) to (21) of section**
10 **443.827[, which] for a mortgage broker applicant and subdivisions (8) to (21) of section**
11 **443.827 for a loan originator applicant. The investigation must allow the director to issue**
12 **positive findings stating that the financial responsibility, experience, character and general fitness**
13 **of the applicant, and of the members thereof, if the applicant is a partnership or association, and**
14 **of the officers and directors thereof if the applicant is a corporation, are such as to command the**
15 **confidence of the community and to warrant belief that the business will be operated honestly,**
16 **fairly and efficiently within the scope of sections 443.800 to 443.893. If the director does not**
17 **find the applicant's business and personal conduct warrants the issuance of a license, the director**

18 shall notify the applicant of the denial with the reasons stated for such denial. An applicant may
19 appeal such denial to the board.

443.823. **1.** All licenses shall be issued in duplicate with one copy being transmitted to
2 the license applicant and the second being retained with the director. Upon receipt of such
3 license, a [residential mortgage] licensee may engage in a business regulated by sections 443.800
4 to 443.893. Such license shall remain in full force and effect until it expires without renewal,
5 is surrendered by the licensee or is revoked or suspended as provided in sections 443.800 to
6 443.893.

**2. Upon receipt of a loan originator license, the licensee shall immediately deliver
8 the license to his or her current employer. Upon termination of employment the license
9 shall be transferred to a new employer and the director shall be notified. If the loan
10 originator does not have a new employer, the license shall be returned to the director with
11 a written explanation or the reasons for termination. The license may be returned to the
12 licensee as determined by the director.**

443.827. Each **broker** application shall be accompanied by an averment of **subdivisions
2 (1) to (21) of the following, and each loan originator application shall be accompanied by
3 an averment of subdivisions (8) to (21) of the following**, that the applicant:

4 (1) Will maintain at least one full-service office within the state of Missouri as provided
5 in section 443.857;

6 (2) Will maintain staff reasonably adequate to meet the requirements of section 443.857;

7 (3) Will keep and maintain for thirty-six months the same written records as required by
8 the federal Equal Credit Opportunity Act, 15 U.S.C. 1691, et seq., and any other information
9 required by rules of the director;

10 (4) Will timely file any report required pursuant to sections 443.800 to 443.893;

11 (5) Will not engage, whether as principal or agent, in the practice of rejecting residential
12 mortgage applications or varying terms or application procedures without reasonable cause, on
13 real estate within any specific geographic area from the terms or procedures generally provided
14 by the licensee within other geographic areas of the state;

15 (6) Will not engage in fraudulent home mortgage underwriting practices;

16 (7) Will not make payments, whether directly or indirectly, of any kind to any in-house
17 or fee appraiser of any government or private money lending agency with which an application
18 for a home mortgage has been filed for the purpose of influencing the independent judgment of
19 the appraiser with respect to the value of any real estate which is to be covered by such home
20 mortgage;

21 (8) Has filed tax returns, both state and federal, for the past three years or filed with the
22 director a personal, an accountant's or attorney's statement as to why no return was filed;

- 23 (9) Will not engage in any activities prohibited by section 443.863;
- 24 (10) Will not knowingly misrepresent, circumvent or conceal any material particulars
25 regarding a transaction to which the applicant is a party;
- 26 (11) Will disburse funds in accordance with the applicant's agreements through a
27 licensed and bonded disbursing agent or licensed real estate broker;
- 28 (12) Has not committed any crime against the laws of this state, or any other state or of
29 the United States, involving moral turpitude, fraudulent or dishonest dealings and that no final
30 judgment has been entered against the applicant in a civil action upon grounds of fraud,
31 misrepresentation or deceit which has not been previously reported to the director;
- 32 (13) Will account for and deliver to any person any personal property, including, but not
33 limited to, money, funds, deposits, checks, drafts, mortgages or any other thing of value, which
34 has come into the applicant's possession and which is not the applicant's property or which the
35 applicant is not in law or equity entitled to retain under the circumstances, at the time which has
36 been agreed upon or is required by law, or, in the absence of a fixed time, upon demand of the
37 person entitled to such accounting and delivery;
- 38 (14) Has not engaged in any conduct which would be cause for denial of a license;
- 39 (15) Has not become insolvent;
- 40 (16) Has not submitted an application which contains a material misstatement;
- 41 (17) Has not demonstrated negligence or incompetence in the performance of any
42 activity required to hold a license under sections 443.800 to 443.893;
- 43 (18) Will advise the director in writing of any changes to the information submitted on
44 the most recent application for license within forty-five days of such change. The written notice
45 must be signed in the same form as the application for the license being amended;
- 46 (19) Will comply with the provisions of sections 443.800 to 443.893, or with any lawful
47 order or rule made thereunder;
- 48 (20) When probable cause exists, will submit to periodic examinations by the director
49 as required by sections 443.800 to 443.893; and
- 50 (21) Will advise the director in writing of any judgments entered against, and bankruptcy
51 petitions by, the license applicant within five days of the occurrence of the judgment or petition.
- 443.833. 1. Licenses shall be renewed on the first anniversary of the date of issuance
2 and every two years thereafter. Renewal application forms and fees shall be submitted to the
3 director at least sixty days before the renewal date. **A renewal application shall include**
4 **evidence of the satisfactory completion of sixteen hours of continuing education.**
- 5 2. The director shall send notice at least ninety days before the licensee's renewal date,
6 but failure to send or receive such notice is no defense for failure to timely renew, except when
7 an extension for good cause is granted by the director. If the director does not grant an extension

8 and the licensee fails to submit a completed renewal application form and the proper fees in a
9 timely manner, the director may assess additional fees as follows:

10 (1) A fee of five hundred dollars shall be assessed the licensee thirty days after the proper
11 renewal date, and one thousand dollars each month thereafter, until the license is either renewed
12 or expires pursuant to subsections 3 and 4 of this section;

13 (2) Such fee shall be assessed without prior notice to the licensee, but shall be assessed
14 only in cases where the director possesses documentation of the licensee's continuing activity for
15 which the unexpired license was issued.

16 3. A license which is not renewed by the date required in this section shall automatically
17 become inactive. No activity regulated by sections 443.800 to 443.893 shall be conducted by
18 the licensee when a license becomes inactive. An inactive license may be reactivated by filing
19 a completed reactivation application with the director, payment of the renewal fee, and payment
20 of a reactivation fee equal to the renewal fee.

21 4. A license which is not renewed within one year of becoming inactive shall expire.

443.839. 1. A **mortgage broker** licensee may apply for authority to open and maintain
2 additional offices by:

3 (1) Giving the director prior notice of the licensee's intention in such form as prescribed
4 by the director;

5 (2) Paying a fee to be established by the director by administrative rule.

6 2. Upon receipt of the notice and fee required by subsection 1 of this section, the director
7 shall issue a certificate for the additional office. The certificate shall be conspicuously displayed
8 in the respective additional office.

443.849. A corporate surety bond in the principal sum of twenty thousand dollars shall
2 accompany each application for a **mortgage broker** license. The bond shall be in a form
3 satisfactory to the director and shall be issued by a bonding company or insurance company
4 authorized to do business in this state, to secure the faithful performance of the obligations of
5 the applicant and the agents and subagents of the applicant in connection with the activities of
6 originating, servicing or acquiring mortgage loans. An applicant or licensee may, in lieu of filing
7 the bond required pursuant to this section, provide the director with a twenty thousand dollar
8 irrevocable letter of credit, as defined in section 400.5-103, RSMo, issued by any financial
9 institution.

443.851. 1. At the end of the **mortgage broker** licensee's fiscal year, but in no case
2 more than twelve months after the last audit conducted pursuant to this section and section
3 443.853, each **mortgage broker** licensee shall cause the **mortgage broker** licensee's books and
4 accounts to be audited by a certified public accountant not connected with such **mortgage**
5 **broker** licensee. The books and records of all **mortgage broker** licensees shall be maintained

6 on an accrual basis. The audit shall be sufficiently comprehensive in scope to permit the
7 expression of an opinion on the financial statements in the report and must be performed in
8 accordance with generally accepted accounting principles and generally accepted auditing
9 standards.

10 2. As used in this section and section 443.853, the term "expression of opinion" includes
11 either:

- 12 (1) An unqualified opinion;
- 13 (2) A qualified opinion;
- 14 (3) A disclaimer of opinion; or
- 15 (4) An adverse opinion.

16 3. If a qualified or adverse opinion is expressed or if an opinion is disclaimed, the
17 reasons therefor shall be fully explained. An opinion, qualified as to a scope limitation, shall not
18 be acceptable.

19 4. The audit report shall be filed with the director within one hundred twenty days of the
20 audit date. The report filed with the director shall be certified by the certified public accountant
21 conducting the audit. The director may promulgate rules regarding late audit reports.

22 5. As an alternative to the audit requirements of subsections 1 to 4 of this section, a
23 **mortgage broker** licensee may meet the requirements of this section without filing an audit
24 report by posting and maintaining a corporate surety bond, in addition to that described in section
25 443.849, in the amount of one hundred thousand dollars. The bond shall be in form specified
26 by and satisfactory to the director and payable to the director and shall be issued by a bonding
27 company or insurance company authorized to do business in this state, to secure the faithful
28 performance of the obligations of the **mortgage broker** licensee, its agents and subagents in
29 connection with the activities of originating, servicing or acquiring mortgage loans. A **mortgage**
30 **broker** licensee may, in lieu of this bond, provide the director with a one hundred thousand
31 dollar irrevocable letter of credit, as defined in section 400.5- 103, RSMo, issued by any financial
32 institution.

443.855. In addition to such other rules the director may promulgate to effectuate
2 sections 443.800 to 443.893, the director shall prescribe rules governing the advertising of
3 mortgage loans, including, without limitation, the following requirements:

- 4 (1) Advertising for loans transacted pursuant to the requirements of sections 443.800 to
5 443.893 may not be false, misleading or deceptive. No person whose activities are regulated
6 pursuant to the provisions of sections 443.800 to 443.893 may advertise in any manner so as to
7 indicate or imply that the person's interest rates or charges for loans are in any way
8 recommended, approved, set or established by the state or by the provisions of sections 443.800
9 to 443.893;

10 (2) All advertisements by a **mortgage broker** licensee shall contain the name and an
11 office address of such entity, which shall conform to a name and address on record with the
12 director.

443.857. Each **mortgage broker** licensee shall maintain, in the state of Missouri, at least
2 one full-service office with staff reasonably adequate to efficiently handle all matters relating to
3 any proposed or existing home mortgage with respect to which such licensee is performing
4 services.

443.859. Effective [May 21, 1998] **January 1, 2005**, every **mortgage broker** licensee
2 shall have and maintain a net worth of not less than [twenty-five] **fifty** thousand dollars. The
3 director may promulgate rules with respect to net worth definitions and requirements for
4 **mortgage broker** licensees as necessary to accomplish the purposes of sections 443.800 to
5 443.893. [In lieu of the net worth requirement established by this section, the director may
6 accept evidence of conformance by the licensee with the net worth requirements of the United
7 States Department of Housing and Urban Development.]

443.885. On or before March first of each year, each **mortgage broker** licensee, except
2 those exempt entities provided for in subsection 8 of section 443.803, shall file a report with the
3 director which shall disclose the following information with respect to the immediately preceding
4 calendar year:

5 (1) A list of home mortgages granted, issued, originated or closed during the report
6 period, with respect to which such licensee has had any connection. The list shall show for each
7 census tract, in regions where such census tracts have been established and by zip code in all
8 other regions, the number and aggregate dollar amount of applications for and the number
9 granted and aggregate dollar amount of:

10 (a) Conventional mortgage loans;

11 (b) Mortgage loans insured under the National Housing Act, 12 U.S.C. 1701, et seq.; and

12 (c) Mortgage loans guaranteed under the provisions of the Federal Veterans' Benefits
13 Act, 38 U.S.C. 3710 et seq.;

14 (2) List by zip code in those areas having no census tract:

15 (a) The total number of home mortgages on real estate situated in this state with respect
16 to which the licensee has had any connection and which are in default on the last day of the
17 reporting period; and

18 (b) The total number of claims paid during the reporting period on home mortgages with
19 respect to which the licensee has had any connection, including the date of the first default
20 thereon and the date each such foreclosure proceeding was instituted;

21 (3) If the director finds that another report that the licensee is required to compile is
22 equivalent to the annual report of mortgage activity, then the director may accept such report as

23 fulfilling the reporting requirements of this section;

24 (4) The director may also require by rule that licensees report such additional
25 information as is necessary to assure strict compliance with the provisions of sections 443.800
26 to 443.893.