

SCS HCS HB 2188 -- MORTGAGE FRAUD

This bill creates civil and criminal penalties for individuals who commit mortgage fraud. In its main provisions, the bill:

- (1) Specifies that licensed real estate brokers, salespersons, and appraisers can be brought before the Administrative Hearing Commission and lose their license for committing mortgage fraud. A licensee who is criminally convicted of mortgage fraud will automatically have his or her license revoked; and the Missouri Real Estate Commission or the Missouri Real Estate Appraisers Commission within the Department of Insurance, Financial Institutions, and Professional Registration may maintain an action in circuit court. The court may impose a civil penalty of up to \$2,500 per violation and may grant other relief the court determines is just and proper;
- (2) Authorizes the Director of the Division of Finance within the department to investigate the records of any licensed mortgage broker;
- (3) Allows the division director or the Residential Mortgage Board within the department to assess a civil penalty of up to \$5,000 for any violation of the provisions of Sections 443.800 - 443.893, RSMo, in a contested case;
- (4) Allows the division director to issue a notice of charges in support of an order of removal and prohibition against a person or entity from participating in loan brokering, mortgage brokering, or mortgage brokerage service for any loan secured by residential real estate under the laws relating to residential mortgage brokers or under the jurisdiction of the division director. An order of removal or prohibition may be permanent or for a specified term and may require restitution and the imposition of a civil penalty of up to \$5,000 per occurrence; and
- (5) Specifies that any person committing mortgage fraud will be guilty of a class C felony.