

HB 2586 -- Mortgage Brokers

Sponsor: Donnelly

This bill changes the laws regarding mortgage brokers. In its main provisions, the bill:

- (1) Prohibits any person from engaging in the solicitation and acceptance of a mortgage loan without being licensed and specifies that the license of a loan officer is only valid when employed by a mortgage broker;
- (2) Changes the penalty for making an unlawful mortgage loan from a class C felony to a class D felony;
- (3) Requires individuals desiring to obtain a license as a loan officer or mortgage broker to submit a written application to the Director of the Division of Finance within the Department of Insurance, Financial Institutions, and Professional Registration;
- (4) Requires all licenses to be renewed annually within 45 days of the expiration date. A renewal fee is required; and if a license is not renewed, the license will expire and an additional fee will be required;
- (5) Establishes licensing and license renewal criteria and penalties for violations of the provisions of Chapter 443, RSMo, regarding mortgages, deeds of trust, and mortgage brokers; and
- (6) Requires entities not required to be licensed that are engaged in the mortgage broker business on or after August 28, 2008, to file a form with the division director.