

Union Calendar No.

114TH CONGRESS
2^D SESSION

H. R. 2121

[Report No. 114-]

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

APRIL 29, 2015

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

MARCH --, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on April 29, 2015]

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 adding*
7 *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 IN-*
12 *STITUTION 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 have*
16 *temporary authority to act as a loan originator in an*
17 *application State for the period described in para-*
18 *graph (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 juris-*
22 *diction;*

23 *“(B) has not been subject to or served with*
24 *a cease and desist order in any governmental ju-*
25 *risdiction or as described in section 1514(c);*

1 “(C) has not been convicted of a felony that
2 would preclude licensure under the law of the ap-
3 plication State;

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

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

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

16 “(A) the date that the individual withdraws
17 the application to be a State-licensed loan origi-
18 nator in the application State;

19 “(B) the date that the application State de-
20 nies, or issues a notice of intent to deny, the ap-
21 plication;

22 “(C) the date that the application State
23 grants a State license; or

24 “(D) the date that is 120 days after the date
25 on which the individual submits the application,

1 *if the application is listed on the Nationwide*
2 *Mortgage Licensing System and Registry as in-*
3 *complete.*

4 “(b) *TEMPORARY AUTHORITY TO ORIGINATE LOANS*
5 *FOR STATE-LICENSED LOAN ORIGINATORS MOVING INTER-*
6 *STATE.—*

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

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

15 “(B) *is employed by a State-licensed mort-*
16 *gage company in the application State; and*

17 “(C) *was licensed in a State that is not the*
18 *application State during the 30-day period pre-*
19 *ceding the date of submission of the information*
20 *required under section 1505(a) in connection*
21 *with the application submitted to the application*
22 *State.*

23 “(2) *PERIOD.—The period described in para-*
24 *graph (1) shall begin on the date that the State-li-*
25 *icensed loan originator submits the information re-*

1 *quired under section 1505(a) in connection with the*
2 *application submitted to the application State and*
3 *end on the earliest of—*

4 *“(A) the date that the State-licensed loan*
5 *originator withdraws the application to be a*
6 *State-licensed loan originator in the application*
7 *State;*

8 *“(B) the date that the application State de-*
9 *nies, or issues a notice of intent to deny, the ap-*
10 *plication;*

11 *“(C) the date that the application State*
12 *grants a State license; or*

13 *“(D) the date that is 120 days after the date*
14 *on which the State-licensed loan originator sub-*
15 *mits the application, if the application is listed*
16 *on the Nationwide Mortgage Licensing System*
17 *and Registry as incomplete.*

18 *“(c) APPLICABILITY.—*

19 *“(1) Any person employing an individual who is*
20 *deemed to have temporary authority to act as a loan*
21 *originator in an application State pursuant to this*
22 *section shall be subject to the requirements of this title*
23 *and to applicable State law to the same extent as if*
24 *such individual was a State-licensed loan originator*
25 *licensed by the application State.*

1 “(2) *Any individual who is deemed to have tem-*
2 *porary authority to act as a loan originator in an*
3 *application State pursuant to this section and who*
4 *engages in residential mortgage loan origination ac-*
5 *tivities shall be subject to the requirements of this title*
6 *and to applicable State law to the same extent as if*
7 *such individual was a State-licensed loan originator*
8 *licensed by the application State.*

9 “(d) *DEFINITIONS.—In this section, the following defi-*
10 *initions shall apply:*

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

16 “(2) *APPLICATION STATE.—The term ‘applica-*
17 *tion State’ means a State in which a registered loan*
18 *originator or a State-licensed loan originator seeks to*
19 *be licensed.’.*

20 “(b) *TABLE OF CONTENTS AMENDMENT.—The table of*
21 *contents in section 1(b) of the Housing and Economic Re-*
22 *covery Act of 2008 (42 U.S.C. 4501 note) is amended by*
23 *inserting after the item relating to section 1517 the fol-*
24 *lowing:*

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

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

3 *Section 1513 of the S.A.F.E. Mortgage Licensing Act*
4 *of 2008 (12 U.S.C. 5112) is amended by striking “are loan*
5 *originators or are applying for licensing or registration as*
6 *loan originators” and inserting “are applying for licensing*
7 *or registration using the Nationwide Mortgage Licensing*
8 *System and Registry”.*

9 **SEC. 3. EFFECTIVE DATE.**

10 *This Act and the amendments made by this Act shall*
11 *take effect on the date that is 18 months after the date of*
12 *the enactment of this Act.*