

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

HOUSE BILL 3464

By: Moore

AS INTRODUCED

An Act relating to professions and occupations;  
amending 59 O.S. 2021, Sections 2095.2, 2095.3,  
2095.5, 2095.6, 2095.7, 2095.8, 2095.9, 2095.10,  
2095.11, 2095.11.1, 2095.12, 2095.12.1, 2095.13,  
2095.14, 2095.18, 2095.20, 2095.21, 2095.22, 2095.23,  
2095.24, 2095.25, which relate to the Oklahoma Secure  
and Fair Enforcement for Mortgage Licensing Act;  
adding definitions; clarifying exemptions; changing  
certain registry titles; adding mortgage lender  
license and examination fee provisions; clarifying  
internal references; modifying monetary damages  
amounts; modifying examination fee provisions;  
creating remote working provisions for licensee  
employees under certain conditions; providing for  
codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2021, Section 2095.2, is  
amended to read as follows:

Section 2095.2 As used in the Oklahoma Secure and Fair  
Enforcement for Mortgage Licensing Act:

1. "Administrator" means the Administrator of Consumer Credit;

1        2. "Affiliate" means an entity which directly or indirectly,  
2 through one or more intermediaries, controls, is controlled by or is  
3 under common control with the entity specified;

4        3. "Borrower" means any individual who consults with or retains  
5 a mortgage broker or mortgage loan originator in an effort to obtain  
6 or seek advice or information on obtaining or applying to obtain or  
7 modify a residential mortgage loan for himself, herself, or  
8 individuals including himself or herself, regardless of whether the  
9 individual actually obtains or modifies such a loan;

10       4. "Branch office" means any location, other than a mortgage  
11 lender's or mortgage broker's principal place of business or a  
12 remote location, where the licensee or its employees or independent  
13 contractors maintain a physical presence for the purpose of  
14 conducting mortgage business;

15       5. "Commission" means the Commission on Consumer Credit;

16       ~~5.~~ 6. "Compensation" means anything of value or any benefit  
17 including points, commissions, bonuses, referral fees and loan  
18 origination fees;

19       ~~6.~~ 7. "Depository institution" has the same meaning as in  
20 Section 3 of the Federal Deposit Insurance Act and includes any  
21 credit union;

22       ~~7.~~ 8. "Entity" means a corporation, company, limited liability  
23 company, partnership or association;  
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1       ~~8.~~ 9. "Federal banking agencies" means the Board of Governors  
2 of the Federal Reserve System, the Comptroller of the currency, the  
3 Director of the Office of Thrift Supervision, the National Credit  
4 Union Administration and the Federal Deposit Insurance Corporation;

5       ~~9.~~ 10. "Immediate family member" means a spouse, child,  
6 sibling, parent, grandparent or grandchild and includes stepparents,  
7 stepchildren, stepsiblings and adoptive relationships;

8       ~~10.~~ 11. "Individual" means a natural person and also includes a  
9 sole proprietorship;

10       ~~11.~~ 12. a. "Loan processor or underwriter" means an entity  
11 or individual who performs support duties as an  
12 employee at the direction of and subject to the  
13 supervision and instruction of an entity or individual  
14 licensed or exempt from licensing as provided in  
15 Section 2095.3 of this title.

16       b. For purposes of this paragraph, the term "clerical or  
17 support duties" may include subsequent to the receipt  
18 of an application, the receipt collection,  
19 distribution and analysis of information necessary for  
20 the processing or underwriting or modification of a  
21 loan, to the extent that such communication does not  
22 include offering or negotiating or modifying loan  
23 rates or terms, or counseling consumers about  
24 residential mortgage loan rates or terms.  
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1 c. An entity or individual engaging solely in loan  
2 processor or underwriter activities shall not  
3 represent to the public through advertising or other  
4 means of communicating or providing information,  
5 including the use of business cards, stationery,  
6 brochures, signs, rate lists or other promotional  
7 items, that such entity or individual can or will  
8 perform any of the activities of a mortgage broker or  
9 mortgage loan originator;

10 ~~12.~~ 13.

a. "Mortgage broker" means an entity who for  
11 compensation or gain or in the expectation of  
12 compensation or gain:

- 13 (1) takes a residential mortgage loan application, ~~or~~  
14 (2) offers, negotiates or modifies the terms of a  
15 residential mortgage loan, or  
16 (3) services a residential mortgage loan.

17 b. Mortgage broker does not include:

- 18 (1) an entity engaged solely as a loan processor or  
19 underwriter except as otherwise provided in  
20 Section 2095.5 of this title,  
21 (2) an entity that only performs real estate  
22 brokerage activities and is licensed or  
23 registered in accordance with Oklahoma law,  
24 unless the entity is compensated by a lender, a  
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mortgage broker, or other mortgage loan  
originator or by any agent of such lender,  
mortgage broker or other mortgage loan  
originator, and

(3) an entity solely involved in extensions of credit  
relating to timeshare plans, as that term is  
defined in 11 U.S.C., Section 101(53D) United  
States Code;

~~13.~~ 14. "Mortgage lender" means an entity that takes an  
application for a residential mortgage loan, makes a residential  
mortgage loan or services a residential mortgage loan and is an  
approved or authorized:

- a. mortgagee with direct endorsement underwriting  
authority granted by the United States Department of  
Housing and Urban Development,
- b. seller or servicer of the Federal National Mortgage  
Association or the Federal Home Loan Mortgage  
Corporation, or
- c. issuer for the Government National Mortgage  
Association;

~~14.~~ 15. a. "Mortgage loan originator" means an individual  
who for compensation or gain or in the expectation of  
compensation or gain:

(1) takes a residential mortgage loan application, or

1 (2) offers or negotiates or modifies the terms of a  
2 residential mortgage loan.

3 b. Mortgage loan originator does not include:

4 (1) an individual engaged solely as a loan processor  
5 or underwriter except as otherwise provided in  
6 Section 2095.5 of this title,

7 (2) an individual that only performs real estate  
8 brokerage activities and is licensed or  
9 registered in accordance with Oklahoma law,  
10 unless the individual is compensated by a lender,  
11 a mortgage broker, or other mortgage loan  
12 originator or by any agent of such lender,  
13 mortgage broker, or other mortgage loan  
14 originator, and

15 (3) an individual solely involved in extensions of  
16 credit relating to timeshare plans, as that term  
17 is defined in 11 U.S.C., Section 101(53D);

18 ~~15.~~ 16. "Nationwide ~~Mortgage~~ Multistate Licensing System and  
19 Registry" means a mortgage licensing system developed and maintained  
20 by the Conference of State Bank Supervisors and the American  
21 Association of Residential Mortgage Regulators for the licensing and  
22 registration of licensed mortgage brokers and mortgage loan  
23 originators;

1       ~~16.~~ 17. "Nontraditional mortgage product" means any mortgage  
2 product other than a thirty-year fixed rate mortgage;

3       ~~17.~~ 18. "Real estate brokerage activity" means any activity  
4 that involves offering or providing real estate brokerage services  
5 to the public, including:

- 6           a. acting as a real estate agent or real estate broker  
7               for a buyer, seller, lessor or lessee of real  
8               property,
- 9           b. bringing together parties interested in the sale,  
10               purchase, lease, rental or exchange of real property,
- 11           c. negotiating, on behalf of any party, any portion of a  
12               contract relating to the sale, purchase, lease, rental  
13               or exchange of real property, other than in connection  
14               with providing financing with respect to any such  
15               transaction,
- 16           d. engaging in any activity for which an entity engaged  
17               in the activity is required to be registered or  
18               licensed as a real estate agent or real estate broker  
19               under any applicable law, and
- 20           e. offering to engage in any activity or act in any  
21               capacity, described in this paragraph;

22       ~~18.~~ 19. "Registered mortgage loan originator" means any  
23 individual who:  
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- 1           a.    meets the definition of mortgage loan originator and  
2                is an employee of:  
3                (1)   a depository institution,  
4                (2)   a subsidiary that:  
5                   (a)   is owned and controlled by a depository  
6                        institution, and  
7                   (b)   is regulated by a federal banking agency, or  
8                (3)   an institution regulated by the Farm Credit  
9                   Administration, and  
10          b.   is registered with and maintains a unique identifier  
11                through, the Nationwide ~~Mortgage~~ Multistate Licensing  
12                System and Registry;

13        20. "Remote location" means a location, other than the  
14 principal place of business or a branch office, at which the  
15 employees or independent contractors of a licensee may conduct  
16 mortgage business. Licensable activities from a remote location  
17 shall be permitted when conducted under the supervision of the  
18 licensee and when all requirements in Section 22 of this act are  
19 satisfied;

20        ~~19.~~ 21. "Residential mortgage loan" means any loan primarily  
21 for personal, family or household use that is secured by a mortgage,  
22 deed of trust, or other equivalent consensual security interest on a  
23 dwelling as defined in Section 103(v) of the Truth in Lending Act or  
24  
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1 residential real estate upon which is constructed or intended to be  
2 constructed such a dwelling;

3 ~~20.~~ 22. "Residential real estate" means any real property  
4 located in this state upon which is constructed or intended to be  
5 constructed a dwelling as defined in paragraph 21 of this section;  
6 and

7 23. "Servicing" means the administration of a residential  
8 mortgage loan following the closing of such a loan. An entity shall  
9 be deemed to be servicing if they either hold the servicing rights,  
10 or engage in any activities determined to be servicing, including:

- 11 a. collection of monthly mortgage payments,
- 12 b. the administration of escrow accounts,
- 13 c. the processing of borrower inquiries and requests, and
- 14 d. default management; and

15 ~~21.~~ 24. "Unique identifier" means a number or other identifier  
16 assigned by protocols established by the Nationwide Mortgage  
17 Multistate Licensing System and Registry.

18 SECTION 2. AMENDATORY 59 O.S. 2021, Section 2095.3, is  
19 amended to read as follows:

20 Section 2095.3 The following are exempt from all provisions of  
21 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act:

- 22 1. Registered mortgage loan originators, when acting for an
- 23 entity described in divisions (1), (2) and (3) of subparagraph a of
- 24 paragraph ~~18~~ 19 of Section 2095.2 of this title;

1        2. An individual who offers or negotiates or modifies terms of  
2 a residential mortgage loan with or on behalf of an immediate family  
3 member of the individual;

4        3. An individual who offers or negotiates or modifies terms of  
5 a residential mortgage loan secured by a dwelling that served as the  
6 individual's residence;

7        4. A licensed attorney who negotiates or modifies the terms of  
8 a residential mortgage loan on behalf of a client as an ancillary  
9 matter to the attorney's representation of the client, unless the  
10 attorney is compensated by a lender, a mortgage broker or other  
11 mortgage loan originator or by any agent of such lender, mortgage  
12 broker, or other mortgage loan originator;

13        5. Entities described in divisions (1), (2) and (3) of  
14 subparagraph a of paragraph ~~18~~ 19 of Section 2095.2 of this title;  
15 or

16        6. Any entity that is an organization recognized by the  
17 Internal Revenue Service as a 501(c)(3) charitable entity that meets  
18 the conditions set forth in (B) through (F) of subparagraph (ii),  
19 paragraph (7), subsection (e) of Section 1008.103 of Title 12 of the  
20 Code of Federal Regulations.

21        SECTION 3.        AMENDATORY        59 O.S. 2021, Section 2095.5, is  
22 amended to read as follows:

23        Section 2095.5 A. 1. An entity or individual, unless  
24 specifically exempted from the Oklahoma Secure and Fair Enforcement  
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1 for Mortgage Licensing Act, as provided in Section 2095.3 of this  
2 title, shall not engage in the business of a mortgage broker,  
3 mortgage lender or mortgage loan originator with respect to any  
4 dwelling located in this state without first obtaining and  
5 maintaining annually a license under the Oklahoma Secure and Fair  
6 Enforcement for Mortgage Licensing Act. Each licensed mortgage  
7 broker, mortgage lender and mortgage loan originator must register  
8 with and maintain a valid unique identifier issued by the Nationwide  
9 ~~Mortgage~~ Multistate Licensing System and Registry.

10 2. In order to facilitate an orderly transition to licensing  
11 and minimize disruption in the mortgage marketplace, the effective  
12 date for licensing all entities and individuals as provided in this  
13 subsection, including those currently licensed as mortgage brokers  
14 or mortgage loan originators, shall be July 31, 2010, or such later  
15 date approved by the Secretary of the U.S. Department of Housing and  
16 Urban Development, pursuant to the authority granted under 12  
17 U.S.C., Section 5107.

18 B. A loan processor or underwriter who is an independent  
19 contractor may not engage in the activities of a loan processor or  
20 underwriter unless such independent contractor loan processor or  
21 underwriter obtains and maintains a license as required by the  
22 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act.  
23 Each independent contractor loan processor or underwriter licensed  
24 as a mortgage broker or mortgage loan originator must have and  
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1 maintain a valid unique identifier issued by the Nationwide ~~Mortgage~~  
2 Multistate Licensing System and Registry.

3 C. For the purposes of implementing an orderly and efficient  
4 licensing process, the Administrator of Consumer Credit may  
5 establish licensing rules, upon approval by the Commission, and the  
6 Administrator may establish interim procedures for licensing and  
7 acceptance of applications. For previously registered or licensed  
8 entities or individuals, the Administrator may establish expedited  
9 review and licensing procedures.

10 SECTION 4. AMENDATORY 59 O.S. 2021, Section 2095.6, is  
11 amended to read as follows:

12 Section 2095.6 A. Applicants for a license shall apply on a  
13 form as prescribed by the Administrator of Consumer Credit.

14 B. In order to fulfill the purposes of the Oklahoma Secure and  
15 Fair Enforcement for Mortgage Licensing Act, the Administrator is  
16 authorized to establish relationships or contracts with the  
17 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or  
18 other entities designated by the Nationwide ~~Mortgage~~ Multistate  
19 Licensing System and Registry to collect and maintain records and  
20 process transaction fees or other fees related to licensees or other  
21 entities or individuals subject to the Oklahoma Secure and Fair  
22 Enforcement for Mortgage Licensing Act.

23 C. In connection with an application for licensing as a  
24 mortgage loan originator, the applicant shall, at a minimum, furnish  
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1 to the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry  
2 information concerning the applicant's identity including:

3 1. Fingerprints for submission to the Federal Bureau of  
4 Investigation and any governmental agency or entity authorized to  
5 receive such information for a state, national and international  
6 criminal history background check; and

7 2. Personal history and experience in a form prescribed by the  
8 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the  
9 Administrator to obtain:

10 a. an independent credit report obtained from a consumer  
11 reporting agency defined in 15 U.S.C., Section

12 1681a(p), and

13 b. information related to any administrative, civil or  
14 criminal findings by any governmental jurisdiction.

15 D. In connection with an application for licensing as a  
16 mortgage broker or mortgage lender, the applicant shall, at a  
17 minimum, furnish to the Nationwide ~~Mortgage~~ Multistate Licensing  
18 System and Registry information concerning each owner, officer,  
19 director or partner, as applicable including:

20 1. Fingerprints for submission to the Federal Bureau of  
21 Investigation and any governmental agency or entity authorized to  
22 receive such information for a state, national and international  
23 criminal history background check; and  
24  
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1        2. Personal history and experience in a form prescribed by the  
2 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and the  
3 Administrator to obtain:

4            a. an independent credit report obtained from a consumer  
5 reporting agency described in 15 U.S.C., Section  
6 1681a(p), and

7            b. information related to any administrative, civil or  
8 criminal findings by any governmental jurisdiction.

9        E. For purposes of this section and in order to reduce points  
10 of contact which the Federal Bureau of Investigation may have to  
11 maintain for purposes of paragraph 1 and subparagraph b of paragraph  
12 2 of subsection D of this section, the Administrator may use the  
13 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry as a  
14 channeling agent for requesting information from and distributing  
15 information to the Department of Justice or any governmental agency.

16        F. For the purposes of this section and in order to reduce the  
17 points of contact which the Administrator may have to maintain for  
18 purposes of subparagraphs a and b of paragraph 2 of subsection D of  
19 this section, the Administrator may use the Nationwide ~~Mortgage~~  
20 Multistate Licensing System and Registry as a channeling agent for  
21 requesting and distributing information to and from any source so  
22 directed by the Administrator.

23        G. A license issued under the Oklahoma Secure and Fair  
24 Enforcement for Mortgage Licensing Act shall be valid for a period  
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1 of one (1) year, unless otherwise revoked or suspended by the  
2 Administrator as provided in the Oklahoma Secure and Fair  
3 Enforcement for Mortgage Licensing Act.

4 H. The Administrator, on determining that the applicant is  
5 qualified and upon payment of the fees by the applicant, shall issue  
6 a license to the applicant. An applicant who has been denied a  
7 license may not reapply for the license for sixty (60) days from the  
8 date of the previous application. A new license issued on or after  
9 November 1 shall be effective through December 31 of the following  
10 calendar year.

11 I. A licensee shall pay the renewal fee on or before December  
12 1. If the license is not renewed by December 1, the licensee shall  
13 pay a late renewal fee as prescribed by rule of the Commission on  
14 Consumer Credit. Licenses not renewed by December 31 shall expire  
15 and the licensee shall not act as a mortgage broker, mortgage lender  
16 or mortgage loan originator until a new license is issued pursuant  
17 to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing  
18 Act. A license shall not be granted to the holder of an expired  
19 license except as provided in the Oklahoma Secure and Fair  
20 Enforcement for Mortgage Licensing Act for the issuance of an  
21 original license.

22 J. A licensee shall prominently display the mortgage broker,  
23 mortgage lender or mortgage loan originator license in the ~~office~~  
24 principal place of business of the mortgage broker, mortgage lender  
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1 or mortgage loan originator and any branch office of the mortgage  
2 broker or mortgage lender.

3 K. 1. ~~Initial and renewal license fees shall be as prescribed~~  
4 ~~by rule of the Commission on Consumer Credit~~ An applicant for a  
5 Mortgage Broker or Mortgage Lender license shall pay a fee of Five  
6 Thousand Dollars (\$5,000.00). This fee shall cover the application  
7 fee and examination fee for all registered locations, including any  
8 changes of address.

9 2. Mortgage Broker or Mortgage Lender licenses may be renewed  
10 by submitting an annual assessment fee. The annual assessment fee  
11 shall:

12 a. be based on the dollar volume of loans originated for  
13 residential real property located in Oklahoma during  
14 the twelve-month period ending on June 30,

15 b. be based on the dollar volume of loans serviced for  
16 residential real property located in Oklahoma as  
17 reported on the Q2 mortgage call report for period  
18 ending on June 30,

19 c. be determined by applying a factor of one hundredth of  
20 one percent (0.01%) to the dollar volume of loans  
21 originated and the dollar volume of loans serviced in  
22 Oklahoma, and

23 d. cover:  
24  
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- 1                   (1) the renewal fee for the principal office and any  
2                   branches,  
3                   (2) any examination-related costs incurred by the  
4                   Department.

5           3. Beginning November 1, 2024, the annual assessment fee shall

6   not be:

- 7           a. less than One Thousand Dollars (\$1,000.00), or  
8           b. more than Seventy-five Thousand Dollars (\$75,000.00)  
9           for the portion of the assessment calculated according  
10           to subparagraph a of paragraph 2 of subsection K of  
11           this section, and  
12           c. more than Fifteen Thousand Dollars (\$15,000.00) for  
13           the portion of the assessment calculated according to  
14           subparagraph b of paragraph 2 of subsection K of this  
15           section.

16           4. Beginning November 1, 2025, the annual assessment fee shall

17   not be:

- 18           a. less than One Thousand Dollars (\$1,000.00), or  
19           b. more than Fifty-five Thousand Dollars (\$55,000.00) for  
20           the portion of the assessment calculated according to  
21           subparagraph a of paragraph 2 of subsection K of this  
22           section, and  
23           c. more than Twenty-five Thousand Dollars (\$25,000.00)  
24           for the portion of the assessment calculated according  
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1                   to subparagraph b of paragraph 2 of subsection K of  
2                   this section.

3           5. Beginning November 1, 2026 and thereafter, the annual  
4           assessment fee shall not be:

5                   a. Less than One Thousand Dollars (\$1,000.00), or

6                   b. more than Fifty Thousand Dollars (\$50,000.00) for the  
7                   portion of the assessment calculated according to  
8                   subparagraph a of paragraph 2 of subsection K of this  
9                   section, and

10                   c. more than Thirty-seven Thousand Five Hundred Dollars  
11                   (\$37,500.00) for the portion of the assessment  
12                   calculated according to subparagraph b of paragraph 2  
13                   of subsection K of this section.

14           ~~2.~~ 6. A late renewal fee shall be as prescribed by rule of the  
15 Commission on Consumer Credit.

16           ~~3.~~ 7. Branch ~~office fees~~ offices shall ~~be as prescribed by rule~~  
17 ~~of the Commission on Consumer Credit for each year~~ be registered  
18 with the Department and shall be accompanied by an initial  
19 registration fee of One Hundred Fifty Dollars (\$150.00).

20           ~~4.~~ 8. A fee as prescribed by rule of the Commission on Consumer  
21 Credit shall be charged for each license change, duplicate license  
22 or returned check.

23           ~~5.~~ 9. A fee as prescribed by rule of the Commission on Consumer  
24 Credit shall be paid by applicants and licensees into the Oklahoma  
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1 Mortgage Broker and Mortgage Loan Originator Recovery Fund as  
2 provided for in Section 2095.20 of this title for each initial  
3 application and each renewal application.

4 ~~6. An examination fee shall be as prescribed by rule of the~~  
5 ~~Commission on Consumer Credit~~ 10. Each additional trade name used  
6 by a licensee shall be registered with the Department and shall be  
7 accompanied by an initial registration fee of One Hundred Fifty  
8 Dollars (\$150.00).

9 ~~7. An application fee shall be as prescribed by rule of the~~  
10 ~~Commission on Consumer Credit~~ 11. The Administrator may reinstate a  
11 license within thirty-one (31) days of the expiration of the license  
12 if the licensee pays the assessment fee and a reinstatement fee of  
13 Five Hundred Dollars (\$500.00). A licensee shall not be reinstated  
14 when the renewal application, fees, or any required information is  
15 received on or after February 1 of the following year that the  
16 renewal application was due.

17 12. The Administrator of Consumer Credit may reduce annual  
18 assessment fees on a pro rata basis for a specific renewal period by  
19 reducing the factor applied to the dollar volume of loans originated  
20 and serviced. The Administrator shall notify licensees of an annual  
21 assessment fee reduction prior to November 1 of the specific license  
22 renewal period. An annual assessment fee does not include an  
23 initial license fee for purposes of this subsection.  
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1       L. 1. An applicant for an initial mortgage loan originator  
2 license shall pay a fee of Four Hundred Fifty Dollars (\$450.00).

3       2. An applicant renewing a mortgage loan originator license  
4 shall pay a fee of Two Hundred Fifty Dollars (\$250.00).

5       3. A late renewal fee shall be as prescribed by rule of the  
6 Commission on Consumer Credit.

7       4. A fee as prescribed by rule of the Commission on Consumer  
8 Credit shall be paid by applicants and licensees into the Oklahoma  
9 Mortgage Broker and Mortgage Loan Originator Recovery Fund as  
10 provided for in Section 2095.20 of this title for each initial  
11 application and each renewal application.

12       SECTION 5.       AMENDATORY       59 O.S. 2021, Section 2095.7, is  
13 amended to read as follows:

14       Section 2095.7 A. The Administrator of Consumer Credit shall  
15 not issue a mortgage loan originator license unless the  
16 Administrator makes at a minimum the following findings:

17       1. The applicant has never had a mortgage loan originator  
18 license revoked in any governmental jurisdiction, except that a  
19 subsequent formal vacation of such revocation shall not be deemed a  
20 revocation;

21       2. The applicant has not been convicted of, or pled guilty or  
22 nolo contendere to a felony crime that substantially relates to the  
23 occupation of a mortgage loan originator and poses a reasonable  
24 threat to public safety in a domestic, foreign or military court:

- a. during the seven-year period preceding the date of the application for licensing and registration, or
- b. at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, a breach of trust or money laundering.

Provided, that any pardon of a conviction shall not be a conviction for purposes of this paragraph;

3. The applicant has demonstrated financial responsibility and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly and efficiently within the purposes of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act. For purposes of this paragraph, an individual has shown that he or she is not financially responsible when he or she has shown a disregard in the management of his or her own financial condition. A determination that an individual has not shown financial responsibility may include, but not be limited to:

- a. current outstanding judgments, except judgments solely as a result of medical expenses,
- b. current outstanding tax liens or other government liens and filings,
- c. foreclosures within the past three (3) years, or
- d. pattern of seriously delinquent accounts within the past three (3) years;

1       4. The applicant has completed the prelicensing education  
2 requirement described in Section 2095.8 of this title;

3       5. The applicant has passed a written test that meets the test  
4 requirement described in Section 2095.9 of this title;

5       6. The applicant has paid into the Oklahoma Mortgage Broker and  
6 Mortgage Loan Originator Recovery Fund as required by paragraph ~~5~~ 7  
7 of subsection K of Section 2095.6 of this title; and

8       7. The applicant is sponsored by a licensed mortgage broker or  
9 mortgage lender. The Administrator of Consumer Credit may authorize  
10 an entity exempt from the requirements of this act to sponsor an  
11 applicant that is an independent contractor of the exempt entity.  
12 The Administrator of Consumer Credit may promulgate administrative  
13 rules, subject to approval of the Commission on Consumer Credit, to  
14 implement sponsorship procedures and requirements.

15       B. As used in this section:

16       1. "Substantially relates" means the nature of criminal conduct  
17 for which the person was convicted has a direct bearing on the  
18 fitness or ability to perform one or more of the duties or  
19 responsibilities necessarily related to the occupation; and

20       2. "Poses a reasonable threat" means the nature of criminal  
21 conduct for which the person was convicted involved an act or threat  
22 of harm against another and has a bearing on the fitness or ability  
23 to serve the public or work with others in the occupation.

SECTION 6. AMENDATORY 59 O.S. 2021, Section 2095.8, is amended to read as follows:

Section 2095.8 A. In order to meet the prelicensing education requirement referred to in Section 2095.7 of this title, an individual shall complete at least twenty (20) hours of education approved in accordance with subsection B of this section, which shall include at least:

1. Three (3) hours of federal law and regulations;

2. Three (3) hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues;

3. Two (2) hours of training related to lending standards for the nontraditional mortgage product marketplace; and

4. One (1) hour of Oklahoma law and regulations.

B. For purposes of subsection A of this section, prelicensing education courses shall be reviewed and approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry based upon reasonable standards. Review and approval of a prelicensing education course shall include review and approval of the course provider.

C. Nothing in this section shall preclude any prelicensing education course as approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry that is provided by the employer of the applicant or an entity which is affiliated with the applicant by

1 an agency contract or any subsidiary or affiliate of such employer  
2 or entity.

3 D. Prelicensing education may be offered either in a classroom,  
4 online or by any other means approved by the Nationwide ~~Mortgage~~  
5 Multistate Licensing System and Registry.

6 E. The prelicensing education requirements approved by the  
7 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry in  
8 paragraph 1 of subsection A and subsections B and C of this section  
9 for any state shall be accepted as credit towards completion of  
10 prelicensing education requirements in this state.

11 F. An individual previously licensed pursuant to the Oklahoma  
12 Secure and Fair Enforcement for Mortgage Licensing Act, subsequent  
13 to July 1, 2009, and applying to be licensed again, must prove  
14 completion of all of the continuing education requirements for the  
15 year in which the license was last held.

16 SECTION 7. AMENDATORY 59 O.S. 2021, Section 2095.9, is  
17 amended to read as follows:

18 Section 2095.9 A. In order to meet the written test  
19 requirement referred to in Section ~~10~~ 2095.7 of this ~~act~~ title, an  
20 individual shall pass, in accordance with standards established  
21 under this section, a qualified written test developed by the  
22 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and  
23 administered by a test provider approved by the Nationwide ~~Mortgage~~  
24



1 Multistate Licensing System and Registry based upon reasonable  
2 standards.

3 B. A written test shall not be treated as a qualified written  
4 test for purposes of subsection A of this section unless the test  
5 adequately measures the applicant's knowledge and comprehension in  
6 appropriate subject areas, including:

7 1. Ethics;

8 2. Federal law and regulations pertaining to mortgage  
9 origination;

10 3. State law and regulation pertaining to mortgage origination;  
11 and

12 4. Federal and state law and regulation, including instruction  
13 on fraud, consumer protection, the nontraditional mortgage  
14 marketplace and fair lending issues.

15 C. Nothing in this section shall prohibit a test provider  
16 approved by the Nationwide ~~Mortgage~~ Multistate Licensing System and  
17 Registry from providing a test at the location of the employer of  
18 the applicant or the location of any subsidiary or affiliate of the  
19 employer of the applicant or the location of any entity with which  
20 the applicant holds an exclusive arrangement to conduct the business  
21 of a mortgage loan originator.

22 D. 1. An individual shall not be considered to have passed a  
23 qualified written test unless the individual achieves a test score  
24  
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1 of not less than seventy-five percent (75%) correct answers to  
2 questions.

3 2. An individual may retake a test three consecutive times with  
4 each consecutive taking occurring at least thirty (30) days after  
5 the preceding test.

6 3. After failing three consecutive tests, an individual shall  
7 wait at least six (6) months before taking the test again.

8 4. A licensed mortgage loan originator who fails to maintain an  
9 active and valid license for a period of five (5) years or longer  
10 shall retake the test, not taking into account any time during which  
11 such individual is a registered mortgage loan originator.

12 SECTION 8. AMENDATORY 59 O.S. 2021, Section 2095.10, is  
13 amended to read as follows:

14 Section 2095.10 A. The minimum standards for license renewal  
15 for mortgage loan originators shall include the following:

16 1. The mortgage loan originator continues to meet the minimum  
17 standards for license issuance under Section ~~10~~ 2095.7 of this ~~act~~  
18 title;

19 2. The mortgage loan originator has satisfied the annual  
20 continuing education requirements described in Section ~~24~~ 2095.21 of  
21 this ~~act~~ title; and

22 3. The mortgage loan originator has paid all required fees for  
23 renewal of the license.

1 B. The license of a mortgage loan originator failing to satisfy  
2 the minimum standards for license renewal shall expire. The  
3 Administrator of Consumer Credit may adopt procedures in addition to  
4 the requirements of Section ~~9~~ 2095.6 of this ~~act~~ title for the  
5 reinstatement of expired licenses consistent with the standards  
6 established by the Nationwide ~~Mortgage~~ Multistate Licensing System  
7 and Registry.

8 SECTION 9. AMENDATORY 59 O.S. 2021, Section 2095.11, is  
9 amended to read as follows:

10 Section 2095.11 A. The Administrator of Consumer Credit shall  
11 not issue a mortgage broker license unless the Administrator makes  
12 at a minimum the following findings:

13 1. The applicant or any owner, officer, director or partner has  
14 never had a mortgage broker or mortgage loan originator license  
15 revoked in any governmental jurisdiction, except that a subsequent  
16 formal vacation of such revocation shall not be deemed a revocation;

17 2. Any owner, officer, director or partner of the applicant has  
18 not been convicted of, or pled guilty or nolo contendere to, a  
19 felony crime that substantially relates to the occupation of a  
20 mortgage broker and poses a reasonable threat to public safety in a  
21 domestic, foreign or military court:

22 a. during the seven-year period preceding the date of the  
23 application for licensing and registration, or  
24  
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1           b.    at any time preceding such date of application, if  
2                such felony involved an act of fraud, dishonesty, a  
3                breach of trust or money laundering.

4           Provided, that any pardon of a conviction shall not be a  
5 conviction for purposes of this paragraph;

6           3.   The applicant's owners, officers, directors or partners have  
7 demonstrated financial responsibility and general fitness such as to  
8 command the confidence of the community and to warrant a  
9 determination that the mortgage broker will operate honestly, fairly  
10 and efficiently within the purposes of this act. For purposes of  
11 this paragraph, an applicant's owners, officers, directors or  
12 partners have shown they are not financially responsible when they  
13 have shown a disregard in the management of their own financial  
14 condition. A determination that an owner, officer, director or  
15 partner has not shown financial responsibility may include, but not  
16 be limited to:

- 17           a.   current outstanding judgments, except judgments solely  
18                as a result of medical expenses,  
19           b.   current outstanding tax liens or other government  
20                liens and filings,  
21           c.   foreclosures within the past three (3) years, or  
22           d.   a pattern of seriously delinquent accounts within the  
23                past three (3) years;

1       4. The applicant has paid into the Oklahoma Mortgage Broker and  
2 Mortgage Loan Originator Recovery Fund as required by paragraph ~~5~~ 7  
3 of subsection K of Section 2095.6 of this title; and

4       5. The applicant has paid all required fees for issuance of the  
5 license.

6       B. Each mortgage broker applicant shall designate and maintain  
7 a principal place of business for the transaction of business. The  
8 applicant shall specify the address of the principal place of  
9 business and designate a licensed mortgage loan originator to  
10 oversee the operations of the principal place of business. If an  
11 applicant wishes to maintain one or more ~~locations~~ branch offices  
12 for the transaction of business in addition to a principal place of  
13 business, the applicant shall first ~~obtain a~~ register the branch  
14 office ~~license from~~ location with the Administrator and designate a  
15 licensed mortgage loan originator for each branch office to oversee  
16 the operations of that branch office. The applicant shall submit a  
17 fee as set forth in paragraph ~~3~~ 5 of subsection K of Section 2095.6  
18 of this title for each branch office ~~license issued. If the~~  
19 ~~Administrator of Consumer Credit determines that the applicant is~~  
20 ~~qualified, the Administrator shall issue a branch office license~~  
21 ~~indicating the address of the branch office~~ registered. If the  
22 address of the principal place of business or of any branch office  
23 is changed, the licensee shall immediately notify the Administrator  
24 of the change and the Administrator shall endorse the change of  
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1 address on the license for a fee as prescribed in paragraph ~~4~~ 6 of  
2 subsection K of Section 2095.6 of this title.

3 C. As used in this section:

4 1. "Substantially relates" means the nature of criminal conduct  
5 for which the person was convicted has a direct bearing on the  
6 fitness or ability to perform one or more of the duties or  
7 responsibilities necessarily related to the occupation; and

8 2. "Poses a reasonable threat" means the nature of criminal  
9 conduct for which the person was convicted involved an act or threat  
10 of harm against another and has a bearing on the fitness or ability  
11 to serve the public or work with others in the occupation.

12 SECTION 10. AMENDATORY 59 O.S. 2021, Section 2095.11.1,  
13 is amended to read as follows:

14 Section 2095.11.1 The Administrator of Consumer Credit shall  
15 not issue a mortgage lender license unless the Administrator makes  
16 at a minimum the following findings:

17 1. The applicant or any owner, officer, director or partner has  
18 never had a mortgage lender, mortgage broker or mortgage loan  
19 originator license revoked in any governmental jurisdiction, except  
20 that a subsequent formal vacation of such revocation shall not be  
21 deemed a revocation;

22 2. Any owner, officer, director or partner of the applicant has  
23 not been convicted of, or pled guilty or nolo contendere to, a  
24 felony crime that substantially relates to the occupation of a  
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1 mortgage lender and poses a reasonable threat to public safety in a  
2 domestic, foreign or military court:

- 3 a. during the seven-year period preceding the date of the  
4 application for licensing and registration, or
- 5 b. at any time preceding such date of application, if  
6 such felony involved an act of fraud, dishonesty, a  
7 breach of trust or money laundering.

8 Provided, that any pardon of a conviction shall not be a  
9 conviction for purposes of this paragraph;

10 3. The applicant and the applicant's owners, officers,  
11 directors or partners have demonstrated financial responsibility and  
12 general fitness such as to command the confidence of the community  
13 and to warrant a determination that the mortgage lender will operate  
14 honestly, fairly and efficiently within the purposes of this act.  
15 For purposes of this paragraph, an applicant's owners, officers,  
16 directors or partners have shown they are not financially  
17 responsible when they have shown a disregard in the management of  
18 their own financial condition. A determination that an owner,  
19 officer, director or partner has not shown financial responsibility  
20 may include, but not be limited to:

- 21 a. current outstanding judgments, except judgments solely  
22 as a result of medical expenses,
  - 23 b. current outstanding tax liens or other government  
24 liens and filings,
-

- c. foreclosures within the past three (3) years, or
- d. a pattern of seriously delinquent accounts within the past three (3) years;

4. The applicant has filed a bond in the amount of One Hundred Thousand Dollars (\$100,000.00) securing the applicant's or licensee's faithful performance of all duties and obligations of a licensee. The bond shall meet the following requirements:

- a. the bond shall be in a form acceptable to the Administrator,
- b. the bond shall be issued by an insurance company authorized to conduct business in the State of Oklahoma,
- c. the bond shall be payable to the Oklahoma Department of Consumer Credit,
- d. the bond is continuous in nature and shall be maintained at all times as a condition of licensure,
- e. the bond may not be terminated without thirty (30) days prior written notice to the Administrator and approval of the Administrator,
- f. the bond shall be available for the recovery of expenses, civil penalties and fees assessed pursuant to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act and for losses or damages which are determined by the Administrator to have been



1 incurred by any borrower or consumer as a result of  
2 the applicant's or licensee's failure to comply with  
3 the requirements of the Oklahoma Secure and Fair  
4 Enforcement for Mortgage Licensing Act,

5 g. when an action is commenced on a licensee's bond, the  
6 Administrator may require the filing of a new bond,  
7 and

8 h. whenever the principal sum of the bond is reduced by  
9 one or more recoveries or payments thereon, the  
10 licensee shall furnish a new or additional bond so  
11 that the total or aggregate principal sum of such bond  
12 or such bonds shall equal One Hundred Thousand Dollars  
13 (\$100,000.00) or shall furnish an endorsement duly  
14 executed by the corporate surety reinstating the bond  
15 to the required principal sum;

16 5. The applicant has a net worth of at least Twenty-five  
17 Thousand Dollars (\$25,000.00) as reflected by an audited financial  
18 statement prepared by a certified public accountant in accordance  
19 with generally accepted accounting principles that is accompanied by  
20 an opinion acceptable to the Administrator and is dated within  
21 fifteen (15) months of the date of application;

22 6. The applicant has paid all required fees for issuance of the  
23 license. The license fees for a mortgage lender shall be in the  
24 same amount as license fees applicable to a mortgage broker;

1        7. Each mortgage lender applicant shall designate and maintain  
2 a principal place of business for the transaction of business. If  
3 the mortgage lender applicant engages in activity that satisfies the  
4 definition of a mortgage broker, the mortgage lender shall designate  
5 a licensed mortgage loan originator to oversee the mortgage loan  
6 origination operations of the principal place of business and any  
7 branch office location where the mortgage lender applicant engages  
8 in activity that satisfies the definition of a mortgage broker. If  
9 an applicant wishes to maintain one or more ~~locations~~ branch offices  
10 for the transaction of business in addition to a principal place of  
11 business, the applicant shall first ~~obtain a~~ register the branch  
12 office ~~license from~~ location with the Administrator. The applicant  
13 shall submit a fee as set forth in paragraph ~~3~~ 5 of subsection K of  
14 Section 2095.6 of this title for each branch office ~~license issued.~~  
15 ~~If the Administrator of Consumer Credit determines that the~~  
16 ~~applicant is qualified, the Administrator shall issue a branch~~  
17 ~~office license indicating the address of the branch office~~  
18 registered. If the address of the principal place of business or of  
19 any branch office is changed, the licensee shall immediately notify  
20 the Administrator of the change and the Administrator shall endorse  
21 the change of address on the license for a fee as prescribed in  
22 paragraph ~~4~~ 6 of subsection K of Section 2095.6 of this title; and

23        8. A separate mortgage broker license is not required for a  
24 mortgage lender that engages in activity that satisfies the  
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1 definition of a mortgage broker as provided in the Oklahoma Secure  
2 and Fair Enforcement for Mortgage Licensing Act. A mortgage lender  
3 that engages in activity that satisfies the definition of a mortgage  
4 broker shall comply with all requirements of the Oklahoma Secure and  
5 Fair Enforcement for Mortgage Licensing Act regarding mortgage  
6 brokers.

7 SECTION 11. AMENDATORY 59 O.S. 2021, Section 2095.12, is  
8 amended to read as follows:

9 Section 2095.12 A. The minimum standards for license renewal  
10 for mortgage brokers shall include the following:

11 1. The mortgage broker continues to meet the minimum standards  
12 for license issuance under Section ~~14~~ 2095.11 of this ~~act~~ title; and

13 2. The mortgage broker has paid all required fees for renewal  
14 of the license.

15 B. The license of a mortgage broker failing to satisfy the  
16 minimum standards for license renewal shall expire. The  
17 Administrator of Consumer Credit may adopt procedures in addition to  
18 the requirements of ~~Section~~ paragraph 9 of this act subsection K of  
19 Section 2095.6 of this title for the reinstatement of expired  
20 licenses consistent with the standards established by the Nationwide  
21 ~~Mortgage~~ Multistate Licensing System and Registry.

22 SECTION 12. AMENDATORY 59 O.S. 2021, Section 2095.12.1,  
23 is amended to read as follows:

1       Section 2095.12.1 A. The minimum standards for license renewal  
2 for mortgage lenders shall include the following:

3       1. The mortgage lender continues to meet the minimum standards  
4 for license issuance under this act; and

5       2. The mortgage lender has paid all required fees for renewal  
6 of the license.

7       B. The license of a mortgage lender failing to satisfy the  
8 minimum standards for license renewal shall expire. The  
9 Administrator of Consumer Credit may adopt procedures in addition to  
10 the requirements of paragraph 9 of subsection K of Section 2095.6 of  
11 this title for the reinstatement of expired licenses consistent with  
12 the standards established by the Nationwide ~~Mortgage~~ Multistate  
13 Licensing System and Registry.

14       SECTION 13.       AMENDATORY       59 O.S. 2021, Section 2095.13, is  
15 amended to read as follows:

16       Section 2095.13 In addition to any other duties imposed upon  
17 the Administrator of Consumer Credit by law, the Administrator shall  
18 require mortgage brokers, mortgage lenders and mortgage loan  
19 originators to be licensed and registered through the Nationwide  
20 ~~Mortgage~~ Multistate Licensing System and Registry. In order to  
21 carry out this requirement, the Administrator is authorized to  
22 participate in the Nationwide ~~Mortgage~~ Multistate Licensing System  
23 and Registry. For this purpose, the Administrator, upon approval of  
24  
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1 the Commission, may establish requirements by rule as necessary and  
2 consistent with this act, including but not limited to:

3 1. Background checks for:

- 4 a. criminal history through fingerprint or other
- 5 databases,
- 6 b. civil or administrative records,
- 7 c. credit history, or
- 8 d. any other information as deemed necessary by the
- 9 Nationwide ~~Mortgage~~ Multistate Licensing System and
- 10 Registry;

11 2. The payment of fees to apply for or renew licenses through  
12 the Nationwide ~~Mortgage~~ Multistate Licensing System and Registry;

13 3. The setting or resetting as necessary of renewal or  
14 reporting dates; and

15 4. Requirements for amending or surrendering a license or any  
16 other such activities as the Administrator deems necessary for  
17 participation in the Nationwide ~~Mortgage~~ Multistate Licensing System  
18 and Registry.

19 SECTION 14. AMENDATORY 59 O.S. 2021, Section 2095.14, is  
20 amended to read as follows:

21 Section 2095.14 The Administrator of Consumer Credit shall,  
22 upon approval by the Commission on Consumer Credit, establish by  
23 rule a process whereby mortgage brokers, mortgage lenders and  
24 mortgage loan originators may challenge information entered into the  
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1 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry by the  
2 Administrator.

3 SECTION 15. AMENDATORY 59 O.S. 2021, Section 2095.18, is  
4 amended to read as follows:

5 Section 2095.18 It is a violation of this act for an entity or  
6 individual subject to this act to:

7 1. Directly or indirectly employ any scheme, device, or  
8 artifice to defraud or mislead borrowers or lenders or to defraud  
9 any entity or individual;

10 2. Engage in any unfair or deceptive practice toward any entity  
11 or individual;

12 3. Obtain property by fraud or misrepresentation;

13 4. Solicit or enter into a contract with a borrower that  
14 provides in substance that the entity or individual subject to this  
15 act may earn a fee or commission through "best efforts" to obtain or  
16 modify a loan even though a loan is not actually obtained or  
17 modified for the borrower;

18 5. Solicit, advertise or enter into a contract for specific  
19 interest rates, points or other financing terms unless the terms are  
20 actually available at the time of soliciting, advertising or  
21 contracting;

22 6. Conduct any business covered by this act without holding a  
23 valid license as required under this act or assist or aide and abet  
24

1 any entity or individual in the conduct of business under this act  
2 without a valid license as required under this act;

3 7. Fail to make disclosures as required by this act and any  
4 other applicable state or federal law including regulations  
5 thereunder;

6 8. Fail to comply with this act or rules promulgated under this  
7 act or fail to comply with any other state or federal law, including  
8 any rules thereunder, applicable to any business authorized or  
9 conducted under this act;

10 9. Make, in any manner, any false or deceptive statement or  
11 representation, including, with regard to the rates, points, or  
12 other financing terms or conditions for a residential mortgage loan  
13 or engage in bait and switch advertising;

14 10. Negligently make any false statement or knowingly and  
15 willfully make any omission of material fact in connection with any  
16 information or reports filed with a governmental agency or the  
17 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry or in  
18 connection with any investigation conducted by the Administrator of  
19 Consumer Credit or another governmental agency;

20 11. Make any payment, threat or promise, directly or  
21 indirectly, to any entity or individual for the purposes of  
22 influencing the independent judgment of the entity or individual in  
23 connection with a residential mortgage loan or make any payment,  
24 threat or promise, directly or indirectly, to any appraiser of a  
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1 property, for the purposes of influencing the independent judgment  
2 of the appraiser with respect to the value of the property;

3 12. Collect, charge, attempt to collect or charge or use or  
4 propose any agreement purporting to collect or charge any fee  
5 prohibited by this act;

6 13. Cause or require a borrower to obtain property insurance  
7 coverage in an amount that exceeds the replacement cost of the  
8 improvements as established by the property insurer; or

9 14. Fail to truthfully account for monies belonging to a party  
10 to a residential mortgage loan transaction.

11 SECTION 16. AMENDATORY 59 O.S. 2021, Section 2095.20, is  
12 amended to read as follows:

13 Section 2095.20 A. 1. There is hereby created in the State  
14 Treasury a revolving fund for the Commission on Consumer Credit to  
15 be designated the "Oklahoma Mortgage Broker and Mortgage Loan  
16 Originator Recovery Fund". The fund shall consist of fees received  
17 by the Administrator of Consumer Credit as required by paragraph ~~6~~ 5  
18 of subsection ~~M~~ K of Section 2095.6 of this title to be paid into  
19 the fund.

20 2. The revolving fund shall be a continuing fund not subject to  
21 fiscal year limitations and shall be under the administrative  
22 direction of the Administrator. Monies accruing to the credit of  
23 this fund are hereby appropriated and may be budgeted and expended  
24 by the Commission, pursuant to rules promulgated by the Commission,  
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1 for the purposes specified in subsection B of this section. The  
2 provisions of this paragraph shall have retroactive and prospective  
3 application.

4 3. Expenditures from the fund shall be made upon warrants  
5 issued by the State Treasurer against claims filed as prescribed by  
6 law with the Director of the Office of Management and Enterprise  
7 Services for approval and payment.

8 B. 1. Subject to the limitations of this subsection, monies in  
9 the fund shall be used to reimburse any entity or individual in an  
10 amount not to exceed ~~Five Thousand Dollars (\$5,000.00)~~ Ten Thousand  
11 Dollars (\$10,000.00), who has been adjudged by a court of competent  
12 jurisdiction to have suffered monetary damages by an entity or  
13 individual required to have a license under the Oklahoma Secure and  
14 Fair Enforcement for Mortgage Licensing Act in any transaction or  
15 series of transactions for which a license is required under the  
16 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act  
17 because of the acquisition of money or property by fraud,  
18 misrepresentation, deceit, false pretenses, artifice, trickery, or  
19 by any other act which would constitute a violation of the Oklahoma  
20 Secure and Fair Enforcement for Mortgage Licensing Act.

21 2. Payments for claims based on judgments against any one  
22 person required to have a license under this act shall not exceed in  
23 the aggregate ~~Thirty Thousand Dollars (\$30,000.00)~~ Sixty Thousand  
24 Dollars (\$60,000.00).

1        3. Payments for claims may only be made for a cause of action  
2 which has accrued on or after November 1, 1997, and which has  
3 accrued not more than two (2) years prior to filing the action in  
4 district court.

5        SECTION 17.        AMENDATORY        59 O.S. 2021, Section 2095.21, is  
6 amended to read as follows:

7        Section 2095.21 A. In order to meet the annual continuing  
8 education requirements as provided in subsection A of Section  
9 2095.10 of this title, a licensed mortgage loan originator shall  
10 complete at least eight (8) hours of education approved as provided  
11 in subsection B of this section, which shall include at least:

12        1. Three (3) hours of federal law and regulations;

13        2. Two (2) hours of ethics, which shall include instruction on  
14 fraud, consumer protection and fair lending issues; and

15        3. Two (2) hours of training related to lending standards for  
16 the nontraditional mortgage product marketplace.

17        B. For purposes of subsection A of this section, continuing  
18 education courses shall be reviewed and approved by the Nationwide  
19 ~~Mortgage~~ Multistate Licensing System and Registry based upon  
20 reasonable standards. Review and approval of a continuing education  
21 course shall include review and approval of the course provider.

22        C. Nothing in this section shall preclude any education course  
23 as approved by the Nationwide ~~Mortgage~~ Multistate Licensing System  
24 and Registry that is provided by the employer of the mortgage loan  
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1 originator or an entity which is affiliated with the mortgage loan  
2 originator by an agency contract or any subsidiary or affiliate of  
3 such employer or entity.

4 D. Continuing education may be offered either in a classroom,  
5 online or by any other means approved by the Nationwide ~~Mortgage~~  
6 Multistate Licensing System and Registry.

7 E. A licensed mortgage loan originator, except as provided in  
8 subsection B of Section 2095.10 of this title and subsection I of  
9 this section:

10 1. May only receive credit for a continuing education course in  
11 the year in which the course is taken; and

12 2. May not take the same approved course in the same or  
13 successive years to meet the annual requirements for continuing  
14 education.

15 F. A licensed mortgage loan originator who is an approved  
16 instructor of an approved continuing education course may receive  
17 credit for the licensed mortgage loan originator's own annual  
18 continuing education requirement at the rate of two (2) hours credit  
19 for every one (1) hour taught.

20 G. An individual having successfully completed the education  
21 requirements approved by the Nationwide ~~Mortgage~~ Multistate  
22 Licensing System and Registry in paragraph 1 of subsection A and  
23 subsections B and C of this section for any state shall be accepted  
24

1 as credit towards completion of continuing education requirements in  
2 this state.

3 H. A licensed mortgage loan originator who subsequently becomes  
4 unlicensed must complete the continuing education requirements for  
5 the last year in which the license was held prior to issuance of a  
6 new or renewed license.

7 I. An individual meeting the requirements of paragraphs 1 and 2  
8 of subsection A of Section 2095.10 of this title may make up any  
9 deficiency in continuing education as established by rule.

10 SECTION 18. AMENDATORY 59 O.S. 2021, Section 2095.22, is  
11 amended to read as follows:

12 Section 2095.22 In order to promote more effective regulation  
13 and reduce regulatory burden through supervisory information  
14 sharing:

15 1. Except as otherwise provided in 12 U.S.C., Section 5111, the  
16 requirements under federal or Oklahoma law, regarding the privacy or  
17 confidentiality of any information or material provided to the  
18 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry and any  
19 privilege arising under federal or state law, including the rules of  
20 any federal or state court, with respect to such information or  
21 material, shall continue to apply to such information or material  
22 after the information or material has been disclosed to the  
23 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry. Such  
24 information and material may be shared with all state and federal

1 regulatory officials with mortgage industry oversight authority  
2 without the loss of privilege or the loss of confidentiality  
3 protections provided by federal or Oklahoma law.

4 2. For these purposes, the Administrator of Consumer Credit is  
5 authorized to enter into agreements or sharing arrangements with  
6 other governmental agencies, the Conference of State Bank  
7 Supervisors, the American Association of Residential Mortgage  
8 Regulators or other associations representing governmental agencies.

9 3. Information or material that is subject to a privilege or  
10 confidentiality under paragraph 1 of this section shall not be  
11 subject to:

- 12 a. disclosure under any federal or state law governing  
13 the disclosure to the public of information held by an  
14 officer or an agency of the federal government or the  
15 respective state, or
- 16 b. subpoena or discovery, or admission into evidence, in  
17 any private civil action or administrative process,  
18 unless with respect to any privilege held by the  
19 Nationwide ~~Mortgage~~ Multistate Licensing System and  
20 Registry with respect to such information or material,  
21 the entity or individual to whom such information or  
22 material pertains waives, in whole or in part, in the  
23 discretion of such entity or individual, that  
24 privilege.

1        4. Any provision of Oklahoma law relating to the disclosure of  
2 confidential supervisory information or any information or material  
3 described in paragraph 1 of this section that is inconsistent with  
4 paragraph 1 of this section shall be superseded by the requirements  
5 of this section.

6        5. This section shall not apply with respect to the information  
7 or material relating to the employment history of and publicly  
8 adjudicated disciplinary and enforcement actions against mortgage  
9 brokers and mortgage loan originators that is included in the  
10 Nationwide ~~Mortgage~~ Multistate Licensing System and Registry for  
11 access by the public.

12        SECTION 19.        AMENDATORY        59 O.S. 2021, Section 2095.23, is  
13 amended to read as follows:

14        Section 2095.23 A. In addition to any authority allowed under  
15 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,  
16 the Administrator of Consumer Credit shall have the authority to  
17 conduct investigations and examinations of the following:

18        1. Criminal, civil and administrative history information,  
19 including nonconviction data;

20        2. Personal history and experience information including  
21 independent credit reports obtained from a consumer reporting agency  
22 described in 15 U.S.C., Section 1681a(p);

23        3. The financial condition and internal management policies and  
24 procedures of any entity licensed or required to be licensed as a  
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1 mortgage lender for purposes of determining that the entity is  
2 operating honestly, fairly and efficiently within the purposes of  
3 this act; and

4 4. Any other documents, information or evidence the  
5 Administrator deems relevant to the inquiry or investigation  
6 regardless of the location, possession, control or custody of such  
7 documents, information or evidence.

8 B. For the purposes of investigating violations or complaints  
9 arising under the Oklahoma Secure and Fair Enforcement for Mortgage  
10 Licensing Act or for the purposes of examination, the Administrator  
11 may review, investigate or examine any licensee or entity or  
12 individual subject to the Oklahoma Secure and Fair Enforcement for  
13 Mortgage Licensing Act, as often as necessary in order to carry out  
14 the purposes of the Oklahoma Secure and Fair Enforcement for  
15 Mortgage Licensing Act. The Administrator may direct, subpoena or  
16 order the attendance of and examine under oath all individuals whose  
17 testimony may be required about the loans or the business or subject  
18 matter of any such examination or investigation and may direct,  
19 subpoena or order such individual to produce books, accounts,  
20 records, files and any other documents the Administrator deems  
21 relevant to the inquiry. Any examination or investigation report  
22 and any information obtained during an examination or investigation  
23 shall not be subject to disclosure under the Oklahoma Open Records  
24 Act. However, any examination or investigation report and any

1 information obtained during an examination or investigation shall be  
2 subject to disclosure pursuant to a court order and may also be  
3 disclosed in an individual proceeding and any order issued pursuant  
4 to the Oklahoma Secure and Fair Enforcement for Mortgage Licensing  
5 Act.

6 ~~C. The Administrator may require payment of an examination fee~~  
7 ~~either at the time of initial application, renewal of the license or~~  
8 ~~after an examination has been conducted. The examination fee shall~~  
9 ~~be prescribed by rule of the Commission on Consumer Credit. The~~  
10 ~~Administrator shall require a licensee or an entity or individual~~  
11 ~~subject to the requirements of this act to pay travel costs for~~  
12 ~~conducting examinations or investigations outside of the State of~~  
13 ~~Oklahoma.~~

14 ~~D.~~ Each licensee or entities or individuals subject to the  
15 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act  
16 shall make available to the Administrator, upon request, any books  
17 and records relating to the requirements of the Oklahoma Secure and  
18 Fair Enforcement for Mortgage Licensing Act. The Administrator  
19 shall have access to such books and records and interview the  
20 officers, principals, mortgage loan originators, employees,  
21 independent contractors, agents and customers of the licensee,  
22 entity or individual subject to the Oklahoma Secure and Fair  
23 Enforcement for Mortgage Licensing Act concerning the requirements  
24 of the Oklahoma Secure and Fair Enforcement for Mortgage Licensing



1 Act. Books and records shall be maintained for a period of time  
2 required by rule of the Administrator.

3 ~~F.~~ D. Each licensee or entity or individual subject to the  
4 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act  
5 shall make or compile reports or prepare other information as  
6 directed by the Administrator in order to carry out the purposes of  
7 this section including, but not limited to:

8 1. Accounting compilations;

9 2. Information lists and data concerning loan transactions in a  
10 format prescribed by the Administrator; or

11 3. Such other information deemed necessary to carry out the  
12 purposes of this section.

13 ~~F.~~ E. In making any examination or investigation authorized by  
14 the Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act,  
15 the Administrator may control access to any documents and records of  
16 the licensee or entity or individual under examination or  
17 investigation. The Administrator may take possession of the  
18 documents and records or place an entity or individual in exclusive  
19 charge of the documents and records in the place where they are  
20 usually kept. During the period of control, no entity or individual  
21 shall remove or attempt to remove any of the documents and records  
22 except pursuant to a court order or with the consent of the  
23 Administrator. Unless the Administrator has reasonable grounds to  
24 believe the documents or records of the licensee have been, or are  
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1 at risk of being altered or destroyed for purposes of concealing a  
2 violation of the Oklahoma Secure and Fair Enforcement for Mortgage  
3 Licensing Act, the licensee or owner of the documents and records  
4 shall have access to the documents or records as necessary to  
5 conduct its ordinary business affairs.

6 ~~G.~~ F. In order to carry out the purposes of this section, the  
7 Administrator may:

8 1. Retain attorneys, accountants, or other professionals and  
9 specialists as examiners, auditors or investigators to conduct or  
10 assist in the conduct of examinations or investigations;

11 2. Enter into agreements or relationships with other government  
12 officials or regulatory associations in order to improve  
13 efficiencies and reduce regulatory burden by sharing resources,  
14 standardized or uniform methods or procedures and documents,  
15 records, information or evidence obtained under this section;

16 3. Use, hire, contract or employ public or privately available  
17 analytical systems, methods or software to examine or investigate  
18 the licensee, entity or individual subject to the Oklahoma Secure  
19 and Fair Enforcement for Mortgage Licensing Act;

20 4. Accept and rely on examination or investigation reports made  
21 by other government officials, within or without this state;

22 5. Accept audit reports made by an independent certified public  
23 accountant for the licensee or entity or individual subject to the  
24 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act in  
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1 the course of that part of the examination covering the same general  
2 subject matter as the audit and may incorporate the audit report in  
3 the report of the examination, report of investigation or other  
4 writing of the Administrator; or

5 6. Participate in multistate mortgage examinations as scheduled  
6 by the Multi-State Mortgage Committee established by the Conference  
7 of State Bank Supervisors and the American Association of  
8 Residential Mortgage Regulators.

9 ~~H.~~ G. The authority of this section shall remain in effect,  
10 whether such a licensee or entity or individual subject to the  
11 Oklahoma Secure and Fair Enforcement for Mortgage Licensing Act acts  
12 or claims to act under any licensing or registration law of this  
13 state or claims to act without such authority.

14 ~~I.~~ H. No licensee or entity or individual subject to  
15 investigation or examination under this section may knowingly  
16 withhold, abstract, remove, mutilate, destroy or secrete any books,  
17 records, computer records or other information.

18 SECTION 20. AMENDATORY 59 O.S. 2021, Section 2095.24, is  
19 amended to read as follows:

20 Section 2095.24 Each licensee shall submit to the Nationwide  
21 ~~Mortgage~~ Multistate Licensing System and Registry reports of  
22 condition, which shall be in such form and shall contain such  
23 information as the Nationwide ~~Mortgage~~ Multistate Licensing System  
24 and Registry may require.  
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1       SECTION 21.       AMENDATORY       59 O.S. 2021, Section 2095.25, is  
2 amended to read as follows:

3       Section 2095.25 Notwithstanding or subject to state privacy  
4 law, the Administrator of Consumer Credit is required to regularly  
5 report violations of this act as well as enforcement actions and  
6 other relevant information to the Nationwide ~~Mortgage~~ Multistate  
7 Licensing System and Registry subject to the provisions contained in  
8 Section ~~25~~ 2095.22 of this ~~act~~ title.

9       SECTION 22.       NEW LAW       A new section of law to be codified  
10 in the Oklahoma Statutes as Section 2095.27 of Title 59, unless  
11 there is created a duplication in numbering, reads as follows:

12       A licensee may permit its employees or independent contractors  
13 to work at remote locations in compliance with the licensee's  
14 written policies and procedures subject to the following conditions:

15       1. Licensee has written policies and procedures for supervision  
16 of employees and independent contractors working from remote  
17 locations;

18       2. Access to a licensee's platforms and customer information  
19 shall be in accordance with the licensee's comprehensive written  
20 information security plan;

21       3. No in-person customer interaction will occur at an  
22 employee's or independent contractor's residence, unless such  
23 residence is a licensed or registered location;

1       4. Physical records shall not be maintained at a remote  
2 location;

3       5. Interactions with and conversations about consumers will be  
4 in compliance with federal and state information security  
5 requirements, including applicable provisions under the Gramm-Leach-  
6 Bliley Act and the Safeguards Rule established under the Federal  
7 Trade Commission, set forth in 16 C.F.R. Part 314, as such may be  
8 amended from time to time;

9       6. Employees or independent contractors working at a remote  
10 location must access the licensee's secure systems (including a  
11 cloud-based system) directly from any out-of-office device such  
12 employee or independent contractor uses (laptop, phone, desktop  
13 computer, tablet, etc.) via a virtual private network (VPN) or  
14 comparable system that ensures secure connectivity and requires  
15 passwords or other forms of authentication to access;

16       7. Licensee shall ensure that appropriate security updates,  
17 patches, or other alterations to the security of all devices used at  
18 remote locations are installed and maintained;

19       8. Licensee shall have an ability to remotely lock or erase  
20 company-related contents of any device or otherwise remotely limit  
21 all access to a licensee's secure systems;

22       9. The Nationwide Multistate Licensing System and Registry  
23 record of a mortgage loan originator that works from a remote  
24 location shall designate the principal place of business as their  
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1 registered location unless such mortgage loan originator elects to  
2 choose a licensed branch office as a registered location.

3 SECTION 23. This act shall become effective November 1, 2024.

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