

2016 -- H 8165

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LC005886
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- FEDERAL SECURE AND FAIR
ENFORCEMENT FOR MORTGAGE LICENSING

Introduced By: Representatives Kennedy, and Shekarchi

Date Introduced: May 05, 2016

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 19-14.10-13 of the General Laws in Chapter 19-14.10 entitled "An
2 Act Adopting the Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2009" is
3 hereby amended to read as follows:

4 **19-14.10-13. Enforcement authorities, violations and penalties.** -- (a) In order to
5 ensure the effective supervision and enforcement of this chapter the director or the director's
6 designee may, pursuant to chapter 42-35:

7 (1) Deny, suspend, revoke, condition or decline to renew a license for a violation of this
8 chapter, rules or regulations issued under this chapter or order or directive entered under this
9 chapter.

10 (2) Deny, suspend, revoke, condition or decline to renew a license if an applicant or
11 licensee fails at any time to meet the requirements of § 19-14.10-6 or 19-14.10-9, or withholds
12 information or makes a material misstatement in an application for a license or renewal of a
13 license.

14 (3) Order restitution against persons subject to this chapter for violations of this chapter.

15 (4) Impose fines on persons subject to this chapter pursuant to subsections (b), (c) and
16 (d) of this section.

17 (5) Issue orders or directives under this chapter as follows:

18 (i) Order or direct persons subject to this chapter to cease and desist from conducting

1 business, including immediate temporary orders to cease and desist.

2 (ii) Order or direct persons subject to this chapter to cease any harmful activities or
3 violations of this chapter, including immediate temporary orders to cease and desist.

4 (iii) Enter immediate temporary orders to cease business under a license or interim
5 license issued pursuant to the authority granted under this chapter if the director or the director's
6 designee determines that such license was erroneously granted or the licensee is currently in
7 violation of this chapter;

8 (iv) Order or direct such other affirmative action as the director or the director's designee
9 deems necessary.

10 (b) The director or the director's designee may impose a civil penalty on a mortgage loan
11 originator and any lender or loan broker licensed under chapter 19-14 or 19-14.1 which employs
12 such mortgage loan originator, if the director or the director's designee finds, on the record after
13 notice and opportunity for hearing, that such mortgage loan originator has violated or failed to
14 comply with any requirement of this chapter or any regulation prescribed by the director or the
15 director's designee under this chapter or order issued under authority of this chapter. In addition,
16 the director or the director's designee may impose a civil penalty on a lender or loan broker
17 licensed under chapter 19-14 or 19-14.1 which employs any mortgage loan originator licensed
18 under this chapter, if the director or the director's designee finds, on the record after notice and
19 opportunity for hearing, that such lender or loan broker has violated or failed to comply with any
20 requirement of this chapter or any such regulation or order.

21 (c) The maximum amount of penalty for each act or omission described in ~~subsection (b)~~
22 ~~of this section~~ [§19-14.10-13\(b\)](#) shall be twenty-five thousand ~~five hundred~~ dollars (\$25,000).

23 (d) Each violation or failure to comply with any directive or order of the director or the
24 director's designee is a separate and distinct violation or failure.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would correct a technical error in the penalty provision of the act adopting the
- 2 Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2009.
- 3 This act would take effect upon passage.

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