

HOUSE BILL NO. 104

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES WILSON, Thompson

Introduced: 3/25/19

Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to exemptions from mortgage loan originator licensing requirements;**
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 06.60.015(b) is amended to read:

5 (b) The following [INDIVIDUALS] are exempt from the mortgage loan
6 originator licensing requirements of this chapter:

7 (1) **an individual who is** a registered mortgage loan originator, when
8 acting for an entity described in (a)(1), (2), or (3) of this section;

9 (2) an individual who offers or negotiates terms of a residential
10 mortgage loan with or on behalf of an immediate family member of the individual; in
11 this paragraph, "immediate family member" means a spouse, child, stepchild, sibling,
12 stepsibling, parent, stepparent, grandparent, or grandchild;

13 (3) **a [AN INDIVIDUAL] seller, including a natural person, estate,**
14 **trust, corporation, or another entity, that** [WHO] offers or negotiates **the** terms of a

1 residential mortgage loan **for the sale of residential property owned by the seller, if**

2 **(A) the loan is** secured by a dwelling **on the property;**

3 **(B) the seller self-finances the loan;**

4 **(C) during any 12-month period, the seller finances five or**
 5 **fewer sales under this paragraph;**

6 **(D) in the ordinary course of a business of the seller, the**
 7 **seller has not**

8 **(i) constructed the dwelling that secures the loan on**
 9 **the property; or**

10 **(ii) acted as a contractor for the construction of the**
 11 **dwelling that secures the loan on the property;**

12 **(E) the loan has an interest rate that is fixed for the full**
 13 **term of the loan;**

14 **(F) the loan does not**

15 **(i) have a payment schedule that results in negative**
 16 **amortization; or**

17 **(ii) allow or impose a prepayment penalty; and**

18 **(G) the seller determines that the purchaser has a**
 19 **reasonable ability to repay the loan** [THAT SERVES AS THE
 20 INDIVIDUAL'S RESIDENCE];

21 (4) **an individual who is** a licensed attorney who negotiates the terms
 22 of a residential mortgage loan on behalf of a client as an ancillary matter to the
 23 attorney's representation of the client, unless the attorney is compensated by a lender,
 24 a mortgage broker, or another mortgage loan originator or by an agent of a lender, a
 25 mortgage broker, or another mortgage loan originator.

26 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
 27 read:

28 RETROACTIVITY. This Act is retroactive to July 1, 2008.

29 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).