

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 892

Introduced by Pahls, 31.

Read first time January 11, 2010

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to banking and finance; to amend sections  
2 45-101.04 and 45-1068, Reissue Revised Statutes of  
3 Nebraska, section 45-1005, Revised Statutes Cumulative  
4 Supplement, 2008, and sections 8-702, 45-701, 45-702,  
5 45-704, 45-705, 45-724, 45-725, 45-726, 45-728, 45-730,  
6 45-733, 45-737, 45-741, 45-742, 45-748, 45-749, 45-1002,  
7 45-1018, 45-1033.01, and 45-1033.02, Revised Statutes  
8 Supplement, 2009; to change provisions relating to  
9 federal deposit insurance requirements, the Residential  
10 Mortgage Licensing Act, the Nebraska Installment Loan  
11 Act, and reverse-mortgage loans; to harmonize provisions;  
12 to repeal the original sections; and to declare an  
13 emergency.

14 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 8-702, Revised Statutes Supplement,  
2 2009, is amended to read:

3           8-702 (1) Except as provided in subsection (2) of this  
4 section, any banking institution organized under the laws of this  
5 state shall, before a charter may be issued, enter into such  
6 contracts, incur such obligations, and generally do and perform any  
7 and all such acts and things whatsoever as may be necessary or  
8 appropriate in order to obtain membership in the Federal Deposit  
9 Insurance Corporation and provide for insurance of deposits in the  
10 banking institution. Any banking institution may take advantage of  
11 any and all memberships, loans, subscriptions, contracts, grants,  
12 rights, or privileges which may at any time be available or  
13 inure to banking institutions or to their depositors, creditors,  
14 stockholders, conservators, receivers, or liquidators by virtue  
15 of those provisions of section 8 of the Federal Banking Act of  
16 1933 (section 12B of the Federal Reserve Act, as amended) which  
17 establish the Federal Deposit Insurance Corporation and provide  
18 for the insurance of deposits or of any other provisions of  
19 that or of any other act or resolution of Congress to aid,  
20 regulate, or safeguard banking institutions and their depositors,  
21 including any amendments of the same or any substitutions therefor.  
22 Any banking institution may also subscribe for and acquire any  
23 stock, debentures, bonds, or other types of securities of the  
24 Federal Deposit Insurance Corporation and comply with the lawful  
25 regulations and requirements from time to time issued or made by

1 such corporation.

2 (2) (a) A banking institution which has not complied with  
3 subsection (1) of this section and which was in operation on  
4 September 4, 2005, may continue to operate if it provides notice  
5 to depositors and holders of savings certificates, certificates  
6 of indebtedness, or other similar instruments that such deposits  
7 or instruments are not insured. Such notice shall be given (i)  
8 on the date any such deposit, savings certificate, certificate of  
9 indebtedness, or similar instrument is created for deposits made  
10 and instruments created on or after October 1, 1984, and (ii)  
11 annually on October 1 thereafter as follows: AS PROVIDED BY THE  
12 LAWS OF THE STATE OF NEBRASKA YOU ARE HEREBY NOTIFIED THAT YOUR  
13 DEPOSIT, SAVINGS CERTIFICATE, CERTIFICATE OF INDEBTEDNESS, OR OTHER  
14 SIMILAR INSTRUMENT IS NOT INSURED. Any advertising conducted by  
15 such banking institution shall in each case state: THE DEPOSITS,  
16 SAVINGS CERTIFICATES, CERTIFICATES OF INDEBTEDNESS, OR SIMILAR  
17 INSTRUMENTS OF THIS INSTITUTION ARE NOT INSURED. The banking  
18 institution shall also display such notice in one or more prominent  
19 places in all facilities in which the institution operates. All  
20 such notices and statements shall be given in large or contrasting  
21 type in such a manner that such notices shall be conspicuous. Each  
22 willful failure to give the notice prescribed in ~~this subsection~~  
23 subdivision (2) (a) of this section shall constitute a Class II  
24 misdemeanor. All officers and directors of any such banking  
25 institution shall be jointly and severally responsible for the

1 issuance of the notices described in ~~this subsection~~ subdivision  
2 (2)(a) of this section in the form and manner described. The  
3 banking institution shall annually by November 1 file proof of  
4 compliance with ~~this subsection~~ subdivision (2)(a) of this section  
5 with the Department of Banking and Finance.

6 (b) Effective July 31, 2010, or within sixty days  
7 after the Nationwide Mortgage Licensing System and Registry is  
8 capable of accepting such registrations, whichever occurs later,  
9 any banking institution described in subdivision (a) of this  
10 subsection that employs mortgage loan originators, as defined in  
11 section 45-702, shall register such employees with the Nationwide  
12 Mortgage Licensing System and Registry, as defined in section  
13 45-702, by furnishing the following information concerning the  
14 employees' ~~identity~~ identities to the Nationwide Mortgage Licensing  
15 System and Registry:

16 (i) Fingerprints for submission to the Federal Bureau of  
17 Investigation, and any governmental agency or entity authorized to  
18 receive such information, for a state and national criminal history  
19 background check; and

20 (ii) Personal history and experience, including  
21 authorization for the Nationwide Mortgage Licensing System and  
22 Registry to obtain information related to any administrative,  
23 civil, or criminal findings by any governmental jurisdiction.

24 (3) The charter of any banking institution which fails to  
25 comply with the provisions of this section shall be automatically

1 forfeited and such banking institution shall be liquidated and  
2 dissolved, either voluntarily by its board of directors under the  
3 supervision of the department or involuntarily by the department  
4 as in cases of insolvency, except that such charter shall not  
5 be automatically forfeited for failure to comply with subdivision  
6 (2)(b) of this section if the banking institution cures such  
7 violation within sixty days after receipt of notice of such  
8 violation from the Department of Banking and Finance. Any banking  
9 institution whose charter is automatically forfeited under the  
10 provisions of this subsection which continues to engage in the  
11 business for which it had been chartered after such forfeiture, as  
12 well as the directors and officers thereof, shall be subject to the  
13 penalties provided by law for illegally engaging in the business of  
14 banking.

15           Sec. 2. Section 45-101.04, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17           45-101.04 The limitation on the rate of interest provided  
18 in section 45-101.03 shall not apply to:

19           (1) Other rates of interest authorized for loans made by  
20 any licensee or permittee operating under a license or permit duly  
21 issued by the Department of Banking and Finance pursuant to the  
22 Credit Union Act, the Nebraska Installment Loan Act, subsection (4)  
23 of section 8-319, or sections 8-815 to 8-829;

24           (2) Loans made to any corporation, partnership, limited  
25 liability company, or trust;

1           (3) The guarantor or surety of any loan to a corporation,  
2 partnership, limited liability company, or trust;

3           (4) Loans made when the aggregate principal amount of  
4 the indebtedness is twenty-five thousand dollars or more of the  
5 borrower to any one financial institution, licensee, or permittee;

6           (5) Loans insured, guaranteed, sponsored, or participated  
7 in, either in whole or part, by any agency, department, or program  
8 of the United States or state government;

9           (6) Loans or advances of money, repayable on demand,  
10 which are made solely upon securities, as defined in subdivision  
11 (15) of section 8-1101, pledged as collateral for such repayment  
12 and in which such loans or advances are used by the borrower only  
13 for the purchase of securities as so defined. It shall be lawful to  
14 contract for and receive any rate of interest on such transaction  
15 as the parties thereto may expressly agree;

16           (7) Interest charges made on open credit accounts by a  
17 person who sells goods or services on credit when the interest  
18 charges do not exceed one and one-third percent per month for any  
19 charges which remain unpaid for more than thirty days following  
20 rendition of the statement of account;

21           (8) A minimum charge of ten dollars per loan which may be  
22 charged by the lender in lieu of all interest charges;

23           (9) Loans described in subsection (4) of section 8-319  
24 made by a state or federal savings and loan association at a rate  
25 not to exceed nineteen percent per annum;

1           (10) Loans made primarily for business or agricultural  
2 purposes or secured by real property when such loans are made (a)  
3 by a licensee, registrant, or permittee operating under a license,  
4 registration, or permit duly issued by the Department of Banking  
5 and Finance except for licensees operating under the Nebraska  
6 Installment Loan Act, (b) by any financial institution insured by  
7 the Federal Deposit Insurance Corporation or the National Credit  
8 Union Administration, or (c) by any insurance company organized  
9 under the laws of this state and subject to regulation by the  
10 Department of Insurance;

11           (11) Loans secured solely by real property when such  
12 loans are (a) made by licensees operating under the Nebraska  
13 Installment Loan Act and (b) made to finance or refinance the  
14 purchase of the property or construction on or improvements to  
15 the property, if the Department of Banking and Finance has the  
16 authority to examine such loans for compliance with sections  
17 45-101.02 and 45-101.03. A licensee making a loan pursuant to this  
18 subdivision may obtain an interest in any fixtures attached to such  
19 real property and any insurance proceeds payable in connection with  
20 such real property or the loan;

21           (12) Loans secured by a reverse mortgage pursuant to  
22 section ~~45-1068~~, 5 of this act;

23           (13) Interest charges made on any goods or services sold  
24 under an installment contract pursuant to the Nebraska Installment  
25 Sales Act. Subject to section 45-338, it shall be lawful to

1 contract for and receive any rate of interest on such contract as  
2 the parties may expressly agree to in writing; or

3 (14) Fees which may be charged by a licensee for services  
4 pursuant to the Delayed Deposit Services Licensing Act.

5 Sec. 3. Section 45-701, Revised Statutes Supplement,  
6 2009, is amended to read:

7 45-701 Sections 45-701 to 45-754 and section 5 of this  
8 act shall be known and may be cited as the Residential Mortgage  
9 Licensing Act.

10 Sec. 4. Section 45-702, Revised Statutes Supplement,  
11 2009, is amended to read:

12 45-702 For purposes of the Residential Mortgage Licensing  
13 Act:

14 (1) Borrower means the mortgagor or mortgagors under a  
15 real estate mortgage or the trustor or trustors under a trust deed;

16 (2) Branch office means any location at which the  
17 business of a mortgage banker or mortgage loan originator is  
18 to be conducted, including (a) any offices physically located in  
19 Nebraska, (b) any offices that, while not physically located in  
20 this state, intend to transact business with Nebraska residents,  
21 and (c) any third-party or home-based locations that mortgage loan  
22 originators, agents, and representatives intend to use to transact  
23 business with Nebraska residents;

24 (3) Breach of security of the system means unauthorized  
25 acquisition of data that compromises the security, confidentiality,

1 or integrity of the information maintained by the Nationwide  
2 Mortgage Licensing System and Registry, its affiliates, or its  
3 subsidiaries;

4 (4) Clerical or support duties means tasks which  
5 occur subsequent to the receipt of a residential mortgage loan  
6 application including (a) the receipt, collection, distribution,  
7 and analysis of information common for the processing or  
8 underwriting of a residential mortgage loan or (b) communication  
9 with a consumer to obtain the information necessary for the  
10 processing or underwriting of a residential mortgage loan, to  
11 the extent that such communication does not include offering or  
12 negotiating loan rates or terms or counseling consumers about  
13 residential mortgage loan rates or terms;

14 (5) Control means the power, directly or indirectly,  
15 to direct the management or policies of a mortgage banking  
16 business, whether through ownership of securities, by contract,  
17 or otherwise. Any person who (a) is a director, a general partner,  
18 or an executive officer, including the president, chief executive  
19 officer, chief financial officer, chief operating officer, chief  
20 legal officer, chief compliance officer, and any individual with  
21 similar status and function, (b) directly or indirectly has the  
22 right to vote ten percent or more of a class of voting security  
23 or has the power to sell or direct the sale of ten percent or  
24 more of a class of voting securities, (c) in the case of a limited  
25 liability company, is a managing member, or (d) in the case of a

1 partnership, has the right to receive, upon dissolution, or has  
2 contributed, ten percent or more of the capital, is presumed to  
3 control that mortgage banking business;

4 (6) Department means the Department of Banking and  
5 Finance;

6 (7) Depository institution means any person (a) organized  
7 or chartered under the laws of this state, any other state,  
8 or the United States relating to banks, savings institutions,  
9 trust companies, savings and loan associations, credit unions, or  
10 industrial banks or similar depository institutions which the Board  
11 of Directors of the Federal Deposit Insurance Corporation finds to  
12 be operating substantially in the same manner as an industrial bank  
13 and (b) engaged in the business of receiving deposits other than  
14 funds held in a fiduciary capacity, including, but not limited to,  
15 funds held as trustee, executor, administrator, guardian, or agent;

16 (8) Director means the Director of Banking and Finance;

17 (9) Dwelling means a residential structure located or  
18 intended to be located in this state that contains one to four  
19 units, whether or not that structure is attached to real property,  
20 including an individual condominium unit, cooperative unit, mobile  
21 home, or trailer, if it is used as a residence;

22 (10) Federal banking agencies means the Board of  
23 Governors of the Federal Reserve System, the Comptroller of the  
24 Currency, the Director of the Office of Thrift Supervision, the  
25 National Credit Union Administration, and the Federal Deposit

1 Insurance Corporation;

2 (11) Immediate family member means a spouse, child,  
3 sibling, parent, grandparent, or grandchild, including stepparents,  
4 stepchildren, stepsiblings, and adoptive relationships;

5 (12) Installment loan company means any person licensed  
6 pursuant to the Nebraska Installment Loan Act;

7 (13) Licensee means any person licensed under the  
8 Residential Mortgage Licensing Act as either a mortgage banker or  
9 mortgage loan originator;

10 (14) Loan processor or underwriter means an individual  
11 who (a) performs clerical or support duties as an employee at the  
12 direction of and subject to the supervision and instruction of a  
13 person licensed, or exempt from licensing, under the Residential  
14 Mortgage Licensing Act or Nebraska Installment Loan Act and (b)  
15 does not represent to the public, through advertising or other  
16 means of communicating or providing information including the use  
17 of business cards, stationery, brochures, signs, rate lists, or  
18 other promotional items, that such individual can or will perform  
19 any of the activities of a mortgage loan originator;

20 (15) Mortgage banker or mortgage banking business means  
21 any person (a) other than (i) a person exempt under section 45-703,  
22 (ii) an individual who is a loan processor or underwriter, or  
23 (iii) an individual who is licensed in this state as a mortgage  
24 loan originator and (b) who, for compensation or gain or in the  
25 expectation of compensation or gain, directly or indirectly makes,

1 originates, services, negotiates, acquires, sells, arranges for, or  
2 offers to make, originate, service, negotiate, acquire, sell, or  
3 arrange for a residential mortgage loan;

4 (16) (a) Mortgage loan originator means an individual who  
5 for compensation or gain or in the expectation of compensation  
6 or gain (i) takes a residential mortgage loan application or (ii)  
7 offers or negotiates terms of a residential mortgage loan.

8 (b) Mortgage loan originator does not include (i) an  
9 individual engaged solely as a loan processor or underwriter except  
10 as otherwise provided in section 45-727, (ii) a person or entity  
11 that only performs real estate brokerage activities and is licensed  
12 or registered in accordance with Nebraska law, unless the person  
13 or entity is compensated by a lender, a mortgage broker, or other  
14 mortgage loan originator or by any agent of such lender, mortgage  
15 broker, or other mortgage loan originator, and (iii) a person  
16 solely involved in extensions of credit relating to time-share  
17 programs as defined in section 76-1702;

18 (17) Nationwide Mortgage Licensing System and Registry  
19 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  
22 and registration of mortgage loan originators, mortgage bankers,  
23 and installment loan companies;

24 (18) Nontraditional mortgage product means any  
25 residential mortgage loan product other than a thirty-year fixed

1 rate residential mortgage loan;

2 (19) Offer means every attempt to provide, offer to  
3 provide, or solicitation to provide a residential mortgage loan or  
4 any form of mortgage banking business. Offer includes, but is not  
5 limited to, all general and public advertising, whether made in  
6 print, through electronic media, or by the Internet;

7 (20) Person means an association, joint venture,  
8 joint-stock company, partnership, limited partnership, limited  
9 liability company, business corporation, nonprofit corporation,  
10 individual, or any group of individuals however organized;

11 (21) Real estate brokerage activity means any activity  
12 that involves offering or providing real estate brokerage services  
13 to the public, including (a) acting as a real estate salesperson  
14 or real estate broker for a buyer, seller, lessor, or lessee of  
15 real property, (b) bringing together parties interested in the  
16 sale, purchase, lease, rental, or exchange of real property, (c)  
17 negotiating, on behalf of any party, any portion of a contract  
18 relating to the sale, purchase, lease, rental, or exchange of  
19 real property, other than in connection with providing financing  
20 with respect to any such transaction, (d) engaging in any activity  
21 for which a person engaged in the activity is required to be  
22 registered or licensed as a real estate salesperson or real estate  
23 broker under any applicable law, and (e) offering to engage in any  
24 activity or act in any capacity described in subdivision (a), (b),  
25 (c), or (d) of this subdivision;

1           (22) Registered bank holding company means any bank  
2 holding company registered with the department pursuant to the  
3 Nebraska Bank Holding Company Act of 1995;

4           (23) Registered mortgage loan originator means any  
5 individual who (a) meets the definition of mortgage loan originator  
6 and is an employee of (i) a depository institution, (ii) a  
7 subsidiary that is (A) wholly owned and controlled by a depository  
8 institution and (B) regulated by a federal banking agency, or (iii)  
9 an institution regulated by the Farm Credit Administration and (b)  
10 is registered with, and maintains a unique identifier through, the  
11 Nationwide Mortgage Licensing System and Registry;

12           (24) Registrant means a person registered pursuant to  
13 section 45-704;

14           (25) Residential mortgage loan means any loan or  
15 extension of credit, including a refinancing of a contract of sale  
16 or an assumption or refinancing of a prior loan or extension of  
17 credit, which is primarily for personal, family, or household use  
18 and is secured by a mortgage, trust deed, or other equivalent  
19 consensual security interest on a dwelling or residential real  
20 estate upon which is constructed or intended to be constructed a  
21 dwelling;

22           (26) Residential real estate means any real property  
23 located in this state upon which is constructed or intended to be  
24 constructed a dwelling;

25           (27) Reverse-mortgage loan means a loan made by a

1 licensee which (a) is secured by residential real estate, (b)  
2 is nonrecourse to the borrower except in the event of fraud by the  
3 borrower or waste to the residential real estate given as security  
4 for the loan, (c) provides cash advances to the borrower based upon  
5 the equity in the borrower's owner-occupied principal residence,  
6 (d) requires no payment of principal or interest until the entire  
7 loan becomes due and payable, and (e) otherwise complies with the  
8 terms of section 5 of this act;

9           ~~(27)~~ (28) Service means accepting payments or maintenance  
10 of escrow accounts in the regular course of business in connection  
11 with a residential mortgage loan;

12           ~~(28)~~ (29) State means any state of the United States, the  
13 District of Columbia, any territory of the United States, Puerto  
14 Rico, Guam, American Samoa, the Trust Territory of the Pacific  
15 Islands, the Virgin Islands, or the Northern Mariana Islands; and

16           ~~(29)~~ (30) Unique identifier means a number or other  
17 identifier assigned by protocols established by the Nationwide  
18 Mortgage Licensing System and Registry.

19           Sec. 5. (1) Reverse-mortgage loans shall be governed by  
20 the following rules without regard to the requirements set out  
21 elsewhere for other types of mortgage transactions: (a) Payment  
22 in whole or in part is permitted without penalty at any time  
23 during the period of the loan; (b) an advance and interest on  
24 the advance have priority over a lien filed after the closing  
25 of a reverse-mortgage loan; (c) an interest rate may be fixed or

1 adjustable and may also provide for interest that is contingent  
2 on appreciation in the value of the residential real estate; and  
3 (d) the advance shall not be reduced in amount or number based on  
4 an adjustment in the interest rate when a reverse-mortgage loan  
5 provides for periodic advances to a borrower.

6 (2) Reverse-mortgage loans may be made or acquired  
7 without regard to the following provisions for other types of  
8 mortgage transactions: (a) Limitations on the purpose and use of  
9 future advances or any other mortgage proceeds; (b) limitations  
10 on future advances to a term of years or limitations on the  
11 term of credit line advances; (c) limitations on the term during  
12 which future advances take priority over intervening advances;  
13 (d) requirements that a maximum mortgage amount be stated in the  
14 mortgage; (e) limitations on loan-to-value ratios; (f) prohibitions  
15 on balloon payments; (g) prohibitions on compounded interest and  
16 interest on interest; and (h) requirements that a percentage of the  
17 loan proceeds must be advanced prior to loan assignment.

18 (3) A licensee may, in connection with a reverse-mortgage  
19 loan, charge to the borrower (a) a nonrefundable loan origination  
20 fee which does not exceed two percent of the appraised value  
21 of the owner-occupied principal residence at the time the loan  
22 is made, (b) a reasonable fee paid to third parties originating  
23 loans on behalf of the licensee, and (c) such other fees as are  
24 necessary and required, including fees for inspections, insurance,  
25 appraisals, and surveys.

1           (4) Licensees failing to make loan advances as required  
2 in the loan documents and failing to cure the default as required  
3 in the loan documents shall forfeit to the borrower an amount equal  
4 to the greater of two hundred dollars or one percent of the amount  
5 of the loan advance the licensee failed to make.

6           Sec. 6. Section 45-704, Revised Statutes Supplement,  
7 2009, is amended to read:

8           45-704 (1) Notwithstanding any other provision of the  
9 Residential Mortgage Licensing Act, no person exempt from licensing  
10 under section 45-703 who employs or enters into an independent  
11 agent agreement with an individual who is required to obtain a  
12 mortgage loan originator license in this state pursuant to section  
13 45-727 shall act as a mortgage banker until such person has  
14 registered with the department.

15           (2) Any person required to register pursuant to  
16 subsection (1) of this section shall submit to the department a  
17 registration statement on ~~forms~~ a form prescribed by the  
18 department. The ~~forms~~ form shall contain such information as the  
19 department may prescribe as necessary or appropriate, including,  
20 but not limited to, (a) all addresses at which business is to be  
21 conducted, (b) the names and titles of each director and principal  
22 officer of the business, and (c) a description of the activities of  
23 the applicant in such detail as the department may require.

24           (3) The registration statement required in subsection (2)  
25 of this section shall be accompanied by a registration fee of two

1 hundred dollars.

2 (4) The department shall acknowledge the registration  
3 by issuing to the registrant a receipt or other form of  
4 acknowledgment.

5 (5) A registrant shall maintain a surety bond as required  
6 by section 45-724, submit mortgage reports of condition as required  
7 by section 45-726, and comply with the requirements of section  
8 45-735 pertaining to the employment of mortgage loan originators.

9 (6) A registration under this section shall not be  
10 assignable.

11 (7) After original registration, all registrations shall  
12 remain in full force and effect until the next succeeding December  
13 31. Thereafter, a registration under this section may be renewed on  
14 an annual basis for a renewal fee of one hundred dollars.

15 (8) (a) If a registrant fails to maintain a surety bond as  
16 required by section 45-724, the department may issue a notice of  
17 cancellation of the registration.

18 (b) If a registrant fails to renew his, her, or its  
19 registration as required by this section and does not voluntarily  
20 surrender the registration by delivering to the director written  
21 notice of the surrender, the department may issue a notice of  
22 expiration of the registration.

23 Sec. 7. Section 45-705, Revised Statutes Supplement,  
24 2009, is amended to read:

25 45-705 (1) No person shall act as a mortgage banker or

1 use the title mortgage banker in this state unless he, she, or it  
2 is licensed as a mortgage banker, is registered with the department  
3 as provided in section 45-704, is licensed under the Nebraska  
4 Installment Loan Act, or is otherwise exempt from the act pursuant  
5 to section 45-703.

6 (2) Applicants for a license as a mortgage banker shall  
7 submit to the department an application on ~~forms~~ a form prescribed  
8 by the department. The application shall include, but not be  
9 limited to, (a) the applicant's corporate name and no more than  
10 one trade name or doing business as designation which the applicant  
11 intends to use in this state, if applicable, (b) the applicant's  
12 main office address, (c) all branch office addresses at which  
13 business is to be conducted, (d) the names and titles of each  
14 director and principal officer of the applicant, (e) the names  
15 of all shareholders, partners, or members of the applicant, (f)  
16 a description of the activities of the applicant in such detail  
17 as the department may require, and (g) if the applicant is an  
18 individual, his or her social security number.

19 (3) The application for a license as a mortgage banker  
20 shall include or be accompanied by, in a manner as prescribed by  
21 the director, (a) the name and street address in this state of a  
22 registered agent appointed by the licensee for receipt of service  
23 of process and (b) the written consent of the registered agent  
24 to the appointment. A post office box number may be provided in  
25 addition to the street address.

1           (4) The application for a license as a mortgage banker  
2 shall be accompanied by an application fee of four hundred dollars  
3 and, if applicable, a seventy-five-dollar fee for each branch  
4 office listed in the application and any processing fee allowed  
5 under subsection (2) of section 45-748.

6           (5) The director may prescribe that the application for  
7 a license as a mortgage banker include or be accompanied by, in  
8 a manner as prescribed by the director, a background investigation  
9 of each applicant by means of fingerprints and a check of his  
10 or her criminal history record information maintained by the  
11 Federal Bureau of Investigation through the Nationwide Mortgage  
12 Licensing System and Registry. If the applicant is a partnership,  
13 association, corporation, or other form of business organization,  
14 the director may require a criminal history record information  
15 check on each member, director, or principal officer of each  
16 applicant or any individual acting in the capacity of the manager  
17 of an office location. The applicant shall be responsible for the  
18 direct costs associated with criminal history record information  
19 checks performed. The information obtained thereby may be used by  
20 the director to determine the applicant's eligibility for licensing  
21 under this section. Except as authorized pursuant to subsection (2)  
22 of section 45-748, receipt of criminal history record information  
23 by a private person or entity is prohibited.

24           (6) A license as a mortgage banker granted under the  
25 Residential Mortgage Licensing Act shall not be assignable.

1           (7) An application is deemed filed when accepted as  
2 substantially complete by the director.

3           Sec. 8. Section 45-724, Revised Statutes Supplement,  
4 2009, is amended to read:

5           45-724 (1) Except as provided in subsection (2) of this  
6 section, an applicant for a mortgage banker license or registration  
7 shall file with the department a surety bond in the amount of one  
8 hundred thousand dollars, furnished by a surety company authorized  
9 to do business in the State of Nebraska. The surety bond also  
10 shall cover all mortgage loan originators who are employees or  
11 independent agents of the applicant. The bond shall be for the use  
12 of the State of Nebraska and any Nebraska resident who may have  
13 claims or causes of action against the applicant or against an  
14 individual who is a mortgage loan originator employed by, or in an  
15 independent agent relationship with, the applicant. Submission of  
16 a rider to an existing bond indicating that the required coverage  
17 is outstanding and evidencing the beneficiaries required in this  
18 ~~section~~ subsection shall satisfy the requirements of this section.  
19 The bond or a substitute bond shall remain in effect during all  
20 periods of licensing or registration.

21           (2) Upon filing of the mortgage report of condition  
22 required by section 45-726, a mortgage banker licensee or  
23 registrant shall maintain or increase its surety bond to reflect  
24 the total dollar amount of the closed residential mortgage loans  
25 originated in this state in the preceding calendar year in

1 accordance with the following table. A licensee or registrant may  
 2 decrease its surety bond in accordance with the following table if  
 3 the surety bond required is less than the amount of the surety bond  
 4 on file with the department.

5 Dollar Amount of Closed

6 Residential Mortgage Loans	Surety Bond Required
7 \$0.00 to \$5,000,000.00	\$100,000.00
8 \$5,000,000.01 to \$10,000,000.00	\$125,000.00
9 \$10,000,000.01 to \$25,000,000.00	\$150,000.00
10 Over \$25,000,000.00	\$200,000.00

11 (3) Should the department determine that a mortgage  
 12 banker licensee or registrant does not maintain a surety bond  
 13 in the amount required by subsection (2) of this section, the  
 14 department shall give written notification to the mortgage banker  
 15 licensee or registrant requiring him, her, or it to increase the  
 16 surety bond within thirty days to the amount required by subsection  
 17 (2) of this section.

18 (4) At any time the director may require the filing of  
 19 a new or supplemental bond in the form as provided in subsection  
 20 (1) of this section if he or she determines that the bond filed  
 21 under ~~subsections (1) and~~ subsection (1) or (2) of this section is  
 22 exhausted or is inadequate for any reason, including the financial  
 23 condition of the licensee, the registrant, or the applicant for a  
 24 license or registration. The new or supplemental bond shall not

1 exceed one million dollars.

2           Sec. 9. Section 45-725, Revised Statutes Supplement,  
3 2009, is amended to read:

4           45-725 (1) No person acting personally or as an agent  
5 shall acquire control of any mortgage banking business required to  
6 be licensed under the Residential Mortgage Licensing Act without  
7 first giving thirty days' notice to the department on ~~forms~~ a  
8 form prescribed by the department of such proposed acquisition and  
9 paying a filing fee of two hundred dollars.

10           (2) The director, upon receipt of such notice, shall act  
11 upon it within thirty days and, unless he or she disapproves the  
12 proposed acquisition within that period of time, the acquisition  
13 shall become effective on the thirty-first day after receipt  
14 without the director's approval, except that the director may  
15 extend the thirty-day period an additional thirty days if,  
16 in his or her judgment, any material information submitted is  
17 substantially inaccurate or the acquiring party has not furnished  
18 all the information required by the department.

19           (3) An acquisition may be made prior to the expiration of  
20 the disapproval period if the director issues written notice of his  
21 or her intent not to disapprove the action.

22           (4) (a) The director may disapprove any proposed  
23 acquisition if:

24           (i) The financial condition of any acquiring person is  
25 such as might jeopardize the financial stability of the acquired

1 mortgage banking business;

2 (ii) The character and general fitness of any acquiring  
3 person or of any of the proposed management personnel indicate  
4 that the acquired mortgage banking business would not be operated  
5 honestly, soundly, or efficiently in the public interest; or

6 (iii) Any acquiring person neglects, fails, or refuses to  
7 furnish all information required by the department.

8 (b) The director shall notify the acquiring party in  
9 writing of disapproval of the acquisition. The notice shall provide  
10 a statement of the basis for the disapproval.

11 (c) Within fifteen business days after receipt of written  
12 notice of disapproval, the acquiring party may request a hearing  
13 on the proposed acquisition in accordance with the Administrative  
14 Procedure Act and rules and regulations adopted and promulgated by  
15 the department under the act. At the conclusion of such hearing,  
16 the director shall, by order, approve or disapprove the proposed  
17 acquisition on the basis of the record made at the hearing.

18 Sec. 10. Section 45-726, Revised Statutes Supplement,  
19 2009, is amended to read:

20 45-726 Each licensed mortgage banker, registrant, and  
21 installment loan company shall submit to the Nationwide Mortgage  
22 Licensing System and Registry mortgage reports of condition, which  
23 shall be in such form and shall contain such information as the  
24 department may require.

25 Sec. 11. Section 45-728, Revised Statutes Supplement,

1 2009, is amended to read:

2 45-728 (1) An applicant for a license shall apply ~~in~~ on a  
3 form ~~as~~ prescribed by the director.

4 (2) The application for a license as a mortgage loan  
5 originator shall be accompanied by an application fee of one  
6 hundred fifty dollars, plus the cost of the criminal history  
7 background check required by subsection (3) of this section and any  
8 processing fee allowed under subsection (2) of section 45-748.

9 (3) In connection with an application for licensing as  
10 a mortgage loan originator, the applicant shall, at a minimum,  
11 furnish to the Nationwide Mortgage Licensing System and Registry  
12 information concerning the applicant's identity, including the  
13 following:

14 (a) Fingerprints for submission to the Federal Bureau  
15 of Investigation and any other governmental agency or entity  
16 authorized to receive such information for a state, national, and  
17 international criminal history background check; and

18 (b) Personal history and experience in a ~~form~~ format  
19 prescribed by the Nationwide Mortgage Licensing System and  
20 Registry, including the submission of authorization for the  
21 Nationwide Mortgage Licensing System and Registry and the director  
22 to obtain the following:

23 (i) An independent credit report obtained from a consumer  
24 reporting agency described in ~~section 603(p) of the federal Fair~~  
25 ~~Credit Reporting Act,~~ 15 U.S.C. 1681a(p), as the act such section

1 existed on January 1, ~~2009~~, 2010; and

2 (ii) Information related to any administrative, civil, or  
3 criminal findings by any governmental jurisdiction.

4 (4) For the purposes of this section and in order  
5 to reduce the points of contact which the Federal Bureau of  
6 Investigation may have to maintain for purposes of subdivisions  
7 (3) (a) and (3) (b) (ii) of this section, the director may use  
8 the Nationwide Mortgage Licensing System and Registry as a  
9 channeling agent for requesting information from and distributing  
10 information to the United States Department of Justice or any other  
11 governmental agency.

12 (5) For the purposes of this section and in order to  
13 reduce the points of contact which the director may have to  
14 maintain for purposes of subdivisions (3) (b) (i) and (3) (b) (ii)  
15 of this section, the director may use the Nationwide Mortgage  
16 Licensing System and Registry as a channeling agent for requesting  
17 and distributing information to and from any source so directed by  
18 the director.

19 Sec. 12. Section 45-730, Revised Statutes Supplement,  
20 2009, is amended to read:

21 45-730 (1) In order to meet the prelicensing education  
22 ~~requirement~~ requirements referred to in subdivision (1) (d) of  
23 section 45-729, an individual shall complete at least twenty hours  
24 of education approved in accordance with subsection (2) of this  
25 section, which shall include at least the following:

1           (a) Three hours of instruction in federal law and  
2 regulations regarding mortgage origination;

3           (b) Three hours of instruction in ethics, which shall  
4 include instruction on fraud, consumer protection, and fair lending  
5 issues; and

6           (c) Two hours of instruction related to lending standards  
7 for the nontraditional mortgage product marketplace.

8           (2) For purposes of subsection (1) of this section,  
9 prelicensing education courses shall be reviewed and approved  
10 by the Nationwide Mortgage Licensing System and Registry based  
11 upon reasonable standards. Review and approval of a prelicensing  
12 education course shall include review and approval of the course  
13 provider.

14           (3) Nothing in this section shall preclude any  
15 prelicensing education course, as approved by the Nationwide  
16 Mortgage Licensing System and Registry, that is provided by the  
17 employer of the applicant or an entity which is affiliated with  
18 the applicant by an agency contract or any subsidiary or affiliate  
19 of such employer or entity.

20           (4) Prelicensing education may be offered either in a  
21 classroom, online, or by any other means approved by the Nationwide  
22 Mortgage Licensing System and Registry.

23           (5) The prelicensing education requirements approved by  
24 the Nationwide Mortgage Licensing System and Registry in subsection  
25 (1) of this section for any state shall be accepted as credit

1 towards completion of prelicensing education requirements in this  
2 state.

3 (6) An individual who previously held a mortgage loan  
4 originator license applying to be licensed again shall prove that  
5 he or she has either (a) completed all of the continuing education  
6 requirements for the year in which the license was last held or  
7 (b) made up any deficiency in continuing education as provided by  
8 subsection (8) of section 45-733.

9 Sec. 13. Section 45-733, Revised Statutes Supplement,  
10 2009, is amended to read:

11 45-733 (1) A licensed mortgage loan originator shall  
12 complete annually at least eight hours of education approved in  
13 accordance with subsection (2) of this section, which shall include  
14 at least:

15 (a) Three hours of instruction in federal laws and  
16 regulations regarding mortgage origination;

17 (b) Two hours of instruction in ethics, which shall  
18 include instruction on fraud, consumer protection, and fair lending  
19 issues; and

20 (c) Two hours of instruction related to lending standards  
21 for the nontraditional mortgage product marketplace.

22 (2) For purposes of subsection (1) of this section,  
23 continuing education courses shall be reviewed and approved by  
24 the Nationwide Mortgage Licensing System and Registry based upon  
25 reasonable standards. Review and approval of a continuing education

1 course shall include review and approval of the course provider.

2 (3) Nothing in this section shall preclude any education  
3 course, as approved by the Nationwide Mortgage Licensing System and  
4 Registry, that is provided by the employer of the mortgage loan  
5 originator, an entity which is affiliated with the mortgage loan  
6 originator by an agency contract, or any subsidiary or affiliate of  
7 such employer or entity.

8 (4) Continuing education may be offered either in a  
9 classroom, online, or by any other means approved by the Nationwide  
10 Mortgage Licensing System and Registry.

11 (5) A licensed mortgage loan originator:

12 (a) Shall only receive credit for a continuing education  
13 course in the year in which the course is taken except as provided  
14 in subsection (8) of this section; and

15 (b) Shall not take the same approved course in the same  
16 or consecutive years to meet the annual requirements for continuing  
17 education.

18 (6) A licensed mortgage loan originator who is an  
19 instructor of an approved continuing education course may receive  
20 credit for the licensed mortgage loan originator's own annual  
21 continuing education requirement at the rate of two hours credit  
22 for every one hour taught.

23 (7) An individual having successfully completed the  
24 education requirements approved by the Nationwide Mortgage  
25 Licensing System and Registry in subdivisions (1)(a), (b), and (c)

1 of this section for any state shall be accepted as credit towards  
2 completion of continuing education requirements in this state.

3 (8) A licensed mortgage loan originator who subsequently  
4 becomes unlicensed shall complete the continuing education  
5 requirements for the last year in which the license was held prior  
6 to issuance of a new license or renewal license. Such individual  
7 may make up any deficiency in continuing education as established  
8 by rule, regulation, or order of the director if such individual  
9 meets the requirements of subdivision (2)(a) of section 45-732 and  
10 has paid the new application fee as provided by subsection (2) of  
11 section 45-728 or the reinstatement fee as provided by subdivision  
12 (4)(b) of section 45-742.

13 Sec. 14. Section 45-737, Revised Statutes Supplement,  
14 2009, is amended to read:

15 45-737 A licensee shall:

16 (1) Disburse required funds paid by the borrower and held  
17 in escrow for the payment of insurance payments no later than the  
18 date upon which the premium is due under the insurance policy;

19 (2) Disburse funds paid by the borrower and held in  
20 escrow for the payment of real estate taxes prior to the time such  
21 real estate taxes become delinquent;

22 (3) Pay any penalty incurred by the borrower because  
23 of the failure of the licensee to make the payments required  
24 in subdivisions (1) and (2) of this section unless the licensee  
25 establishes that the failure to timely make the payments was due

1 solely to the fact that the borrower was sent a written notice of  
2 the amount due more than fifteen calendar days before the due date  
3 to the borrower's last-known address and failed to timely remit the  
4 amount due to the licensee;

5 (4) At least annually perform a complete escrow analysis.  
6 If there is a change in the amount of the periodic payments, the  
7 licensee shall mail written notice of such change to the borrower  
8 at least twenty calendar days before the effective date of the  
9 change in payment. The following information shall be provided to  
10 the borrower, without charge, in one or more reports, at least  
11 annually:

12 (a) The name and address of the licensee;

13 (b) The name and address of the borrower;

14 (c) A summary of the escrow account activity during the  
15 year which includes all of the following:

16 (i) The balance of the escrow account at the beginning of  
17 the year;

18 (ii) The aggregate amount of deposits to the escrow  
19 account during the year; and

20 (iii) The aggregate amount of withdrawals from the escrow  
21 account for each of the following categories:

22 (A) Payments applied to loan principal;

23 (B) Payments applied to interest;

24 (C) Payments applied to real estate taxes;

25 (D) Payments for real property insurance premiums; and

- 1           (E) All other withdrawals; and
- 2           (d) A summary of loan principal for the year as follows:
- 3           (i) The amount of principal outstanding at the beginning
- 4 of the year;
- 5           (ii) The aggregate amount of payments applied to
- 6 principal during the year; and
- 7           (iii) The amount of principal outstanding at the end of
- 8 the year;
- 9           (5) Establish and maintain a toll-free telephone number
- 10 or accept collect telephone calls to respond to inquiries from
- 11 borrowers, if the licensee services residential mortgage loans. If
- 12 a licensee ceases to service residential mortgage loans, it shall
- 13 continue to maintain a toll-free telephone number or accept collect
- 14 telephone calls to respond to inquiries from borrowers for a period
- 15 of twelve months after the date the licensee ceased to service
- 16 residential mortgage loans. A telephonic messaging service which
- 17 does not permit the borrower an option of personal contact with an
- 18 employee, agent, or contractor of the licensee shall not satisfy
- 19 the conditions of this section. Each day such licensee fails to
- 20 comply with this subdivision shall constitute a separate violation
- 21 of the Residential Mortgage Licensing Act;
- 22           (6) Answer in writing, within ten business days after
- 23 receipt, any written request for payoff information received from
- 24 a borrower or a borrower's designated representative. This service
- 25 shall be provided without charge to the borrower, except that when

1 such information is provided upon request within sixty days after  
2 the fulfillment of a previous request, a processing fee of up to  
3 ten dollars may be charged;

4 (7) Execute and deliver a release of mortgage pursuant to  
5 the provisions of section 76-252 or, in the case of a trust deed,  
6 execute and deliver a reconveyance pursuant to the provisions of  
7 section 76-1014.01;

8 (8) Maintain a copy of all documents and records relating  
9 to each residential mortgage loan and application for a residential  
10 mortgage loan, including, but not limited to, loan applications,  
11 federal Truth in Lending Act statements, good faith estimates,  
12 appraisals, notes, rights of rescission, and mortgages or trust  
13 deeds for a period of two years after the date the residential  
14 mortgage loan is funded or the loan application is denied or  
15 withdrawn;

16 (9) Notify the director in writing within three business  
17 days after the occurrence of any of the following:

18 (a) The filing of a voluntary petition in bankruptcy by  
19 the licensee or notice of a filing of an involuntary petition in  
20 bankruptcy against the licensee;

21 (b) The licensee has lost the ability to fund a loan  
22 or loans after it had made a loan commitment or commitments and  
23 approved a loan application or applications;

24 (c) Any other state or jurisdiction has invoked  
25 suspension or revocation procedures against the licensee;

1           (d) The filing of a criminal indictment or information  
2 against the licensee or any of its officers, directors,  
3 shareholders, partners, members, employees, or agents; or

4           (e) The licensee or any of the licensee's officers,  
5 directors, shareholders, partners, members, employees, or agents  
6 was convicted of, pleaded guilty to, or was found guilty after a  
7 plea of nolo contendere to (i) a misdemeanor under state or federal  
8 law which involves dishonesty or fraud or which involves any aspect  
9 of the mortgage banking business, depository institution business,  
10 or installment loan company business or (ii) any felony under state  
11 or federal law; and

12           (10) Notify the director in writing or through an  
13 electronic method as prescribed by the director within thirty  
14 days after the occurrence of a material development other than as  
15 described in subdivision (9) of this section, including, but not  
16 limited to, any of the following:

17           (a) Business reorganization;

18           (b) A change of name, trade name, doing business as  
19 designation, or main office address;

20           (c) The establishment of a branch office. Notice of such  
21 establishment shall be on ~~forms~~ a form prescribed by the department  
22 and accompanied by a fee of seventy-five dollars for each branch  
23 office; or

24           (d) The closing of a branch office.

25           Sec. 15. Section 45-741, Revised Statutes Supplement,

1 2009, is amended to read:

2           45-741 (1) The director may examine documents and records  
3 maintained by a licensee, registrant, individual, or person subject  
4 to the Residential Mortgage Licensing Act. The director may  
5 investigate complaints about a licensee, registrant, individual,  
6 or person subject to the act. The director may investigate reports  
7 of alleged violations of the act, any federal law governing  
8 residential mortgage loans, or any rule, regulation, or order  
9 of the director under the act. For purposes of investigating  
10 violations or complaints arising under the act or for the purposes  
11 of examination, the director may review, investigate, or examine  
12 any licensee, registrant, individual, or person subject to the act  
13 as often as necessary in order to carry out the purposes of the  
14 act.

15           (2) For purposes of any investigation, examination, or  
16 proceeding, including, but not limited to, initial licensing,  
17 license renewal, license suspension, license conditioning, or  
18 license revocation, the director shall have the authority to  
19 access, receive, and use any books, accounts, records, files,  
20 documents, information, or evidence, including, but not limited to:

21           (a) Criminal, civil, and administrative history  
22 information;

23           (b) Personal history and experience information,  
24 including independent credit reports obtained from a consumer  
25 reporting agency described in ~~section 603(p)~~ of the federal Fair

1 ~~Credit Reporting Act~~, 15 U.S.C. 1681a(p), ~~as the act~~ such section  
2 existed on January 1, ~~2009~~, 2010; and

3 (c) Any other documents, information, or evidence the  
4 director deems relevant to the inquiry or investigation regardless  
5 of the location, possession, control, or custody of such documents,  
6 information, or evidence.

7 (3) Each licensee, registrant, individual, or person  
8 subject to the Residential Mortgage Licensing Act shall make  
9 available to the director upon request the books, accounts,  
10 records, files, or documents relating to the operations of such  
11 licensee, registrant, individual, or person subject to the act. The  
12 director shall have access to such books, accounts, records, files,  
13 and documents and may interview the officers, principals, mortgage  
14 loan originators, employees, independent contractors, agents, and  
15 customers of the licensee, registrant, individual, or person  
16 subject to the act, concerning ~~their business~~. the business of  
17 the licensee, registrant, individual, or person subject to the act.

18 (4) Each licensee, registrant, individual, or person  
19 subject to the act shall make or compile reports or prepare other  
20 information as instructed by the director in order to carry out the  
21 purposes of this section, including, but not limited to:

22 (a) Accounting compilations;

23 (b) Information lists and data concerning loan  
24 transactions ~~in a format~~ on a form prescribed by the director; or

25 (c) Such other information deemed necessary to carry out

1 the purposes of this section.

2 (5) The director may send a notice of investigation or  
3 inquiry request for information to a licensee or registrant. Upon  
4 receipt by a licensee or registrant of the director's notice of  
5 investigation or inquiry request for information, the licensee or  
6 registrant shall respond within twenty-one calendar days. Each day  
7 beyond that time a licensee or registrant fails to respond as  
8 required by this subsection shall constitute a separate violation  
9 of the act. This subsection shall not be construed to require  
10 the director to send a notice of investigation to a licensee, a  
11 registrant, or any person.

12 (6) For the purpose of any investigation, examination, or  
13 proceeding under the act, the director or any officer designated  
14 by him or her may administer oaths and affirmations, subpoena  
15 witnesses and compel their attendance, take evidence, and require  
16 the production of any books, papers, correspondence, memoranda,  
17 agreements, or other documents or records which the director deems  
18 relevant or material to the inquiry. If any person refuses to  
19 comply with a subpoena issued under this section or to testify  
20 with respect to any matter relevant to the proceeding, the district  
21 court of Lancaster County may, on application of the director,  
22 issue an order requiring the person to comply with the subpoena and  
23 to testify. Failure to obey an order of the court to comply with  
24 the subpoena may be punished by the court as civil contempt.

25 (7) In conducting an examination or investigation under

1 this section, the director may rely on reports made by the licensee  
2 or registrant which have been prepared within the preceding twelve  
3 months for the following federal agencies or federally related  
4 entities:

5 (a) The United States Department of Housing and Urban  
6 Development;

7 (b) The Federal Housing Administration;

8 (c) The Federal National Mortgage Association;

9 (d) The Government National Mortgage Association;

10 (e) The Federal Home Loan Mortgage Corporation; or

11 (f) The United States Department of Veterans Affairs.

12 (8) In order to carry out the purposes of this section,  
13 the director may:

14 (a) Enter into agreements or relationships with other  
15 government officials or regulatory associations in order to improve  
16 efficiencies and reduce the regulatory burden by sharing resources,  
17 standardized or uniform methods or procedures, and documents,  
18 records, information, or evidence obtained under this section;

19 (b) Use, hire, contract, or employ publicly or privately  
20 available analytical systems, methods, or software to examine or  
21 investigate the licensee, registrant, individual, or person subject  
22 to the act;

23 (c) Accept and rely on examination or investigation  
24 reports made by other government officials, within or without this  
25 state; or

1           (d) Accept audit reports made by an independent certified  
2 public accountant for the licensee, registrant, individual, or  
3 person subject to the act in the course of that part of the  
4 examination covering the same general subject matter as the audit  
5 and incorporate the audit report in the report of the examination,  
6 report of investigation, or other writing of the director.

7           (9) If the director receives a complaint or other  
8 information concerning noncompliance with the act by an exempt  
9 person, the director shall inform the agency having supervisory  
10 authority over the exempt person of the complaint.

11           (10) No licensee, registrant, individual, or person  
12 subject to investigation or examination under this section shall  
13 knowingly withhold, abstract, remove, mutilate, destroy, or secrete  
14 any books, records, computer records, or other information.

15           (11) The total charge for an examination or investigation  
16 shall be paid by the licensee or registrant as set forth in  
17 sections 8-605 and 8-606.

18           (12) Examination reports shall not be deemed public  
19 records and may be withheld from the public pursuant to section  
20 84-712.05.

21           (13) Complaint files shall be deemed public records.

22           (14) The authority of this section shall remain in  
23 effect, whether such a licensee, registrant, individual, or person  
24 subject to the Residential Mortgage Licensing Act acts or claims to  
25 act under any licensing or registration law of this state or claims

1 to act without such authority.

2           Sec. 16. Section 45-742, Revised Statutes Supplement,  
3 2009, is amended to read:

4           45-742 (1) The director may, following a hearing under  
5 the Administrative Procedure Act and the rules and regulations  
6 adopted and promulgated under the act, suspend or revoke any  
7 license issued under the Residential Mortgage Licensing Act. The  
8 director may also impose an administrative fine for each separate  
9 violation of the act if the director finds:

10           (a) The licensee has materially violated or demonstrated  
11 a continuing pattern of violating the act, rules and regulations  
12 adopted and promulgated under the act, any order, including a cease  
13 and desist order, issued under the act, or any other state or  
14 federal law applicable to the conduct of its business;

15           (b) A fact or condition exists which, if it had existed  
16 at the time of the original application for the license, would have  
17 warranted the director to deny the application;

18           (c) The licensee has violated a voluntary consent or  
19 compliance agreement which had been entered into with the director;

20           (d) The licensee has made or caused to be made, in any  
21 document filed with the director or in any proceeding under the  
22 act, any statement which was, at the time and in light of the  
23 circumstances under which it was made, false or misleading in  
24 any material respect or suppressed or withheld from the director  
25 any information which, if submitted by the licensee, would have

1 resulted in denial of the license application;

2 (e) The licensee has refused to permit an examination  
3 by the director of the licensee's books and affairs pursuant to  
4 subsection (1) or (2) of section 45-741 or has refused or failed  
5 to comply with subsection (5) of section 45-741 after written  
6 notice of the violation by the director. Each day the licensee  
7 continues in violation of this subdivision after such written  
8 notice constitutes a separate violation;

9 (f) The licensee has failed to maintain records as  
10 required by subdivision (8) of section 45-737 or as otherwise  
11 required following written notice of the violation by the director.  
12 Each day the licensee continues in violation of this subdivision  
13 after such written notice constitutes a separate violation;

14 (g) The licensee knowingly has employed any individual  
15 or knowingly has maintained a contractual relationship with any  
16 individual acting as an agent, if such individual has been  
17 convicted of, pleaded guilty to, or was found guilty after a  
18 plea of nolo contendere to (i) a misdemeanor under any state or  
19 federal law which involves dishonesty or fraud or which involves  
20 any aspect of the mortgage banking business, depository institution  
21 business, or installment loan company business or (ii) any felony  
22 under state or federal law;

23 (h) The licensee knowingly has employed any individual  
24 or knowingly has maintained a contractual relationship with any  
25 individual acting as an agent, if such individual, (i) has had

1 a mortgage loan originator license revoked in any state, unless  
2 such revocation was subsequently vacated, (ii) has a mortgage  
3 loan originator license which has been suspended by the director,  
4 or (iii) while previously associated in any other capacity with  
5 another licensee, was the subject of a complaint under the act and  
6 the complaint was not resolved at the time the individual became  
7 employed by, or began acting as an agent for, the licensee and  
8 the licensee with reasonable diligence could have discovered the  
9 existence of such complaint;

10 (i) The licensee knowingly has employed any individual  
11 or knowingly has maintained a contractual relationship with any  
12 individual acting as an agent if such individual is conducting  
13 activities requiring a mortgage loan originator license in this  
14 state without first obtaining such license;

15 (j) The licensee has violated the written restrictions or  
16 conditions under which the license was issued;

17 (k) The licensee, or if the licensee is a business  
18 entity, one of the officers, directors, shareholders, partners, and  
19 members, was convicted of, pleaded guilty to, or was found guilty  
20 after a plea of nolo contendere to (i) a misdemeanor under any  
21 state or federal law which involves dishonesty or fraud or which  
22 involves any aspect of the mortgage banking business, depository  
23 institution business, or installment loan company business or (ii)  
24 any felony under state or federal law;

25 (l) The licensee has had a similar license revoked in any

1 other jurisdiction; or

2 (m) The licensee has failed to reasonably supervise any  
3 officer, employee, or agent to assure his or her compliance with  
4 the act or with any state or federal law applicable to the mortgage  
5 banking business.

6 (2) Except as provided in this section, a license shall  
7 not be revoked or suspended except after notice and a hearing in  
8 accordance with the Administrative Procedure Act and the rules and  
9 regulations adopted and promulgated under the act.

10 (3) A licensee may voluntarily surrender a license by  
11 delivering to the director written notice of the surrender, but a  
12 surrender shall not affect civil or criminal liability for acts  
13 committed before the surrender or liability for any fines which may  
14 be levied against the licensee or any of its officers, directors,  
15 shareholders, partners, or members pursuant to section 45-743 for  
16 acts committed before the surrender. The director's approval of  
17 such license surrender shall not be required unless the director  
18 has commenced an examination or investigation pursuant to section  
19 45-741 or has commenced a proceeding to revoke or suspend the  
20 licensee's license or impose an administrative fine pursuant to  
21 this section.

22 (4)(a) If a licensee fails to (i) renew its license as  
23 required by section 45-706 and does not voluntarily surrender the  
24 license pursuant to this section or (ii) pay the required fee  
25 for renewal of the license, the department may issue a notice of

1 expiration of the license to the licensee in lieu of revocation  
2 proceedings.

3 (b) The director may adopt by rule, regulation, or  
4 order procedures for the reinstatement of licenses for which a  
5 notice of expiration was issued in accordance with subdivision  
6 (a) of this subsection. Such procedures shall be consistent with  
7 standards established by the Nationwide Mortgage Licensing System  
8 and Registry. The fee for reinstatement shall be the same fee as  
9 the fee for the initial license application.

10 (c) If a licensee fails to maintain a surety bond as  
11 required by section 45-724, the department may issue a notice of  
12 cancellation of the license in lieu of revocation proceedings.

13 (5) Revocation, suspension, surrender, cancellation, or  
14 expiration of a license shall not impair or affect the obligation  
15 of a preexisting lawful contract between the licensee and any  
16 person, including a borrower.

17 (6) Revocation, suspension, cancellation, or expiration  
18 of a license shall not affect civil or criminal liability for  
19 acts committed before the revocation, suspension, cancellation, or  
20 expiration or liability for any fines which may be levied against  
21 the licensee or any of its officers, directors, shareholders,  
22 partners, or members pursuant to section 45-743 for acts committed  
23 before the revocation, suspension, cancellation, or expiration.

24 Sec. 17. Section 45-748, Revised Statutes Supplement,  
25 2009, is amended to read:

1                   45-748 (1) The department shall require mortgage bankers,  
2 registrants, and mortgage loan originators to be licensed and  
3 registered through the Nationwide Mortgage Licensing System and  
4 Registry. In order to carry out this requirement, the department  
5 is authorized to participate in the Nationwide Mortgage Licensing  
6 System and Registry. For this purpose, the department may  
7 establish, by adopting and promulgating rules and regulations or by  
8 order, requirements, as necessary. The requirements may include,  
9 but not be limited to:

10                   (a) Background checks of mortgage bankers, registrants,  
11 and mortgage loan originators, including, but not limited to:

12                   (i) Criminal history through fingerprint or other data  
13 bases;

14                   (ii) Civil or administrative records;

15                   (iii) Credit history; or

16                   (iv) Any other information as deemed necessary by the  
17 Nationwide Mortgage Licensing System and Registry;

18                   (b) The payment of fees to apply for or renew a license  
19 through the Nationwide Mortgage Licensing System and Registry;

20                   (c) Compliance with the prelicensure education and  
21 testing and continuing education requirements as provided in the  
22 Residential Mortgage Licensing Act;

23                   (d) The setting or resetting, as necessary, of renewal  
24 processing or reporting dates; and

25                   (e) Amending or surrendering a license or any other such

1 activities as the director deems necessary for participation in the  
2 Nationwide Mortgage Licensing System and Registry.

3 (2) In order to fulfill the purposes of the act, the  
4 department is authorized to establish relationships or contracts  
5 with the Nationwide Mortgage Licensing System and Registry or other  
6 entities designated by the Nationwide Mortgage Licensing System and  
7 Registry to collect and maintain records and process transaction  
8 fees or other fees related to licensees or other persons subject to  
9 the act. The department may allow such system to collect licensing  
10 fees on behalf of the department and allow such system to collect  
11 a processing fee for the services of the system directly from each  
12 licensee or applicant for a license.

13 (3) The director is required to regularly report  
14 violations of the act, as well as enforcement actions and other  
15 relevant information, to the Nationwide Mortgage Licensing System  
16 and Registry subject to the provisions contained in section 45-749.

17 (4) The director shall establish a process whereby  
18 mortgage bankers, registrants, and mortgage loan originators  
19 may challenge information entered into the Nationwide Mortgage  
20 Licensing System and Registry by the director.

21 (5) The department shall ensure that the Nationwide  
22 Mortgage Licensing System and Registry adopts a privacy, data  
23 security, and security breach notification policy. The director  
24 shall make available upon written request a copy of the contract  
25 between the department and the Nationwide Mortgage Licensing System

1 and Registry pertaining to the breach of security of the system  
2 provisions.

3 (6) The department shall upon written request provide the  
4 most recently available audited financial report of the Nationwide  
5 Mortgage Licensing System and Registry.

6 Sec. 18. Section 45-749, Revised Statutes Supplement,  
7 2009, is amended to read:

8 45-749 (1) In order to promote more effective regulation  
9 and reduce the regulatory burden through supervisory information  
10 sharing:

11 ~~(1)~~ (a) Except as otherwise provided in this section,  
12 the requirements under any federal or state law regarding the  
13 privacy or confidentiality of any information or material provided  
14 to the Nationwide Mortgage Licensing System and Registry, and any  
15 privilege arising under federal or state law, including the rules  
16 of any federal or state court, with respect to such information or  
17 material, shall continue to apply to such information or material  
18 after the information or material has been disclosed to the  
19 Nationwide Mortgage Licensing System and Registry. Such information  
20 and material may be shared with all federal and state regulatory  
21 officials with mortgage industry oversight authority without the  
22 loss of privilege or the loss of confidentiality protections  
23 provided by federal or state law;

24 ~~(2)~~ For these purposes, the director is authorized  
25 to enter into agreements or sharing arrangements with other

1 governmental agencies, the Conference of State Bank Supervisors,  
2 the American Association of Residential Mortgage Regulators,  
3 or other associations representing governmental agencies as  
4 established by adopting and promulgating rules and regulations or  
5 by order of the director;

6 ~~(3)~~ (b) Information or material that is subject to a  
7 privilege or confidentiality under subdivision ~~(1)~~ (1)(a) of this  
8 section shall not be subject to:

9 ~~(a)~~ (i) Disclosure under any federal or state law  
10 governing the disclosure to the public of information held by  
11 an officer or an agency of the federal government or the respective  
12 state; or

13 ~~(b)~~ (ii) Subpoena or discovery, or admission into  
14 evidence, in any private civil action or administrative process,  
15 unless with respect to any privilege held by the Nationwide  
16 Mortgage Licensing System and Registry with respect to such  
17 information or material, the person to whom such information or  
18 material pertains waives, in whole or in part, in the discretion  
19 of such person, that privilege;

20 ~~(4)~~ (c) Any state statute relating to the disclosure  
21 of confidential supervisory information or any information or  
22 material described in subdivision ~~(1)~~ (1)(a) of this section that  
23 is inconsistent with such subdivision shall be superseded by the  
24 requirements of this section; and

25 ~~(5)~~ (d) This section shall not apply with respect to

1 the information or material relating to the employment history  
2 of, and publicly adjudicated disciplinary and enforcement actions  
3 against, ~~mortgage bankers and mortgage loan originators~~ applicants  
4 and licensees that is included in the Nationwide Mortgage Licensing  
5 System and Registry for access by the public.

6 (2) For these purposes, the director is authorized  
7 to enter into agreements or sharing arrangements with other  
8 governmental agencies, the Conference of State Bank Supervisors,  
9 the American Association of Residential Mortgage Regulators,  
10 or other associations representing governmental agencies as  
11 established by adopting and promulgating rules and regulations or  
12 by order of the director.

13 Sec. 19. Section 45-1002, Revised Statutes Supplement,  
14 2009, is amended to read:

15 45-1002 (1) For purposes of the Nebraska Installment Loan  
16 Act:

17 (a) Applicant means a person applying for a license under  
18 the act;

19 (b) Breach of security of the system means unauthorized  
20 acquisition of data that compromises the security, confidentiality,  
21 or integrity of the information maintained by the Nationwide  
22 Mortgage Licensing System and Registry, its affiliates, or its  
23 subsidiaries;

24 (c) Department means the Department of Banking and  
25 Finance;

1           (d) Debt cancellation contract means a loan term  
2 or contractual arrangement modifying loan terms under which a  
3 financial institution agrees to cancel all or part of a borrower's  
4 obligation to repay an extension of credit from the financial  
5 institution upon the occurrence of a specified event. The debt  
6 cancellation contract may be separate from or a part of other loan  
7 documents. The term debt cancellation contract does not include  
8 loan payment deferral arrangements in which the triggering event  
9 is the borrower's unilateral election to defer repayment or the  
10 financial institution's unilateral decision to allow a deferral of  
11 repayment;

12           (e) Debt suspension contract means a loan term or  
13 contractual arrangement modifying loan terms under which a  
14 financial institution agrees to suspend all or part of a borrower's  
15 obligation to repay an extension of credit from the financial  
16 institution upon the occurrence of a specified event. The debt  
17 suspension contract may be separate from or a part of other loan  
18 documents. The term debt suspension contract does not include loan  
19 payment deferral arrangements in which the triggering event is the  
20 borrower's unilateral election to defer repayment or the financial  
21 institution's unilateral decision to allow a deferral of repayment;

22           (f) Director means the Director of Banking and Finance;

23           (g) Financial institution has the same meaning as in  
24 section 8-101;

25           (h) Licensee means any person who obtains a license under

1 the act;

2 (i) (i) Mortgage loan originator means an individual who  
3 for compensation or gain (A) takes a residential mortgage loan  
4 application or (B) offers or negotiates terms of a residential  
5 mortgage loan.

6 (ii) Mortgage loan originator does not include (A) any  
7 individual who is not otherwise described in subdivision (i) (A) of  
8 this subdivision and who performs purely administrative or clerical  
9 tasks on behalf of a person who is described in ~~any such clause,~~  
10 subdivision (i) of this subdivision, (B) a person or entity that  
11 only performs real estate brokerage activities and is licensed  
12 or registered in accordance with applicable state law, unless the  
13 person or entity is compensated by a lender, a mortgage broker,  
14 or other mortgage loan originator or by any agent of such lender,  
15 mortgage broker, or other mortgage loan originator, or (C) a person  
16 or entity solely involved in extensions of credit relating to  
17 time-share programs as defined in section 76-1702;

18 (j) Nationwide Mortgage Licensing System and Registry  
19 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  
22 and registration of mortgage loan originators, mortgage bankers,  
23 and installment loan companies;

24 (k) Person means individual, partnership, limited  
25 liability company, association, financial institution, trust,

1 corporation, and any other legal entity; and

2 (1) Real property means an owner-occupied single-family,  
3 two-family, three-family, or four-family dwelling which is located  
4 in this state, which is occupied, used, or intended to be occupied  
5 or used for residential purposes, and which is, or is intended to  
6 be, permanently affixed to the land.

7 (2) Except as provided in subsection (3) of section  
8 45-1017 and subsection (4) of section 45-1019, no revenue arising  
9 under the act shall inure to any school fund of the State of  
10 Nebraska or any of its governmental subdivisions.

11 (3) Loan, when used in the Nebraska Installment Loan Act,  
12 does not include any loan made by a person who is not a licensee  
13 on which the interest does not exceed the maximum rate permitted by  
14 section 45-101.03.

15 (4) Nothing in the Nebraska Installment Loan Act applies  
16 to any loan made by a person who is not a licensee if the interest  
17 on the loan does not exceed the maximum rate permitted by section  
18 45-101.03.

19 Sec. 20. Section 45-1005, Revised Statutes Cumulative  
20 Supplement, 2008, is amended to read:

21 45-1005 Any person who desires to obtain an original  
22 license to engage in the business of lending money under the terms  
23 and conditions of the Nebraska Installment Loan Act shall apply  
24 to the department for the license under oath, on ~~forms~~ a form  
25 prescribed by the department, and pay an original license fee

1 of five hundred dollars. If the applicant is an individual, the  
2 application shall include the applicant's social security number.

3 Sec. 21. Section 45-1018, Revised Statutes Supplement,  
4 2009, is amended to read:

5 45-1018 (1) ~~Prior to December 31, 2010,~~ a A licensee  
6 shall on or before March 1 of each year file with the department a  
7 report of the licensee's earnings and operations for the preceding  
8 calendar year, and its assets at the end of the year, and giving  
9 such other relevant information as the department may reasonably  
10 require. The report shall be made under oath and shall be in the  
11 form and manner prescribed by the department.

12 (2) Effective on January 1, 2011, a licensee shall submit  
13 a mortgage report of condition, ~~including financial statements~~  
14 ~~which report the licensee's earnings,~~ as required by section  
15 45-726, on or before a date or dates established by rule,  
16 regulation, or order of the director.

17 Sec. 22. Section 45-1033.01, Revised Statutes Supplement,  
18 2009, is amended to read:

19 45-1033.01 (1) The department shall require licensees  
20 to be licensed and registered through the Nationwide Mortgage  
21 Licensing System and Registry. In order to carry out this  
22 requirement, the department is authorized to participate in  
23 the Nationwide Mortgage Licensing System and Registry. For this  
24 purpose, the department may establish, by adopting and promulgating  
25 rules and regulations or by order, requirements as necessary. The

1 requirements may include, but not be limited to:

2 (a) Background checks of ~~mortgage bankers, registrants,~~  
3 ~~and mortgage loan originators,~~ applicants and licensees, including,  
4 but not limited to:

5 (i) Criminal history through fingerprint or other data  
6 bases;

7 (ii) Civil or administrative records;

8 (iii) Credit history; or

9 (iv) Any other information as deemed necessary by the  
10 Nationwide Mortgage Licensing System and Registry;

11 (b) The payment of fees to apply for or renew a license  
12 through the Nationwide Mortgage Licensing System and Registry;

13 (c) Compliance with prelicensure education and testing  
14 and continuing education;

15 (d) The setting or resetting, as necessary, of renewal  
16 processing or reporting dates; and

17 (e) Amending or surrendering a license or any other such  
18 activities as the director deems necessary for participation in the  
19 Nationwide Mortgage Licensing System and Registry.

20 (2) In order to fulfill the purposes of the Nebraska  
21 Installment Loan Act, the department is authorized to establish  
22 relationships or contracts with the Nationwide Mortgage Licensing  
23 System and Registry or other entities designated by the Nationwide  
24 Mortgage Licensing System and Registry to collect and maintain  
25 records and process transaction fees or other fees related to

1 licensees or other persons subject to the act. The department  
2 may allow such system to collect licensing fees on behalf of the  
3 department and allow such system to collect a processing fee for  
4 the services of the system directly from each licensee or applicant  
5 for a license.

6 (3) The director is required to regularly report  
7 violations of the act pertaining to residential mortgage loans,  
8 as defined in section 45-702, as well as enforcement actions and  
9 other relevant information, to the Nationwide Mortgage Licensing  
10 System and Registry subject to the provisions contained in section  
11 45-1033.02.

12 (4) The director shall establish a process whereby  
13 ~~mortgage bankers, registrants, and mortgage loan originators~~  
14 applicants and licensees may challenge information entered into the  
15 Nationwide Mortgage Licensing System and Registry by the director.

16 (5) The department shall ensure that the Nationwide  
17 Mortgage Licensing System and Registry adopts a privacy, data  
18 security, and security breach notification policy. The director  
19 shall make available upon written request a copy of the contract  
20 between the department and the Nationwide Mortgage Licensing System  
21 and Registry pertaining to the breach of security of the system  
22 provisions.

23 (6) The department shall upon written request provide the  
24 most recently available audited financial report of the Nationwide  
25 Mortgage Licensing System and Registry.

1           Sec. 23. Section 45-1033.02, Revised Statutes Supplement,  
2 2009, is amended to read:

3           45-1033.02 (1) In order to promote more effective  
4 regulation and reduce the regulatory burden through supervisory  
5 information sharing:

6           ~~(1)~~ (a) Except as otherwise provided in this section,  
7 the requirements under any federal or state law regarding the  
8 privacy or confidentiality of any information or material provided  
9 to the Nationwide Mortgage Licensing System and Registry, and any  
10 privilege arising under federal or state law, including the rules  
11 of any federal or state court, with respect to such information or  
12 material, shall continue to apply to such information or material  
13 after the information or material has been disclosed to the  
14 Nationwide Mortgage Licensing System and Registry. Such information  
15 and material may be shared with all federal and state regulatory  
16 officials with mortgage industry oversight authority without the  
17 loss of privilege or the loss of confidentiality protections  
18 provided by federal or state law;

19           ~~(2)~~ For these purposes, the director is authorized  
20 to enter into agreements or sharing arrangements with other  
21 governmental agencies, the Conference of State Bank Supervisors,  
22 the American Association of Residential Mortgage Regulators,  
23 or other associations representing governmental agencies as  
24 established by adopting and promulgating rules and regulations or  
25 an order of the director;

1           ~~(3)~~ (b) Information or material that is subject to a  
2 privilege or confidentiality under subdivision ~~(1)~~ (1)(a) of this  
3 section shall not be subject to:

4           ~~(a)~~ (i) Disclosure under any federal or state law  
5 governing the disclosure to the public of information held by  
6 an officer or an agency of the federal government or the respective  
7 state; or

8           ~~(b)~~ (ii) Subpoena or discovery, or admission into  
9 evidence, in any private civil action or administrative process,  
10 unless with respect to any privilege held by the Nationwide  
11 Mortgage Licensing System and Registry with respect to such  
12 information or material, the person to whom such information or  
13 material pertains waives, in whole or in part, in the discretion  
14 of such person, that privilege;

15           ~~(4)~~ (c) Any state statute relating to the disclosure  
16 of confidential supervisory information or any information or  
17 material described in subdivision ~~(1)~~ (1)(a) of this section that  
18 is inconsistent with such subdivision shall be superseded by the  
19 requirements of this section; and

20           ~~(5)~~ (d) This section shall not apply with respect to  
21 the information or material relating to the employment history  
22 of, and publicly adjudicated disciplinary and enforcement actions  
23 against, ~~mortgage bankers and mortgage loan originators~~ applicants  
24 and licensees that is included in the Nationwide Mortgage Licensing  
25 System and Registry for access by the public.

1           (2) For these purposes, the director is authorized  
2 to enter into agreements or sharing arrangements with other  
3 governmental agencies, the Conference of State Bank Supervisors,  
4 the American Association of Residential Mortgage Regulators,  
5 or other associations representing governmental agencies as  
6 established by adopting and promulgating rules and regulations or  
7 an order of the director.

8           Sec. 24. Section 45-1068, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           45-1068   (1) For purposes of this section,  
11 reverse-mortgage loan means a loan made by a licensee which (a) is  
12 secured by residential real ~~property, estate,~~ (b) is nonrecourse  
13 to the borrower except in the event of fraud by the borrower or  
14 waste to the ~~property~~ residential real estate given as security for  
15 the loan, (c) provides cash advances to the borrower based upon  
16 the equity in the borrower's owner-occupied principal residence,  
17 (d) requires no payment of principal or interest until the entire  
18 loan becomes due and payable, and (e) otherwise complies with the  
19 terms of this section.

20           (2) Reverse-mortgage loans shall be governed by the  
21 following rules without regard to the requirements set out  
22 elsewhere for other types of mortgage transactions: (a) Payment  
23 in whole or in part is permitted without penalty at any time  
24 during the period of the loan; (b) an advance and interest on  
25 the advance have priority over a lien filed after the closing

1 of a reverse-mortgage loan; (c) an interest rate may be fixed or  
2 adjustable and may also provide for interest that is contingent on  
3 appreciation in the value of the ~~property~~; residential real estate;  
4 and (d) the advance shall not be reduced in amount or number based  
5 on an adjustment in the interest rate when a reverse-mortgage loan  
6 provides for periodic advances to a borrower.

7 (3) Reverse-mortgage loans may be made or acquired  
8 without regard to the following provisions for other types of  
9 mortgage transactions: (a) Limitations on the purpose and use of  
10 future advances or any other mortgage proceeds; (b) limitations  
11 on future advances to a term of years or limitations on the  
12 term of credit line advances; (c) limitations on the term during  
13 which future advances take priority over intervening advances;  
14 (d) requirements that a maximum mortgage amount be stated in the  
15 mortgage; (e) limitations on loan-to-value ratios; (f) prohibitions  
16 on balloon payments; (g) prohibitions on compounded interest and  
17 interest on interest; and (h) requirements that a percentage of the  
18 loan proceeds must be advanced prior to loan assignment.

19 (4) A licensee may, in connection with a reverse-mortgage  
20 loan, charge to the borrower (a) a nonrefundable loan origination  
21 fee which does not exceed two percent of the appraised value of  
22 the ~~home~~ owner-occupied principal residence at the time the loan  
23 is made, (b) a reasonable fee paid to third parties originating  
24 loans on behalf of the licensee, and (c) such other fees as are  
25 necessary and required, including fees for inspections, insurance,

1 appraisals, and surveys.

2 (5) Licensees failing to make loan advances as required  
3 in the loan documents and failing to cure the default as required  
4 in the loan documents shall forfeit an amount equal to the greater  
5 of two hundred dollars or one percent of the amount of the loan  
6 advance the licensee failed to make.

7 Sec. 25. Original sections 45-101.04 and 45-1068,  
8 Reissue Revised Statutes of Nebraska, section 45-1005, Revised  
9 Statutes Cumulative Supplement, 2008, and sections 8-702, 45-701,  
10 45-702, 45-704, 45-705, 45-724, 45-725, 45-726, 45-728, 45-730,  
11 45-733, 45-737, 45-741, 45-742, 45-748, 45-749, 45-1002, 45-1018,  
12 45-1033.01, and 45-1033.02, Revised Statutes Supplement, 2009, are  
13 repealed.

14 Sec. 26. Since an emergency exists, this act takes effect  
15 when passed and approved according to law.