



MISSOURI SENATE
JEFFERSON CITY

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House Bill Addresses Mortgage Lending Crisis

Bill Would Change How Missouri Monitors the Licensing of Residential Mortgage Brokers in Our State

With only a couple of weeks left in this year's legislative session, lawmakers are working in both chambers to pass Senate and House bills and get them to the governor's desk for his signature. As House bills are taken up in the upper chamber, senators are assigned to handle these bills in the Senate. Several House bills have been passed by the Senate, which are then returned to the House for its approval. I had the privilege of handling one of those bills, [House Bill 382](#), which further regulates the licensing of residential mortgage brokers in Missouri.

House Bill 382 would change the way our state monitors licensed mortgage brokers. Congressional delegations all the way down to local government entities feel that many of these brokers were partially responsible for our current economic crisis through the bad loans they issued that have affected so many Americans throughout the last few years.

According to the legislation, each licensed broker would have to register with and maintain a valid unique identifier issued by the [Nationwide Mortgage Licensing System \(NMLS\)](#) and Registry — a system designed to streamline the licensing process, improve supervision, and increase transparency in the mortgage industry, all of which have been brought to the forefront since the decline in our nation's economy.

House Bill 382 would require these brokers to verify their identity for the purpose of a background check as well as meet a certain set of requirements, such as demonstrating financial responsibility and passing a written test. The measure also prohibits mortgage brokers from engaging in certain activities, including obtaining property by fraud or

misrepresentation and directly or indirectly defrauding or misleading borrowers or lenders.

The bill has received final approval from both the Senate and the House. House Bill 382 legislation was passed with an emergency clause, meaning the bill takes effect immediately upon receiving the governor's signature.

For more information about the NMLS, including participating states, licenses, and regulators, please visit www.stateregulatoryregistry.org/NMLS or call the NMLS Call Center at (240) 386-4444. And if you have comments or questions about any matter involving state government, please feel free to contact me (573) 751-8793 or by e-mail at: delbertscott@senate.mo.gov.

Senator Delbert Scott represents the people of Barton, Benton, Cedar, Dallas, Henry, Hickory, Pettis, Polk and St. Clair counties in the Missouri Senate.

