

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 859*

Short Title: Continuing Education of Mortgage Brokers. (Public)

Sponsors: Representatives Brubaker, Church, and LaRoque (Primary Sponsors).

Referred to: Financial Institutions.

March 23, 2005

A BILL TO BE ENTITLED
AN ACT TO REVISE THE LAW GOVERNING THE CONTINUING EDUCATION
OF MORTGAGE BROKERS BY ESTABLISHING REQUIREMENTS FOR LIVE
BROADCASTS OF CONTINUING EDUCATION COURSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 53-243.07 reads as rewritten:

"§ 53-243.07. Continuing education.

(a) As a condition of license renewal, the Commissioner may adopt rules to require continuing education of licensees under this Article for the purpose of enhancing the professional competence and professional responsibility of all licensees. The rules may include criteria for:

- (1) The content of continuing education courses.
- (2) Accreditation of continuing education sponsors and programs.
- (3) Accreditation of videotape or other audiovisual programs.
- (4) Computation of credit.
- (5) Special cases and exemptions.
- (6) General compliance procedures.
- (7) Sanctions for noncompliance.
- (8) Conditions under which a continuing education course may be broadcast simultaneously to one or more remote locations.

(b) Annual continuing professional education requirements shall be determined by the Commissioner. However, the requirements shall not exceed eight credit hours within a one-year period.

Continuing professional education credit hours may be given only for courses that are taught live by an instructor or instructors. To receive credit hours for a course, a licensee must attend and view the live teaching of the course or a live broadcast of the course. Only the period of live instruction shall apply to the satisfaction of the continuing professional education requirement established in this section. Courses consisting solely of recorded or printed materials or of electronic images, other than live

1 broadcast images, shall not apply to the satisfaction of the continuing professional
2 education requirement.

3 Licensees shall receive continuing professional education credit hours for live
4 courses that are broadcast simultaneously to licensees in one or more remote locations
5 only if the continuing education course provider, or an employee or agent of the
6 provider, certifies to the Commissioner the identity and attendance of each licensee at
7 the remote location. False certification of attendees by a continuing education course
8 provider shall be grounds for the suspension or revocation of the course provider's
9 privilege to provide courses in this State. The Commissioner may take disciplinary
10 action against the licensee pursuant to G.S. 53-243.12 for false certification of
11 attendance at a continuing education course.

12 (c) The Commissioner may require education providers of the fundamentals
13 mortgage lending course required under the provisions of G.S. 53-243.05(b)(2) and the
14 continuing education courses required under this section to file information regarding
15 the contents and materials of proposed courses to satisfy the education requirements
16 with the Commissioner for review and approval. The Commissioner may set fees for the
17 initial and continuing review of courses for which credit hours will be granted. The
18 initial filing fee for review of materials shall not exceed five hundred dollars (\$500.00)
19 and the fee for continued review shall not exceed two hundred fifty dollars (\$250.00)
20 per annum per course offered."

21 **SECTION 2.** G.S. 53-243.12(a) reads as rewritten:

22 "(a) The Commissioner may, by order, deny, suspend, revoke, or refuse to issue or
23 renew a license of a licensee or applicant under this Article or may restrict or limit the
24 activities relating to mortgage loans of any licensee or any person who owns an interest
25 in or participates in the business of a licensee, if the Commissioner finds both of the
26 following:

- 27 (1) That the order is in the public interest.
28 (2) That any of the following circumstances apply to the applicant,
29 licensee, or any partner, member, manager, officer, director, loan
30 officer, managing principal, or any person occupying a similar status
31 or performing similar functions or any person directly or indirectly
32 controlling the applicant or licensee. The person:
33 a. Has filed an application for license that, as of its effective date
34 or as of any date after filing, contained any statement that, in
35 light of the circumstances under which it was made, is false or
36 misleading with respect to any material fact.
37 b. Has violated or failed to comply with any provision of this
38 Article, rule adopted by the Commissioner, or order of the
39 Commissioner.
40 c. Has been convicted of any felony, or, within the past 10 years,
41 has been convicted of any misdemeanor involving mortgage
42 lending or any aspect of the mortgage lending business, or any
43 offense involving breach of trust, moral turpitude, or fraudulent
44 or dishonest dealing.

- 1 d. Is permanently or temporarily enjoined by any court of
2 competent jurisdiction from engaging in or continuing any
3 conduct or practice involving any aspect of the mortgage
4 lending business.
- 5 e. Is the subject of an order of the Commissioner denying,
6 suspending, or revoking that person's license as a mortgage
7 broker or mortgage banker.
- 8 f. Is the subject of an order entered within the past five years by
9 the authority of any state with jurisdiction over that state's
10 mortgage brokerage or mortgage banking industry denying or
11 revoking that person's license as a mortgage broker or mortgage
12 banking industry or denying or revoking that person's license as
13 a mortgage broker or mortgage banker.
- 14 g. Does not meet the qualifications or the financial responsibility,
15 character, or general fitness requirements under G.S. 53-243.05
16 or any bond or capital requirements under this Article.
- 17 h. Has been the executive officer or controlling shareholder or
18 owned a controlling interest in any mortgage broker or
19 mortgage banker who has been subject to an order or injunction
20 described in sub-subdivision d., e., or f. of this subdivision.
- 21 i. Has failed to pay the proper filing or renewal fee under this
22 Article. However, the Commissioner may enter only a denial
23 order under this sub-subdivision, and the Commissioner shall
24 vacate the order when the deficiency has been corrected.
- 25 j. Has falsely certified attendance at a continuing professional
26 education course."

27 **SECTION 3.** This act becomes effective January 1, 2006, and applies to
28 licenses issued or renewed on or after that date.