



# Bankers Advisory

## COMPLIANCE MONITOR

October 30, 2013

### *Oklahoma Modifies SAFE Act Provisions*

By Paul McSheffrey, Esq.

#### **Changes are effective November 1, 2013**

The Oklahoma legislature has recently updated certain provisions of 59 O.S. 2011, its Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act). The changes come through Enrolled House Bill No. 1828. The Bill has several additions as well as numbering and formatting changes.

A definition is provided for "mortgage lender" as,

"an entity that takes an application for a residential mortgage loan, makes a residential mortgage loan or services a residential mortgage loan and is an approved or authorized: mortgagee with direct endorsement underwriting authority granted by the United States Department of Housing and Urban Development, seller or servicer of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or issuer for the Government National Mortgage Association."

The unique identifier of a mortgage lender must be clearly shown on all residential mortgage loan application forms or advertisements. A mortgage lender as defined in the Bill must also adhere to the mortgage licensing requirements.

The Bill also modifies provisions regarding licensing. A license issued on or after November 1 is effective through December 31 of the following calendar year. If a license is not renewed by December 1, the licensee must pay a late fee as prescribed by rule of the Commission on Consumer Credit. An applicant for a license must be sponsored by a licensed mortgage broker or mortgage lender under the Act. The Administrator of Consumer Credit may authorize an exempt entity to sponsor an applicant that is an independent contractor of the exempt entity. Additionally, a licensed mortgage loan originator must complete annual continuing education requirements in a classroom setting at least every two years.

The Administrator of Consumer Credit's authority to conduct investigations has also been revised. The Administrator now also has the authority to conduct investigations and examinations of the financial conditions and internal management policies and procedures of any entity required to be licensed as a mortgage lender for purposes of determining that the entity is operating honestly, fairly and efficiently. The Administrator shall require an entity subject to the requirements to pay travel costs for an investigation or examination outside of Oklahoma. In order to carry out the purpose of these rules, the Administrator may participate in multistate mortgage examinations as scheduled by the Multi-State Mortgage Committee established by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

In addition, the Act creates two new laws to be codified at 2095.11.1 and 2095.12.1. The former addresses the issuance of a mortgage lender license, and the later discusses the renewal of a mortgage lender license.



Paul McSheffrey, Esq. is Associate Counsel and Regulatory Compliance Specialist at Bankers Advisory, Inc. He is a graduate of Northeastern University and earned his Juris Doctor at the New England School of Law. Paul is admitted to the Bar in Massachusetts and New York. Paul can be reached at [paul@bankersadvisory.com](mailto:paul@bankersadvisory.com)