

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

400B0217

SENATE COMMERCE COMMITTEE ENGROSSED NO. **HB1041** - 2/4/98

Introduced by: The Committee on Commerce at the request of the Department of Commerce
and Regulation

1 FOR AN ACT ENTITLED, An Act to authorize the Banking Commission to promulgate certain
2 administrative rules regarding the mortgage lending business.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 54-14-1 be amended to read as follows:

5 54-14-1. Terms as used in this chapter mean:

- 6 (1) "Director," the director of the Division of Banking of the ~~State~~ Department of
7 Commerce and Regulation;
- 8 (2) "Division," the Division of Banking of the ~~State~~ Department of Commerce and
9 Regulation;
- 10 (3) "License," the license provided by this chapter;
- 11 (4) "Licensee," the person holding a license provided by this chapter;
- 12 (5) "Mortgage," any interest in land created by a written instrument providing security for
13 the performance of a duty or the payment of a debt;
- 14 (6) "Mortgage banker," any person who, for valuable consideration, engages in the
15 business of dealing in mortgage loans including their placement and refinancing;

(7) "Mortgage loan," loans of money secured by a mortgage on real estate;

(8) "Mortgage broker," any person who acts as an intermediary between borrower and lender in securing a mortgage loan, or places mortgage loans with investors for a consideration;

(9) "Commission," the State Banking Commission.

Section 2. That § 54-14-2 be amended to read as follows:

54-14-2. Any person who engages in the business of a mortgage banker or mortgage broker shall obtain an original license to engage in such business under the terms and conditions of this chapter, shall apply therefor under oath, on forms prescribed by the division, and shall pay an original, nonrefundable license fee ~~of two hundred fifty dollars~~. If the application is approved, a license shall be issued ~~and a fee of two hundred fifty dollars shall be paid and renewed on an annual basis~~. Licenses shall be renewed annually on the first day of July. The commission shall establish a license fee by rules pursuant to chapter 1-26. The maximum fee for a license is two hundred fifty dollars.

Section 3. That § 54-14-10 be amended to read as follows:

54-14-10. ~~The director shall have the power to adopt~~ commission may promulgate all necessary rules, pursuant to chapter 1-26, for the management and administration of licensees under this chapter, over which ~~he~~ it has jurisdiction as set forth in this chapter, and to regulate the procedure and practice of the division.

1 **BILL HISTORY**

2 1/13/98 First read in House and referred to Commerce. H.J. 27

3 1/20/98 Scheduled for Committee hearing on this date.

4 1/20/98 Commerce Do Pass, Passed, AYES 12, NAYS 1.

5 1/21/98 House of Representatives Deferred to another day. H.J. 169

6 1/26/98 Motion to Amend, Passed. H.J. 236

7 1/26/98 House of Representatives Do Pass Amended, Passed, AYES 61, NAYS 5. H.J. 236

8 1/27/98 First read in Senate and referred to Commerce. S.J. 222

9 2/3/98 Commerce Do Pass Amended, Passed, AYES 7, NAYS 0. S.J. 295

10 2/3/98 Commerce Place on Consent Calendar.