

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

851T0538

HOUSE BILL NO. 1229

Introduced by: Representatives Tornow, Abdallah, Boomgarden, Cronin, Feinstein, Hansen (Jon), Killer, Kopp, Lust, Russell, and Venner and Senators Cutler, Brown, Novstrup (Al), and Schlekeway

1 FOR AN ACT ENTITLED, An Act to exempt certain persons from the requirement to license
2 as a mortgage loan originator.

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

4 Section 1. That § 54-14-20.1 be amended to read as follows:

5 54-14-20.1. The following are exempt from the requirement of obtaining a mortgage loan
6 originator license:

7 (1) Any individual who offers or negotiates terms of a mortgage loan with or on behalf
8 of an immediate family member of the individual;

9 (2) Any individual who offers or negotiates terms of a residential mortgage loan secured
10 by a dwelling that served as the individual's residence; or

11 (3) ~~A licensed attorney who negotiates the terms of a mortgage loan on behalf of a client~~
12 ~~as an ancillary matter to the attorney's representation of the client, unless the attorney~~
13 ~~is compensated by a lender, mortgage brokerage, mortgage broker, or other mortgage~~
14 ~~loan originator or by any agent of the lender, mortgage broker, or other mortgage loan~~



1 ~~originator~~ Any individual who offers or negotiates terms of three or less
2 nonresidential mortgage loans in a twelve month period.

3 Section 2. That chapter 54-14 be amended by adding thereto a NEW SECTION to read as
4 follows:

5 Any attorney licensed in this state performing activities that come within the definition of
6 a mortgage loan originator, is not required to be licensed as a mortgage loan originator if such
7 activities are:

- 8 (1) Considered by the South Dakota Supreme Court to be part of the authorized practice
9 of law in South Dakota;
- 10 (2) Carried out within an attorney-client relationship; and
- 11 (3) Accomplished by the attorney in compliance with all applicable laws, rules, and
12 standards of professional conduct.