

HOUSE BILL No. 2595

AN ACT amending the Kansas mortgage business act; amending K.S.A. 2000 Supp. 9-2201, as amended by section 2 of 2001 House Bill No. 2481 and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 2000 Supp. 9-2201, as amended by section 2 of 2001 House Bill No. 2481, is hereby amended to read as follows: 9-2201. As used in this act:

(a) “Bona fide office” means an applicant’s or licensee’s principal place of business which meets all of the following requirements:

- (1) The office is located in this state;
- (2) the office is not located in a personal residence;
- (3) the office has regular hours of operation;
- (4) the office is accessible to the public;
- (5) the office is leased or owned by the licensee and serves as an office for the transaction of the licensee’s mortgage business;
- (6) the office is separate from any office of another registrant; and
- (7) all of *the* licensee’s books, records and documents are accessible through that office.

(b) “Branch office” means a place of business, other than a principal place of business, where mortgage business is conducted, and which is licensed as required by this act.

(c) “Commissioner” means the Kansas state bank commissioner.

(d) “License” means a license issued by the commissioner to engage in mortgage business as a mortgage company.

(e) “Licensee” means a person who is licensed by the commissioner as a mortgage company.

(f) “Loan originator” means an individual:

(1) Who engages in mortgage business on behalf of a single mortgage company;

(2) who is registered with the commissioner as required by this act;

(3) whose conduct of mortgage business is the responsibility of the licensee; and

(4) whose job responsibilities include direct contact with borrowers during the loan origination process, which can include soliciting, negotiating, acquiring, arranging or making mortgage loans for others, obtaining personal or financial information, assisting with the preparation of loan applications or other documents, quoting loan rates or terms, or providing required disclosures. It does not mean a person whose job responsibilities on behalf of a licensee are solely clerical in nature.

(g) “Mortgage business” means engaging in, or holding out to the public as willing to engage in, for compensation or gain, or in the expectation of compensation or gain, directly or indirectly, the business of making, originating, servicing, soliciting, placing, negotiating, acquiring, selling, or arranging for others, or offering to solicit, place, negotiate, acquire, sell or arrange for others, mortgage loans in the primary market.

(h) “Mortgage company” means a person engaged in mortgage business from a principal place of business or branch office, which has been licensed as required by this act.

(i) “Mortgage loan” means a loan or agreement to extend credit made to a natural person which is secured by a first or second mortgage, deed of trust, contract for deed or other similar instrument or document representing a security interest or lien upon any lot intended for residential purposes or a one-to-four family dwelling, located in this state, occupied or intended to be occupied for residential purposes by the owner, including the renewal or refinancing of any such loan.

(j) “Person” means any individual, sole proprietorship, corporation, partnership, trust, association, joint venture, pool syndicate, unincorporated organization or other form of entity, however organized.

(k) “Primary market” means the market wherein mortgage loans are originated between a lender and a borrower, whether or not through a mortgage broker or other means.

(1) ~~“Principle place of business”~~ “*Principal place of business*” means a licensed place of business where mortgage business is conducted, which has been designated by a licensee as the primary headquarters from which all mortgage business and administrative activities are managed and directed.

(m) “Promotional items” means pens, pencils, hats and other such novelty items.

(n) “Registrant” means any individual who holds a valid registration to conduct mortgage business in this state as a loan originator.

Sec. 2. K.S.A. 2000 Supp. 9-2201, as amended by section 2 of 2001 House Bill No. 2481, is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after November 1, 2001, and its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

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\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*