

2025 -- H 5811

=====
LC001765
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

—————
A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- AN ACT ADOPTING THE FEDERAL
SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT OF 2009

Introduced By: Representatives Voas, Stewart, Kazarian, Casimiro, Solomon, O'Brien,
and Potter

Date Introduced: February 28, 2025

Referred To: House Corporations

(Dept. of Business Regulation)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 19-14.10-17 of the General Laws in Chapter 19-14.10 entitled "An
2 Act Adopting the Federal Secure and Fair Enforcement for Mortgage Licensing Act of 2009" is
3 hereby amended to read as follows:

4 **19-14.10-17. Prohibited acts and practices.**

5 It is a violation of this chapter for a person or individual subject to this chapter to:

- 6 (1) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead
7 borrowers or lenders or to defraud any person;
- 8 (2) Engage in any unfair or deceptive practice toward any person;
- 9 (3) Obtain property by fraud or misrepresentation;
- 10 (4) Solicit or enter into a contract with a borrower that provides in substance that the person
11 or individual subject to this chapter may earn a fee or commission through "best efforts" to obtain
12 a loan even though no loan is actually obtained for the borrower;
- 13 (5) Solicit, advertise, or enter into a contract for specific interest rates, points, or other
14 financing terms unless the terms are actually available at the time of soliciting, advertising, or
15 contracting;
- 16 (6) Conduct any business covered by this chapter without holding a valid license as
17 required under this chapter, or assist or aid and abet any person in the conduct of business under
18 this chapter without a valid license as required under this chapter;

1 (7) Fail to make disclosures as required by this chapter and any other applicable state or
2 federal law including regulations thereunder;

3 (8) Fail to comply with this chapter or rules or regulations promulgated under this chapter,
4 or fail to comply with any other state or federal law, including the rules and regulations thereunder,
5 applicable to any business authorized or conducted under this chapter;

6 (9) Make, in any manner, any false or deceptive statement or representation with regard to
7 the rates, points, or other financing terms or conditions for a residential mortgage loan, or engage
8 in bait-and-switch advertising;

9 (10) Negligently make any false statement or knowingly and willfully make any omission
10 of material fact in connection with any information or reports filed with a governmental agency or
11 the Nationwide Mortgage Licensing System and Registry or in connection with any investigation
12 conducted by the director, or the director's designee, or another governmental agency;

13 (11) Make any payment, threat, or promise, directly or indirectly, to any person for the
14 purposes of influencing the independent judgment of the person in connection with a residential
15 mortgage loan, or make any payment, threat, or promise, directly or indirectly, to any appraiser of
16 a property, for the purposes of influencing the independent judgment of the appraiser with respect
17 to the value of the property;

18 (12) Collect, charge, attempt to collect or charge, or use or propose any agreement
19 purporting to collect or charge, any fee prohibited by this chapter;

20 (13) Cause or require a borrower to obtain property insurance coverage in an amount that
21 exceeds the replacement cost of the improvements as established by the property insurer; ~~or~~

22 (14) Fail to truthfully account for monies belonging to a party to a residential mortgage
23 loan transaction- ; or

24 (15) Act in the capacity of and compensated as both a real estate agent and mortgage loan
25 originator in the same transaction.

26 SECTION 2. This act shall take effect upon passage.

=====
LC001765
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- AN ACT ADOPTING THE FEDERAL
SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT OF 2009

1 This act would prohibit an individual who is licensed as both a Rhode Island real estate
2 agent and mortgage loan originator to be compensated for both the sale of the property and the
3 origination or referral of the loan in securing the property.

4 This act would take effect upon passage.

=====
LC001765
=====