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LC001779  
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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: Senators Dimitri, Appollonio, and Thompson

Date Introduced: April 04, 2025

Referred To: Senate Commerce

(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.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO FINANCIAL INSTITUTIONS -- AN ACT ADOPTING THE FEDERAL  
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- 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.

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