



SENATE STANDING COMMITTEE REPORT

January 16, 2007
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Mr. President:

We, your committee on **Business, Labor, and Economic Affairs** recommend that **Senate Bill 92** (first reading copy -- white) do **pass as amended**.

Signed:

Vicki Cocchiarella
Senator Vicki Cocchiarella, Chair

And, that such amendments read:

Explanation - requested by Mortgage Brokers group - Kristi Blazer

1. Title, line 10.

Following: "REQUIREMENTS;"

Insert: "CLARIFYING WHO PAYS CERTAIN FEES;"

2. Title, line 14.

Following: "32-9-124,"

Insert: "32-9-125,"

3. Page 9, line 17.

Following: "services and"

Insert: "three"

Following: "choose"

Insert: ", each within a 100-mile radius of the property subject to being mortgaged, if available"

4. Page 9, line 19.

Insert: "**Section 12.** Section 32-9-125, MCA, is amended to read:

"32-9-125. ~~Trust accounts -- fees other than bona fide third-party fees.~~ (1) Every mortgage broker doing business in this state shall:

(a) maintain a trust account at a financial institution located in this state whose deposits or shares are insured, and the trust account funds may not be commingled with any other funds of the mortgage broker;

Committee Vote:

Yes 10, No 1

Fiscal Note Required _____

KF

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(b) deposit into the trust account any bona fide third-party fee that the mortgage broker receives ~~unless the borrower pays the bona fide third party directly~~; and

(c) pay third-party fees to a bona fide third party from the mortgage broker's trust account unless the borrower, the seller, or another person involved in the transaction pays the bona fide third party directly.

(2) A mortgage broker may not charge or receive, directly or indirectly, fees for assisting a borrower in obtaining a mortgage until all of the services that the mortgage broker has agreed to perform for the borrower are completed. A mortgage broker may not charge a residential loan application fee in excess of the amount allowed by federal law. Prior to completion of services, the fees provided for in subsection (3) incurred by a bona fide third party in assisting the borrower to obtain a mortgage must be paid.

(3) The following fees must be paid ~~directly~~ by the borrower, the seller, or another person involved in the transaction directly to the bona fide third party providing the services or must be ~~deposited~~ paid by the borrower, ~~if applicable, into the mortgage broker's trust account~~ the seller, or another person involved in the transaction to the mortgage broker for payment of services performed by the bona fide third party:

- (a) credit report fees;
- (b) notary fees;
- (c) title search, appraisal, or survey fees;
- (d) rate-lock fees not exceeding 3% of the mortgage loan amount; and

(e) fees paid directly by the borrower, the seller, or another person involved in the transaction to a state or federal government agency or instrumentality for purposes of processing a mortgage application relating to a government-sponsored or guaranteed mortgage program.

(4) The department shall by rule define the meaning of "another person involved in the transaction"."

Renumber: subsequent sections

5. Page 9, line 24.

Following: "provision"

Insert: "of"

Explanation - amendment (4) is clerical.

6. Page 13, line 11.

Strike: "A"

Insert: "In addition to the penalties in subsection (1), a"

7. Page 13, line 18.

Following: "10,"
Strike: "12"
Insert: "13"
Following: "and"
Strike: "13"
Insert: "14"

8. Page 13, line 20.

Following: "10,"
Strike: "12"
Insert: "13"
Following: "and"
Strike: "13"
Insert: "14"

- END -

**MONTANA STATE SENATE
2007 LEGISLATURE**

VISITOR REGISTER

BUSINESS AND LABOR

DATE 1-16-07
 BILLS BEING HEARD TODAY SB 151, 157

PLEASE PRINT

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Ed VanTiehem	761-0769	Mt Assn. of the Deaf	151	✓	
Bob Deming	453-0569	Parent of Deaf Child	151	✓	
Todd Lovshin	461-6611	Allegiance			
Bob Robinson	457-4401	17th Unified School District	SB 151		✓
WEBB BROWN	442-2405	MT CHAMBER	SB 151		X
Brad Griffin			151	✓	
Elaine Spino	431-2918	Montana Speech & Hearing Assoc.	151	✓	
Erin McGowan Fircham	444-4613	SACU	157	✓	
Amy Minto	370-9501	ALPS	151	✓	
Frank C. Ste	431-3669	At Risk Family Group	157	✓	
"	"	At Risk	151		✓
Jayna Ask	444-8297	BCBSMT / Insurance	157	✓	
Greg VanHousen	"	"	151		✓
Greg VanHousen	442-0230	State Farm	157	✓	
Larry K. Hall	760-770-6925	PCIAA	157	✓	
Maureen Bemark	2-0230	AIA; ACU	157	✓	friendly and to the AIA
Thomas A. Shan	2-9555	IIAAM	157	✓	
Greg VanHousen	2-0230	State Farm	151		✓
Bob Spitzer	2-2980	Mt Auto Dealers	151		✓
Riley Johnson	3-3797	NFIB	151		✓
SUSAN C. WITTE	449-9900	ALLEGIANCE	151		✓

ext. 3109

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

