

Senate proposal of amendment

H. 182

An act relating to certain businesses regulated by the Department of Financial Regulation

The Senate proposes to the House to amend the bill as follows:

First: By striking out Sec. 14 (segregated accounts of money transmitters) in its entirety and by inserting in lieu thereof a new Sec. 14 to read as follows:

Sec. 14. [DELETED.]

Second: By striking out Sec. 15 (segregated accounts of money transmitters) in its entirety and by inserting in lieu thereof a new Sec. 15 to read as follows:

Sec. 15. [DELETED.]

Third: In Sec. 18, 8 V.S.A. § 2200, by striking out the newly renumbered subdivision 17 (loan solicitation) in its entirety and by inserting in lieu thereof a new subdivision 17 to read as follows:

(15)(17)(A) “Loan solicitation” means, for compensation or gain or with the expectation of compensation or gain, to:

(i) offer, solicit, broker, directly or indirectly arrange, place, or find a loan for a prospective Vermont borrower;

(ii) engage in any activity intended to assist a prospective Vermont borrower in obtaining a loan, including lead generation;

(iii) arrange, in whole or in part, a loan through a third party, regardless of whether approval, acceptance, or ratification by the third party is necessary to create a legal obligation for the third party, through any method, including mail, telephone, Internet, or any electronic means; or

(iv) advertise or cause to be advertised in this State a loan or any of the services described in subdivisions (i)–(iii) of this subdivision (17)(A).

(B) As used in this subdivision (17), “loan solicitation” does not:

(i) apply to residential mortgage loans;

(ii) include a broker-dealer registered or exempt from registration under 9 V.S.A. § 5401 when the broker-dealer provides the services described in subdivision (A) of this subdivision (17) and the broker-dealer is not compensated by the consumer for those services;

(iii) include an agent registered or exempt from registration under 9 V.S.A. § 5402 when the agent provides the services described in subdivision (A) of this subdivision (17) and the individual agent is not compensated by the

consumer for those services;

(iv) include an insurance producer licensed under 8 V.S.A. § 4800 when the insurance producer provides the services described in subdivision (A) of this subdivision (17) and the individual insurance producer is not compensated by the consumer for those services;

(v) include a seller of goods or services that provides the services described in subdivision (A) of this subdivision (17) in connection with financing the sale or proposed sale of the seller's goods or services and the seller is not compensated by the consumer for the services described in subdivision (A) of this subdivision (17); or

(vi) include other categories of loans or service providers as determined by the Commissioner by rule or order.

Fourth: In Sec. 19, 8 V.S.A. § 2201, in subdivision (a)(5) (loan solicitation), after “A person licensed as a lender” by inserting the following:
, sales finance company,

Fifth: In Sec. 32 (effective dates), by striking out “14 (money transmitter segregated accounts),”