

To: Senate Finance Committee  
From: Department of Financial Regulations  
Date: March 12, 2019  
Re: Draft Banking Bill – Suggested Changes

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**1. 8 V.S.A. § 2105.**

Subsection (b) provides that a mortgage loan originator license include the “individual’s place of residence.” NMLS is no longer disclosing the individual’s residence due to privacy concerns. DFR recommends changing § 2105(b) as follows:

§ 2105. CONTENTS OF LICENSE; NONTRANSFERABLE

\* \* \*

(b) A mortgage loan originator license shall state fully the name of the individual, ~~and~~ the individual’s ~~sponsoring company, and licensed location where the individual is employed~~ ~~place of residence.~~

**2. 8 V.S.A. § 2110(a)(2).**

Subsection (a)(2) provides that the commissioner may deny, revoke, terminate, etc., a license if the licensee violates sections 10403 or 10404 of Title 8. Sections 10403 and 10404 are part of chapter 200 of Title 8. 8 V.S.A. § 10101 provides that all of consumer protection provisions of chapter 200, not just sections 10403 and 10404, apply to part 2 licensees. DFR recommends changing § 2110(a)(2) as follows:

§ 2110. REVOCATION, SUSPENSION, TERMINATION, OR

NONRENEWAL OF LICENSE; CEASE AND DESIST ORDERS

(a) The Commissioner may deny, suspend, terminate, revoke, condition, or refuse to renew a license, or order that any person or licensee cease and desist in any specified conduct if the

Commissioner finds:

\* \* \*

(2) the licensee violated any applicable provision of this part, ~~chapter 200 sections 10403 and 10404~~ of this title, or 9 V.S.A. chapters 4, 59, or 61, or any rule, order, or directive, adopted pursuant to those provisions;

**3. 8 V.S.A. § 2110(b)(2), (3).**

Same issue as #2 above. DFR recommends changing § 2110(b)(2), (3) as follows:

§ 2110. REVOCATION, SUSPENSION, TERMINATION, OR

NONRENEWAL OF LICENSE; CEASE AND DESIST ORDERS

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(b) The Commissioner may issue orders or directives to any person:

\* \* \*

(2) to cease any harmful activities or violations of this part, ~~chapter 200 sections 10403 and 10404~~ of this title, 9 V.S.A. chapters 4, 59, or 61, or any order, directive, or rule adopted pursuant to those provisions;

(3) to cease business under a license or any conditional license if the Commissioner determines that such license was erroneously granted or the licensee is currently in violation of this part, ~~chapter 200 sections 10403 and 10404~~ of this title, 9 V.S.A. chapters 4, 59, or 61, or any order, directive, or rule, adopted pursuant to those provisions;

**4. 8 V.S.A. § 2115(a)(1), (2).**

Same issue as #2 above. DFR recommends changing § 2115(a)(1), (2) as follows:

§ 2115. PENALTIES

(a) The Commissioner may:

(1) impose an administrative penalty of not more than \$10,000.00, plus the State's cost and expenses of investigating and prosecution of the matter, including attorney's fees, for each

violation upon any person who violates or participates in the violation of this part, *chapter 200 sections 10403 and 10404* of this title, 9 V.S.A. chapters 4, 59, or 61, or any lawful rule adopted, or directive or order issued, pursuant to those sections; and

(2) order any person to make restitution to another person for a violation of this title, *chapter 200 sections 10403 and 10404* of this title, or 9 V.S.A. chapters 4, 59, or 61.

**5. 8 V.S.A. § 2117(a).**

Same issue as #2 above. DFR recommends changing § 2117(a) as follows:

§ 2117. EXAMINATIONS AND INVESTIGATIONS; EXAMINATION

FEES

(a) In addition to any authority allowed under this part or other law, and for the purpose of examination, or discovering or investigating violations or complaints, of or arising under this part, chapter 200, subchapter 2 of this title, *chapter 200 sections 10403 and 10404* of this title, or 9 V.S.A. chapters 4, 59, or 61, or a rule adopted, or an order or directive issued pursuant to those sections, or securing information required or useful thereunder, and for purposes of initial licensing, license renewal, license suspension, license conditioning, license revocation or termination, or general or specific inquiry or investigation, the Commissioner or his or her representative may: