

**ASSEMBLY BILL**

**No. 544**

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**Introduced by Assembly Member Walters**

February 21, 2007

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An act to amend Section 50120 of the Financial Code, relating to residential mortgage lenders.

LEGISLATIVE COUNSEL'S DIGEST

AB 544, as introduced, Walters. Residential mortgage lenders.

The California Residential Mortgage Lending Act provides for the licensing and regulation by the Commissioner of Corporations of persons engaged in the business of making residential mortgage loans or servicing those loans.

This bill would make a nonsubstantive change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 50120 of the Financial Code is amended  
2 to read:  
3 50120. (a) A residential mortgage lender shall file an  
4 application for licensure under this chapter with the commissioner  
5 to make or service residential mortgage loans in this state.  
6 (b) A licensee may not engage in the business as a residential  
7 mortgage lender under a name other than the name that appears  
8 on the license, or a legally assumed name disclosed either in the  
9 application or in an amendment to the application, which shall be  
10 reflected on the license.

1 (c) A licensee may not make or service residential mortgage  
2 loans secured by real property pursuant to the authority of a license,  
3 or an exemption from licensure, under the Real Estate Law  
4 (*Division 14 (commencing with Section 10000) of the Business*  
5 *and Professions Code*).

6 (d) The commissioner may, pursuant to Section 50321, order a  
7 licensee to cease any other business conducted at any location  
8 where the licensee operates under the authority of a residential  
9 mortgage lender license, if the commissioner finds that the conduct  
10 of that business has facilitated evasions of this division or the rules  
11 adopted pursuant to this division, or that the conduct of that  
12 business is in violation of any law to which that business is subject.

13 (e) A license for a business location outside this state may be  
14 issued if the licensee agrees in writing, and subject to the sole  
15 discretion of the commissioner, to either (1) make the licensee's  
16 books, accounts, papers, records, and files available to the  
17 commissioner or the commissioner's representatives in this state  
18 within 10 calendar days of a request from the commissioner or,  
19 (2) pay the reasonable expenses for travel, meals, and lodging of  
20 the commissioner or the commissioner's representatives incurred  
21 during an investigation or examination made at the licensee's  
22 location outside this state.