

AMENDED IN SENATE MAY 18, 2010
AMENDED IN SENATE SEPTEMBER 3, 2009
AMENDED IN SENATE JULY 23, 2009
AMENDED IN ASSEMBLY JUNE 1, 2009
AMENDED IN ASSEMBLY APRIL 2, 2009
CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 34

**Introduced by ~~Assembly Member Nava~~ *Assembly Members Nava
and Cook***
(Principal coauthor: Senator Calderon)

December 1, 2008

An act to amend Sections 10100, 10140.6, 10150, 10151, 10235.5, and 10236.4 of, to add Article 2.1 (commencing with Section 10166.01) to Chapter 3 of Part 1 of Division 4 of, and to repeal Section 10131.8 of, the Business and Professions Code, to amend Sections 22100, 22101, 22101.5, 22102, 22103, 22104, 22106, 22107, 22108, 22109, 22112, 22151, 22152, 22153, 22154, 22155, 22156, 22157, 22159, 22168, 22169, 22170, 22171, 22700, 50002, 50003, 50120, 50121, 50122, 50123, 50124, 50125, 50126, 50128, 50129, 50130, 50200, 50201, 50202, 50204, 50205, 50206, 50208, 50302, 50307, 50310, 50317, 50318, 50320, 50325, 50333, 50401, 50700, and 50701 of, to add Sections 22012, 22013, 22014, 22105.1, 22105.2, 22105.3, 22105.4, 22109.1, 22109.2, 22109.3, 22109.4, 22109.5, 22109.6, 22172, 22347, 22755, 50002.5, 50003.5, 50003.6, 50209, 50307.2, and 50513 to, to add Chapter 3.5 (commencing with Section 50140) and Chapter 3.6 (commencing with Section 50150) to Division 20 of, and to repeal Sections 50601, 50602, and 50705 of, the Financial Code, and to add

~~Section 18034 to the Health and Safety Code, relating to mortgages, and declaring the urgency thereof, to take effect immediately. An act to add Sections 14201.3 and 14205.5 to the Penal Code, relating to missing persons.~~

LEGISLATIVE COUNSEL'S DIGEST

~~AB 34, as amended, Nava. Real estate, finance lender, and residential mortgage lender licenses: mortgage loan originators. Reports of missing persons: Violent Crime Information Center.~~

~~Existing law requires the Attorney General to establish and maintain a Violent Crime Information Center to assist in the identification and apprehension of persons responsible for specific violent crimes and for the disappearance and exploitation of persons, particularly children and dependent adults. Existing law also requires the Attorney General to provide information on reports of missing persons to law enforcement agencies, as provided.~~

~~This bill would require the Violent Crime Information Center to release information contained in law enforcement reports concerning missing persons to nonprofit organizations that are registered with the Attorney General's office, and that may assist in the search for the missing person or persons.~~

~~Existing law imposes certain requirements on law enforcement agencies with respect to the reporting of missing persons. Under existing law, if the person reported missing is under 16 years of age, or there is evidence that the person is at risk, as defined, the local police, sheriff's department, or the California Highway Patrol is required to submit the report to the Attorney General's office within 4 hours after accepting the report.~~

~~This bill would, notwithstanding any other provision of law, upon the filing of a report that a person is missing, require the law enforcement agency receiving the report to, within 2 hours after the receipt of the report, transmit the report to the Attorney General for inclusion in the Violent Crime Information Center and the National Crime Information Center databases. By imposing new duties on local law enforcement agencies, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~(1) Existing law, the Real Estate Law, governs the licensing and regulation of real estate licensees, as defined, as administered by the Real Estate Commissioner. Existing law imposes specified requirements on real estate brokers who solicit borrowers or lenders or negotiate loans or collect payments or perform services for borrowers or lenders relative to loans secured by real property. A willful violation of the Real Estate Law is a crime.~~

~~This bill would require a real estate license endorsement from the commissioner in order to engage in the business of a mortgage loan originator, as defined. The bill would establish penalties if a real estate licensee fails to obtain a license endorsement before conducting business as a mortgage loan originator and would authorize the commissioner to suspend or revoke a real estate license for a failure to pay these penalties. The bill would require applicants for a license endorsement as a mortgage loan originator to furnish specified background information to the Nationwide Mortgage Licensing System and Registry. The bill would establish standards for issuance and renewal of a license endorsement to act as a mortgage loan originator, including satisfying specified educational requirements. The bill would require these real estate licensees to annually submit business activities reports, and other reports that may be required, to the commissioner. The bill would authorize the commissioner to examine the affairs of real estate brokers, including those that obtain license endorsement as a mortgage loan originator. The bill would require the commissioner to report violations of the provisions regulating real estate brokers and mortgage loan originators to the Nationwide Mortgage Licensing System and Registry. The bill would require recipients of a license endorsement as a mortgage loan originator to use or disclose a specified unique identifier provided by the Nationwide Mortgage Licensing System and Registry in advertisements and solicitations of the mortgage loan originator. The bill would enact other related provisions.~~

~~(2) Existing law provides for the licensure and regulation of finance lenders and brokers and residential mortgage lenders and servicers by the Department of Corporations. A willful violation of the laws regulating these licensees is a crime.~~

~~This bill would require the licensure and regulation of mortgage loan originators, as defined, under the California Finance Lenders Law and the California Residential Mortgage Lending Act. The bill would require mortgage loan originators to also be licensed and registered through the Nationwide Mortgage Licensing System and Registry. The bill would require applicants for licensure as a mortgage loan originator to furnish specified background information to the Nationwide Mortgage Licensing System and Registry and would require applicants for licensure or license renewal to satisfy certain requirements, including educational requirements. The bill would require finance lenders and brokers, and residential mortgage lenders and servicers, that employ a mortgage loan originator to maintain a minimum net worth of \$250,000. The bill would authorize the commissioner to require finance lenders and brokers, and residential mortgage lenders and servicers, that employ a mortgage loan originator to submit reports of condition to the Nationwide Mortgage Licensing System and Registry. The bill would authorize the commissioner to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry, as specified, for the purposes of implementing these provisions of the bill. The bill would require a mortgage loan originator to use or disclose a specified unique identifier on all mortgage loan applications, solicitations, or advertisements. The bill would enact other related provisions.~~

~~(3) This bill would provide that no person is required to have a mortgage loan originator license under the California Finance Lenders Law or the California Residential Mortgage Lending Act before July 31, 2010, nor a mortgage loan originator license endorsement under the Real Estate Law, as set forth in the bill, before December 31, 2010.~~

~~(4) Because a willful violation of these provisions would be a crime, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~(5) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 *SECTION 1. Section 14201.3 is added to the Penal Code, to*
2 *read:*

3 *14201.3. The center shall release information contained in law*
4 *enforcement reports concerning missing persons to nonprofit*
5 *organizations that are registered with the Attorney General's*
6 *office, and that may assist in the search for the missing person or*
7 *persons.*

8 *SEC. 2. Section 14205.5 is added to the Penal Code, to read:*

9 *14205.5. Notwithstanding any other provision of law, upon the*
10 *filing of a report that a person is missing, the law enforcement*
11 *agency receiving the report shall, within two hours after the receipt*
12 *of the report, transmit the report to the Attorney General for*
13 *inclusion in the Violent Crime Information Center and the National*
14 *Crime Information Center databases.*

15 *SEC. 3. If the Commission on State Mandates determines that*
16 *this act contains costs mandated by the state, reimbursement to*
17 *local agencies and school districts for those costs shall be made*
18 *pursuant to Part 7 (commencing with Section 17500) of Division*
19 *4 of Title 2 of the Government Code.*

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, September 3, 2009. (JR11)**