

WEST'S ANNOTATED MISSISSIPPI CODE

TITLE 81. BANKS AND FINANCIAL INSTITUTIONS

CHAPTER 18. MISSISSIPPI S.A.F.E. MORTGAGE ACT

MS ST T. 81, Ch. 18, Refs & Annos

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West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-1

§ 81-18-1. Short title

Effective: July 1, 2020

Currentness

This chapter shall be known and cited as the “Mississippi S.A.F.E. Mortgage Act.”

Credits

Added by Laws 2000, Ch. 579, § 1, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 1, eff. July 1, 2002; Laws 2004, Ch. 364, § 1, eff. from and after passage (approved April 20, 2004); Laws 2007, Ch. 581, § 1, eff. July 1, 2007. Amended by Laws 2009, Ch. 544, § 1, eff. July 31, 2009. Reenacted and amended by Laws 2010, Ch. 462, § 1, eff. July 1, 2010. Reenacted by Laws 2012, Ch. 571, § 1, eff. July 1, 2012; Laws 2016, Ch. 360 (S.B. No. 2504), § 1, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 1, eff. July 1, 2020.

Miss. Code Ann. § 81-18-1, MS ST § 81-18-1

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Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-3

§ 81-18-3. Definitions

Effective: July 1, 2020

[Currentness](#)

For purposes of this chapter, the following terms shall have the following meanings:

- (a) “Application” means the submission of a borrower’s financial information in anticipation of a credit decision, whether written or computer-generated. If the submission does not state or identify a specific property, the submission is an application for a prequalification and not an application for a federally related mortgage loan. The subsequent addition of an identified property to the submission converts the submission to an application for a federally related mortgage loan.
- (b) “Borrower” means a person who submits an application for a residential mortgage loan.
- (c) “Branch” means a location of a company in or outside of the state that conducts business as a mortgage broker or mortgage lender. A location shall be considered a branch regarding mortgage broker or mortgage lender activities in any of the following:
- (i) If the location is used on any type of advertisement;
 - (ii) If any type of record, loan file or application of the company is located at the location, with the exception of unstaffed storage facilities; or
 - (iii) If the activities of a mortgage loan originator occur at the location.
- (d) “Commissioner” means the Commissioner of the Mississippi Department of Banking and Consumer Finance.
- (e) “Commitment” means a statement by a lender required to be licensed under this chapter that sets forth the terms and conditions upon which the lender is willing to make a particular mortgage loan to a particular borrower.
- (f) “Company” means a licensed mortgage broker or mortgage lender under this chapter.

(g) “Control” means the direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and shall include “controlling,” “controlled by,” and “under common control with.”

(h) “Department” means the Department of Banking and Consumer Finance of the State of Mississippi.

(i) “Depository institution” has the same meaning as in Section 3 of the Federal Deposit Insurance Act, and includes any credit union.

(j) “Executive officer” means the chief executive officer, the president, the principal financial officer, the principal operating officer, each vice president with responsibility involving policy-making functions for a significant aspect of a person’s business, the secretary, the treasurer, or any other person performing similar managerial or supervisory functions with respect to any organization whether incorporated or unincorporated.

(k) “Federal banking agencies” means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.

(l) “Housing finance agency” means any authority that is chartered by a state to help meet the affordable housing needs of the residents of the state, is supervised directly or indirectly by the state government, is subject to audit and review by the state in which it operates, and whose activities make it eligible to be a member of the National Council of State Housing Agencies.

(m) “Immediate family member” means a spouse, child, sibling, parent, grandparent or grandchild. This term includes stepparents, stepchildren, stepsiblings and adoptive relationships.

(n) “Individual” means a “natural person.”

(o) “License” means a license to act as a mortgage broker or mortgage lender issued by the department under this chapter.

(p) “Licensee” means a person who is required to be licensed as a mortgage broker or mortgage lender under this chapter.

(q) “Loan processor or underwriter” means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person licensed or exempt from licensing under this chapter.

For the purposes of this paragraph (q), the term “clerical or support duties” may include, after the receipt of an application:

(i) The receipt, collection, distribution and analysis of information common for the processing or underwriting of a residential mortgage loan; and

- (ii) Communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that the communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

An individual engaging solely in loan processor or underwriter activities, shall not represent to the public, through advertising or other means of communicating or providing information including the use of business cards, stationery, brochures, signs, rate lists or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

- (r) "Lock-in agreement" means a written agreement stating the terms of the lock-in fee.

- (s) "Lock-in fee" means a fee collected by a licensee to be paid to a lender to guarantee an interest rate or a certain number of points on a mortgage loan from the lender.

- (t) "Make a mortgage loan" means to advance funds, offer to advance funds or make a commitment to advance funds to a borrower.

- (u) "Misrepresent" means to make a false statement of a substantive fact or to engage in, with intent to deceive or mislead, any conduct that leads to a false belief that is material to the transaction.

- (v) "Mortgage broker" means any person who directly or indirectly or by electronic activity solicits, places or negotiates residential mortgage loans for others, or offers to solicit, place or negotiate residential mortgage loans for others that does not close residential mortgage loans in the company name, does not use its own funds, or who closes residential mortgage loans in the name of the company, and sells, assigns or transfers the loan to others within forty-eight (48) hours of the closing.

- (w) "Mortgage lender" means any person who directly or indirectly or by electronic activity originates, makes, funds or purchases or offers to originate, make, or fund or purchase a residential mortgage loan or who services residential mortgage loans.

- (x) "Mortgage-lending process" means the process through which a person seeks or obtains a mortgage loan, including, but not limited to, solicitation, application, origination, negotiation of terms, third-party provider services, underwriting, signing and closing, and funding of the loan. Documents involved in the mortgage-lending process include, but are not limited to, uniform residential loan applications or other loan applications, appraisal reports, HUD-1 Settlement Statements, supporting personal documentation for loan applications such as W-2 forms, verifications of income and employment, bank statements, tax returns, payroll stubs and any required disclosures.

- (y) "Mortgage loan originator" means an individual who:

- (i) Takes a residential mortgage loan application; and

- (ii) Offers or negotiates terms of a residential mortgage loan for compensation or gain. The term "mortgage loan originator" does not include:

1. An individual engaged solely as a loan processor or underwriter except as otherwise provided in this chapter;

2. A person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with Mississippi law, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator; and

3. A person or entity solely involved in extensions of credit relating to time-share plans, as that term is defined in [Title 11 USCS, Section 101\(53D\)](#).

(z) “Nationwide Mortgage Licensing System and Registry” means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of licensed mortgage loan originators.

(aa) “Natural person” means a human being, as distinguished from an artificial person created by law.

(bb) “Nontraditional mortgage product” means any mortgage product other than a thirty-year fixed rate mortgage.

(cc) “Offering or negotiating a residential mortgage loan” means:

(i) Presenting particular mortgage loan terms for consideration by a borrower; or

(ii) Communicating directly or indirectly with a borrower for purposes of reaching a mutual understanding about prospective loan terms.

“Offering or negotiating” does not include the following: the mere sharing of general information about a financing source; discussing hypothetical financing options, i.e., options not related to specific financing source; giving the homebuyer a list of available financing sources; discussing a buyer’s ability to afford a home; presenting or discussing generic facts or generic rate sheets; closing personal property transactions.

(dd) “Person” means a natural person, sole proprietorship, corporation, company, limited liability company, partnership or association.

(ee) “Principal” means a person who, directly or indirectly, owns or controls an ownership interest of ten percent (10%) or more in a corporation or any other form of business organization, regardless of whether the person owns or controls the ownership interest through one or more persons or one or more proxies, powers of attorney, nominees, corporations, associations, limited liability companies, partnerships, trusts, joint-stock companies, other entities or devises, or any combination thereof.

(ff) “Qualifying individual” means an owner or employee of a mortgage broker or mortgage lender who submits documentation of two (2) years’ experience directly related to mortgage activities and who shall be primarily responsible for

the operations of the licensed mortgage broker or mortgage lender. This individual will also be designated as the qualifying individual in the Nationwide Mortgage Licensing System and Registry.

(gg) “Real estate brokerage activity” means any activity that involves offering or providing real estate brokerage services to the public, including:

- (i) Acting as a real estate agent or real estate broker for a buyer, seller, lessor or lessee of real property;
- (ii) Bringing together parties interested in the sale, purchase, lease, rental or exchange of real property;
- (iii) Negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental or exchange of real property (other than in connection with providing financing with respect to any such transaction);
- (iv) Engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and
- (v) Offering to engage in any activity, or act in any capacity, described in subparagraph (i), (ii), (iii) or (iv) of this paragraph (gg).

(hh) “Records” or “documents” means any item in hard copy or produced in a format of storage commonly described as electronic, imaged, magnetic, microphotographic or otherwise, and any reproduction so made shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

(ii) “Registered mortgage loan originator” means any individual who:

(i) Meets the definition of mortgage loan originator and is an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency or an institution regulated by the Farm Credit Administration; and

(ii) Is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(jj) “Residential mortgage loan” means any loan primarily for personal, family or household use that is secured by a mortgage, deed of trust or other equivalent consensual security interest on a dwelling (as defined in Section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).

(kk) “Residential real estate” means any real property located in Mississippi upon which is constructed or intended to be constructed a dwelling.

(ll) “Service a mortgage loan” means the collection or remittance for another, the right to collect or remit for another, or the collection of the company’s own loan portfolio, whether or not the company originated, funded or purchased the loan in the

secondary market, of payments of principal and interest, trust items such as insurance and taxes, and any other payments pursuant to a mortgage loan.

(mm) “Taking an application for a residential mortgage loan” means a receipt of an application for the purpose of deciding whether or not to extend the requested offer of a loan to the borrower whether the application is received directly or indirectly from the borrower. However, an individual whose only role with respect to the application is physically handling a completed application form or transmitting a completed form to a lender on behalf of a prospective borrower does not take an application.

(nn) “Unique identifier” means a number or other identifier assigned by protocols established by the Nationwide Mortgage Licensing System and Registry.

Credits

Added by [Laws 2000, Ch. 579, § 2, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 2, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 2, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2007, Ch. 581, § 2, eff. July 1, 2007](#). Amended by [Laws 2008, Ch. 434, § 1, eff. from and after passage \(approved April 7, 2008\)](#); [Laws 2009, Ch. 544, § 2, eff. July 31, 2009](#). Reenacted and amended by [Laws 2010, Ch. 462, § 2, eff. July 1, 2010](#); [Laws 2012, Ch. 571, § 2, eff. July 1, 2012](#). Amended by [Laws 2013, Ch. 499 \(S.B. No. 2696\), § 1, eff. July 1, 2013](#). Reenacted by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 2, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 2, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-3, MS ST § 81-18-3

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Miss. Code Ann. § 81-18-5

§ 81-18-5. Exemptions

Effective: July 1, 2020

Currentness

The following are exempt from the provisions of this chapter:

- (a) Registered mortgage loan originators, when acting for an entity described in [Section 81-18-3\(ii\)](#).
- (b) Any person who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual.
- (c) Any person, estate or trust who owner finances in one (1) calendar year no more than ten (10) residential mortgage loans or no more than twenty percent (20%) of his total residential units sold, whichever is greater. A violation of this paragraph (c) shall not affect the title of the purchaser/borrower or the obligation of the purchaser/borrower under the terms of the mortgage loan.
- (d) A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of the lender, mortgage broker, or other mortgage loan originator.
- (e) A depository institution, or a subsidiary that is owned and controlled by a depository institution, or an institution regulated by the Farm Credit Administration.
- (f) Any mortgage lender who holds a valid license under the provisions of the Small Loan Regulatory Law, [Section 75-67-101 et seq.](#), and the Small Loan Privilege Tax Law, [Section 75-67-201 et seq.](#), and whose mortgage lending activities are limited solely to the servicing of mortgage loans that were in such mortgage lender's own loan portfolio as of December 31, 2009. For the purposes of the exemption in this paragraph (f), "servicing of mortgage loans" shall mean and include the collection of payments of principal and interest, insurance premiums, taxes and other payments required under such mortgage loans, and shall also include activities related to the collection of such payments such as collection calls whether by phone, mail, electronic means or in person, and enforcement remedies permitted by law or at equity. In no event shall the term "servicing of mortgage loans" include the renewal or reworking of the mortgage. If a mortgage loan is renewed or reworked, the lender shall be required to obtain a mortgage license in order to continue any mortgage activity described in this chapter.

(g) Any bona fide nonprofit organization and its employees who demonstrate to the satisfaction of the commissioner through the periodic examination of the books and activities of the organization as required in [Section 81-18-21, Mississippi Code of 1972](#), that they continually meet the following requirements, at a minimum:

(i) Maintains tax-exempt status under [Section 501\(c\)\(3\) of the Internal Revenue Code](#) of 1986;

(ii) Promotes affordable housing or provides homeownership education, or similar services;

(iii) Conducts its activities in a manner that serves public or charitable purposes;

(iv) Receives funding and revenue and charges fees in a manner that does not incentivize the organization or its employees to act other than in the best interests of its clients;

(v) Compensates employees in a manner that does not incentivize employees to act other than in the best interests of its client; and

(vi) Provides to or identifies for the borrower residential mortgage loans with terms that are favorable to the borrower and comparable to mortgage loans and housing assistance provided under government housing assistance programs.

(h) Any person who is an employee of a government agency or housing finance agency who acts as a mortgage loan originator in accordance with his duties as an employee of such agency.

(i) Any person who performs clerical or support duties at the direction of and subject to the supervision and instruction of a state-licensed loan originator or a registered loan originator. For purposes of this paragraph (i), the term “clerical or support duties” may include:

(i) The receipt, collection, distribution and analysis of information common for the processing or underwriting of a residential mortgage loan; and

(ii) Communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that such communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

Credits

Added by [Laws 2000, Ch. 579, § 3, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 3, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 3, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2007, Ch. 581, § 3, eff. July 1, 2007](#). Amended by [Laws 2008, Ch. 434, § 2, eff. from and after passage \(approved April 7, 2008\)](#); [Laws 2009, Ch. 428, § 2, eff. July 1, 2009](#); [Laws 2009, Ch. 544, § 3, eff. July 31, 2009](#). Reenacted and amended by [Laws 2010, Ch. 462, § 3, eff. July 1, 2010](#); [Laws 2012, Ch. 571, § 3, eff. July 1, 2012](#). Amended by [Laws 2013, Ch. 421 \(H.B. No. 1233\), § 1, eff. July 1, 2013](#). Reenacted by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 3, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 3, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-5, MS ST § 81-18-5

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Miss. Code Ann. § 81-18-7

§ 81-18-7. Mortgage company licensing; loan obligations; controlling persons; mortgage loan originator license requirement and effective dates; licensing rules, regulations, and interim procedures

Effective: July 1, 2020

Currentness

- (1) No person shall transact business in this state, directly or indirectly, as a mortgage broker or mortgage lender unless he or she is licensed by the department or is a person exempted from the licensing requirements under [Section 81-18-5](#).
- (2) A violation of this section does not affect the obligation of the borrower under the terms of the mortgage loan. The department shall publish and provide for distribution of information regarding approved or revoked licenses.
- (3) Every person who directly or indirectly controls a person who violates this section, including a general partner, executive officer, joint venturer, contractor, or director of the person, violates this section to the same extent as the person, unless the person whose violation arises under this subsection shows by a preponderance of evidence the burden of proof that he or she did not know and, in the exercise of reasonable care, could not have known of the existence of the facts by reason of which the original violation is alleged to exist.
- (4) An individual, unless specifically exempted from this chapter under [Section 81-18-5](#), shall not engage in the business of a mortgage loan originator with respect to any dwelling located in this state without first obtaining and maintaining annually a license under this chapter. Each licensed mortgage loan originator must register with and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.
- (5) In order to facilitate an orderly transition to licensing and minimize disruption in the mortgage marketplace, the effective date of subsection (4) of this section shall be as follows:
 - (a) For all individuals other than individuals described in paragraph (b), the effective date shall be July 31, 2010, or such later date approved by the Secretary of the United States Department of Housing and Urban Development, under the authority granted under [Public Law 110-289](#), Section 1508(a).
 - (b) For all individuals licensed as mortgage loan originators as of July 31, 2009, the effective date shall be January 1, 2011, or such later date approved by the Secretary of the United States Department of Housing and Urban Development, under the authority granted under [Public Law 110-289](#), Section 1508(a).

(6) For the purposes of implementing an orderly and efficient licensing process, the commissioner may establish licensing rules or regulations and interim procedures for licensing and acceptance of applications. For previously registered or licensed individuals, the commissioner may establish expedited review and licensing procedures.

Credits

Added by Laws 2000, Ch. 579, § 4, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 4, eff. July 1, 2002. Reenacted and amended by Laws 2004, Ch. 364, § 4, eff. from and after passage (approved April 20, 2004); Laws 2007, Ch. 581, § 4, eff. July 1, 2007; Laws 2009, Ch. 544, § 4, eff. July 31, 2009. Reenacted by Laws 2010, Ch. 462, § 4, eff. July 1, 2010; Laws 2012, Ch. 571, § 4, eff. July 1, 2012; Laws 2016, Ch. 360 (S.B. No. 2504), § 4, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 4, eff. July 1, 2020.

Notes of Decisions (1)

Miss. Code Ann. § 81-18-7, MS ST § 81-18-7

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Miss. Code Ann. § 81-18-8

§ 81-18-8. Local ordinances; authorization; effect

Effective: July 1, 2020

[Currentness](#)

Municipalities and counties in this state may enact ordinances that are in compliance with, but not more restrictive than, the provisions of this chapter. Any order, ordinance or regulation existing on July 1, 2002, or enacted on or after July 1, 2002, that conflicts with this provision shall be null and void.

Credits

Added by Laws 2002, Ch. 500, § 5, eff. July 1, 2002. Reenacted by Laws 2004, Ch. 364, § 5, eff. from and after passage (approved April 20, 2004). Reenacted by Laws 2007, Ch. 581, § 5, eff. July 1, 2007; Laws 2010, Ch. 462, § 5, eff. July 1, 2010; Laws 2016, Ch. 360 (S.B. No. 2504), § 5, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 5, eff. July 1, 2020.

Miss. Code Ann. § 81-18-8, MS ST § 81-18-8

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Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)

in General

Miss. Code Ann. § 81-18-9

§ 81-18-9. License applications; form and contents; filing requirements; loan originator licenses; application; qualifications and requirements; registry use

Effective: July 1, 2020

[Currentness](#)

- (1) Applicants for a license shall apply in a form as prescribed by the commissioner. Each such form shall contain content as set forth by rule, regulation, instruction or procedure of the commissioner and may be changed or updated as necessary by the commissioner in order to carry out the purposes of this chapter.
- (2) The mortgage broker and mortgage lender application through the Nationwide Mortgage Licensing System and Registry shall include, but is not limited to, the following:
 - (a) The legal name, residence and business address of the applicant and, if applicable, the legal name, residence and business address of every principal and executive officer, together with the résumé of the applicant and of every principal and executive officer of the applicant. In addition, an independent credit report obtained from a consumer-reporting agency described in Section 603(p) of the Fair Credit Reporting Act and information related to any administrative, civil or criminal findings by any governmental jurisdiction of every principal and executive officer.
 - (b) The legal name of the mortgage broker or mortgage lender in addition to the name under which the applicant will conduct business in the state, neither of which may be already assigned to a licensed mortgage broker or mortgage lender.
 - (c) The complete address of the applicant's principal place of business, branch office(s) and any other locations at which the applicant will engage in any business activity covered by this chapter. All locations shall be within the United States of America or a territory of the United States of America, including Puerto Rico and the U.S. Virgin Islands.
 - (d) A copy of the certificate of incorporation, if a Mississippi corporation.
 - (e) Documentation satisfactory to the department as to a certificate of existence of authority to transact business lawfully in Mississippi from the Mississippi Secretary of State's office, if a limited liability company, partnership, trust or any other group of persons, however organized. This paragraph does not pertain to applicants organized as an individual or as a sole proprietorship.
 - (f) If a foreign entity, a copy of a certificate of authority to conduct business in Mississippi and the address of the principal place of business of the foreign entity.

(g) Documentation of a minimum of two (2) years' experience directly related to mortgage activities by a person named as the qualifying individual of the company. The qualifying individual shall be primarily responsible for the operations of the licensed mortgage broker or mortgage lender. Only one (1) qualifying individual shall be named for Mississippi and this person shall be the qualifying individual for only one (1) licensee. Evidence of experience shall include, where applicable:

(i) Copies of business licenses issued by governmental agencies.

(ii) Employment history of the person filing the application for at least two (2) years before the date of the filing of an application, including, but not limited to, job descriptions, length of employment, names, addresses and phone numbers for past employers.

(iii) Any other data and pertinent information as the department may require with respect to the applicant, its directors, principals, trustees, officers, members, contractors or agents. A résumé alone shall not be sufficient proof of employment history.

(3) The mortgage broker and mortgage lender applications shall be filed on the Nationwide Mortgage Licensing System and Registry together with the following:

(a) The license fee specified in Section 81-18-15;

(b) An original or certified copy of a surety bond in favor of the State of Mississippi for the use, benefit and indemnity of any person who suffers any damage or loss as a result of the company's breach of contract or of any obligation arising therefrom or any violation of law;

(c) A set of fingerprints from any local law enforcement agency from the following applicants:

(i) All persons operating as a sole proprietorship that plan to conduct a mortgage-brokering or lending business in the State of Mississippi;

(ii) Partners in a partnership or principal owners of a limited liability company that own at least ten percent (10%) of the voting shares of the company;

(iii) Any shareholders owning ten percent (10%) or more of the outstanding shares of the corporation;

(iv) All executive officers of the applicant;

(v) All loan originators; and

(vi) The named qualifying individual of the company as required in Section 81-18-9(2)(g). The applicant shall name only one (1) individual as the qualifying individual for the State of Mississippi; and

(d) At least one (1) employee shall be licensed as a loan originator at a licensed location.

(4) In connection with an application for licensing as a mortgage broker or lender under this chapter, the required stockholders, owners, directors and executive officers of the applicant shall, at a minimum, furnish to the Nationwide Mortgage Licensing System and Registry information concerning the individual's identity, including:

(a) Fingerprints from any local law enforcement agency for submission to the Federal Bureau of Investigation and any governmental entity authorized to receive that information for a state, national and/or international criminal history background check; and

(b) Personal history and experience in a form prescribed by the Nationwide Mortgage Licensing System and Registry, including the submission of authorization for the Nationwide Mortgage Licensing System and Registry and the commissioner to obtain:

(i) An independent credit report obtained from a consumer-reporting agency described in Section 603(p) of the Fair Credit Reporting Act; and

(ii) Information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(5) Upon receipt of an application for licensure, the department or designated third party shall conduct an investigation as it deems necessary to determine that the applicant and its officers, directors and principals are of good character and ethical reputation; that the applicant demonstrates reasonable financial responsibility; and that the applicant has reasonable policies and procedures to receive and process customer grievances and inquiries promptly and fairly.

(6) The commissioner shall not license an applicant unless he is satisfied that the applicant will operate its mortgage activities in compliance with the laws, rules and regulations of this state and the United States.

(7) If an applicant satisfies the requirements of this chapter for a mortgage broker or mortgage lender license, the commissioner shall issue the license unless the commissioner finds any of the following:

(a) The applicant has had a mortgage lender, mortgage broker or mortgage servicer license revoked in any governmental jurisdiction, except that a subsequent formal vacation of the revocation shall not be deemed a revocation; or

(b) The applicant or its controlling persons has been convicted of, or pled guilty or nolo contendere to, (i) a felony in a domestic, foreign or military court during the seven-year period preceding the date of application for licensing; or (ii) at any time preceding the date of application if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. However, any pardon or expungement of a conviction shall not be a conviction for purposes of this subsection.

(8) Applicants for a mortgage loan originator license shall apply in a form as prescribed by the commissioner and shall be filed on the Nationwide Mortgage Licensing System and Registry. Each such form shall contain content as set forth by rules, regulations, instructions or procedures of the commissioner and may be changed or updated as necessary by the commissioner in order to carry out the purposes of this chapter. The initial license of a mortgage loan originator shall be accompanied by a fee of Two Hundred Dollars (\$200.00), to be paid to the Nationwide Mortgage Licensing System and Registry, and any additional fees as required by the Nationwide Mortgage Licensing System and Registry. The commissioner shall not issue a mortgage loan originator license unless the commissioner makes at a minimum the following findings:

(a) The applicant has never had a mortgage loan originator license revoked in any governmental jurisdiction, except that a later formal vacation of that revocation shall not be deemed a revocation.

(b) The applicant has not been convicted of, or pled guilty or nolo contendere to, (i) a felony in a domestic, foreign or military court during the seven-year period preceding the date of application for licensing; or (ii) at any time preceding the date of application if such felony involved an act of fraud, dishonesty, a breach of trust or money laundering. However, any pardon or expungement of a conviction shall not be a conviction for purposes of this subsection.

(c) The applicant has demonstrated financial responsibility, character and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly and efficiently within the purposes of this chapter.

(d) The applicant has completed the prelicensing education requirement described in [Section 81-18-14\(1\)](#).

(e) The applicant has passed a written test that meets the test requirement described in [Section 81-18-14\(7\)](#).

(f) The applicant has met the surety bond requirement as provided in [Section 81-18-11](#).

(g) This individual must work for a Mississippi licensed company and work from the location licensed with the department. The licensed location that he or she is assigned to must be within one hundred twenty-five (125) miles of his or her residency. If the licensed loan originator resides and works in Mississippi, then he or she may work from any licensed location of the licensed company within the State of Mississippi. However, an owner of a minimum of ten percent (10%) of a licensed company or the named qualifying individual on file with the department, who is a licensed loan originator with the department, may work from any licensed location of the licensed company within the State of Mississippi in the capacity of a loan originator as described in this chapter.

(9) In order to fulfill the purposes of this chapter, the commissioner is authorized to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry or other entities designated by the Nationwide Mortgage Licensing System and Registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.

(10) In connection with an application for licensing as a mortgage loan originator, the applicant shall, at a minimum, furnish to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity, including:

(a) Fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive that information for a state, national and/or international criminal history background check; and

(b) Personal history and experience in a form prescribed by the Nationwide Mortgage Licensing System and Registry, including the submission of authorization for the Nationwide Mortgage Licensing System and Registry and the commissioner to obtain:

(i) An independent credit report obtained from a consumer-reporting agency described in Section 603(p) of the Fair Credit Reporting Act; and

(ii) Information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(11) For the purposes of this section and in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of subsection (10)(a) and (b)(ii) of this section, the commissioner may use the Nationwide Mortgage Licensing System and Registry as a channeling agent for requesting information from and distributing information to the Department of Justice or any governmental agency.

(12) For the purposes of this section and in order to reduce the points of contact which the commissioner may have to maintain for purposes of subsection (10)(b)(i) and (ii) of this section, the commissioner may use the Nationwide Mortgage Licensing System and Registry as a channeling agent for requesting and distributing information to and from any source so directed by the commissioner.

Credits

Added by [Laws 2000, Ch. 579, § 5](#), eff. July 1, 2000. Reenacted and amended by [Laws 2002, Ch. 500, § 6](#), eff. July 1, 2002. Reenacted by [Laws 2004, Ch. 364, § 6](#), eff. from and after passage (approved April 20, 2004); [Laws 2007, Ch. 581, § 6](#), eff. July 1, 2007. Amended by [Laws 2008, Ch. 434, § 3](#), eff. from and after passage (approved April 7, 2008); [Laws 2009, Ch. 544, § 5](#), eff. July 31, 2009. Reenacted and amended by [Laws 2010, Ch. 462, § 6](#), eff. July 1, 2010; [Laws 2012, Ch. 571, § 5](#), eff. July 1, 2012. Amended by [Laws 2013, Ch. 499 \(S.B. No. 2696\), § 2](#), eff. July 1, 2013. Reenacted and amended by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 6](#), eff. July 1, 2016. Reenacted by [Laws 2020, S.B. No. 2427, § 6](#), eff. July 1, 2020.

Miss. Code Ann. § 81-18-9, MS ST § 81-18-9

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-11

§ 81-18-11. Surety bonds; requirement; form; amount; new bond; rules and regulations

Effective: July 1, 2020

Currentness

- (1) Each mortgage loan originator shall be covered by a surety bond in accordance with this section. If the mortgage loan originator is an employee or exclusive agent of a person subject to this chapter, the surety bond of the person who is subject to this chapter may be used in lieu of the mortgage loan originator's surety bond requirement.
- (2) The surety bond shall be in a form as prescribed by the commissioner, and shall provide coverage for each mortgage loan originator in an amount as prescribed in subsection (3) of this section.
- (3) The penal sum of the surety bond shall be maintained in an amount as determined by the commissioner by rule or regulation and shall be based upon loan activity during the previous year, but shall not exceed Twenty-five Thousand Dollars (\$25,000.00) for a mortgage broker or One Hundred Fifty Thousand Dollars (\$150,000.00) for a mortgage lender. For an initial applicant, the bond amount shall be set at Twenty-five Thousand Dollars (\$25,000.00) for a mortgage broker and One Hundred Fifty Thousand Dollars (\$150,000.00) for a mortgage lender.
- (4) When an action is commenced on a licensee's bond, the commissioner may require the filing of a new bond. Immediately upon recovery upon any action on the bond, the licensee shall file a new bond.
- (5) All surety bonds shall be in favor, first, of the State of Mississippi for the use, benefit and indemnity of any person who suffers any damage or loss as a result of the company's breach of contract or of any obligation arising from the contract or any violation of law, and, second, for the payment of any civil penalties, criminal fines, or costs of investigation and/or prosecution incurred by the State of Mississippi, including local law enforcement agencies.
- (6) The commissioner may promulgate rules or regulations with respect to the requirements for the surety bonds as are necessary to accomplish the purposes of this chapter.

Credits

Added by [Laws 2000, Ch. 579, § 6, eff. July 1, 2000](#). Reenacted by [Laws 2002, Ch. 500, § 7, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 7, eff. from and after passage \(approved April 20, 2004\)](#). Reenacted and amended by [Laws 2007, Ch. 581, § 7, eff. July 1, 2007](#); [Laws 2009, Ch. 544, § 6, eff. July 31, 2009](#). Reenacted by [Laws 2010, Ch. 462, § 7, eff. July 1, 2010](#). Reenacted and amended by [Laws 2012, Ch. 571, § 6, eff. July 1, 2012](#). Reenacted by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 7, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 7, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-11, MS ST § 81-18-11

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)

in General

Miss. Code Ann. § 81-18-13

§ 81-18-13. Licensing of mortgage brokers and lenders; requirements; registry use; investigations; grounds for license denial; indemnification

Effective: July 1, 2020

Currentness

(1) In order to fulfill the purposes of this chapter, the commissioner is authorized to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry or other entities designated by the Nationwide Mortgage Licensing System and Registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.

(2) Within thirty (30) days after receipt of a completed application, final verification from the Department of Public Safety and/or FBI, and payment of licensing fees prescribed by this chapter, the department shall either grant or deny the request for license. However, if the Federal Financial Institutions Examination Council (FFIEC) prescribes a lesser period of time within which the department shall either grant or deny the request for license, then that time limitation shall supersede this subsection.

(3) A person shall not be indemnified for any act covered by this chapter or for any fine or penalty incurred under this chapter as a result of any violation of this chapter or regulations adopted under this chapter, due to the legal form, corporate structure, or choice of organization of the person, including, but not limited to, a limited liability corporation.

Credits

Added by Laws 2000, Ch. 579, § 7, eff. July 1, 2000. Reenacted and amended by Laws 2002, Ch. 500, § 8, eff. July 1, 2002. Reenacted by Laws 2004, Ch. 364, § 8, eff. from and after passage (approved April 20, 2004). Reenacted and amended by Laws 2007, Ch. 581, § 8, eff. July 1, 2007; Laws 2009, Ch. 544, § 7, eff. July 31, 2009; Laws 2010, Ch. 462, § 8, eff. July 1, 2010; Laws 2012, Ch. 571, § 7, eff. July 1, 2012. Amended by Laws 2013, Ch. 499 (S.B. No. 2696), § 3, eff. July 1, 2013. Reenacted by Laws 2016, Ch. 360 (S.B. No. 2504), § 8, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 8, eff. July 1, 2020.

Miss. Code Ann. § 81-18-13, MS ST § 81-18-13

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)

in General

Miss. Code Ann. § 81-18-14

§ 81-18-14. Prelicensing education requirements; qualified written tests; retakes

Effective: July 1, 2020

Currentness

(1) In order to meet the prelicensing education requirement referred to in [Section 81-18-9\(4\)\(d\)](#), a person shall complete at least twenty (20) hours of education approved in accordance with subsection (2) of this section, which shall include at least:

(a) Three (3) hours of federal law and regulations;

(b) Three (3) hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues;

(c) Two (2) hours of training related to lending standards for the nontraditional mortgage product marketplace; and

(d) Four (4) hours of education related to the Mississippi S.A.F.E. Mortgage Act.

(2) For the purposes of subsection (1) of this section, prelicensing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards. Review and approval of a prelicensing education course shall include review and approval of the course provider.

(3) Nothing in this section shall preclude any prelicensing education course, as approved by the Nationwide Mortgage Licensing System and Registry, that is provided by the employer of the applicant or an entity that is affiliated with the applicant by an agency contract, or any subsidiary or affiliate of such employer or entity.

(4) Prelicensing education may be offered either in a classroom, online or by any other means approved by the Nationwide Mortgage Licensing System and Registry.

(5) The prelicensing education requirements approved by the Nationwide Mortgage Licensing System and Registry in subsection (1) of this section for any state shall be accepted as credit towards completion of prelicensing education requirements in Mississippi.

(6) A person previously licensed under this chapter who applies to be licensed again on or after July 1, 2009, must prove that they have completed all of the continuing education requirements for the year in which the license was last held.

(7) In order to meet the written test requirement for mortgage loan originators referred to in [Section 81-18-9\(4\)\(e\)](#), an individual shall pass, in accordance with the standards established under this subsection, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by a test provider approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards.

(8) A written test shall not be treated as a qualified written test for purposes of subsection (7) of this section unless the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including:

(a) Ethics;

(b) Federal law and regulation pertaining to mortgage origination;

(c) State law and regulation pertaining to mortgage origination; and

(d) Federal and state law and regulation, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace and fair lending issues.

(9) Nothing in this section shall prohibit a test provider approved by the Nationwide Mortgage Licensing System and Registry from providing a test at the location of the employer of the applicant or the location of any subsidiary or affiliate of the employer of the applicant, or the location of any entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

(10)(a) An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than seventy-five percent (75%) correct answers to questions.

(b) An individual may retake a test three (3) consecutive times with each consecutive taking occurring at least thirty (30) days after the preceding test.

(c) After failing three (3) consecutive tests, an individual shall wait at least six (6) months before taking the test again.

(d) A licensed mortgage loan originator who fails to maintain a valid license for a period of five (5) years or longer shall retake the test, not taking into account any time during which such individual is a registered mortgage loan originator.

Credits


Added by [Laws 2009, Ch. 544, § 8, eff. July 31, 2009](#). Reenacted and amended by [Laws 2010, Ch. 462, § 9, eff. July 1, 2010](#). Reenacted by [Laws 2012, Ch. 571, § 8, eff. July 1, 2012](#); [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 9, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 9, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-14, MS ST § 81-18-14

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West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-15

§ 81-18-15. License fees and renewals; continuing education requirements

Effective: July 1, 2020

[Currentness](#)

(1) Each mortgage broker and mortgage lender license shall remain in full force and effect until relinquished, suspended, revoked or expired. With each initial application for a license to operate as a mortgage broker or mortgage lender, the applicant shall pay through the Nationwide Mortgage Licensing System and Registry to the commissioner a license fee of One Thousand Five Hundred Dollars (\$1,500.00); however, if the initial mortgage broker or mortgage lender license is issued between November 1 and December 31, the license will expire December 31 of the following licensing year. Upon the expiration of the initial license, the licensee shall pay an annual renewal fee of One Thousand Dollars (\$1,000.00) on or before December 31 of each year. If the annual renewal fee remains unpaid, the license shall expire, but not before December 31 of any year for which the annual renewal fee has been paid. If the renewal fee is not paid before the expiration date of the license, then the licensee shall be liable for the initial license fee, which is One Thousand Five Hundred Dollars (\$1,500.00), plus a penalty in an amount not to exceed Twenty-five Dollars (\$25.00) for each day after the expiration of the license. All licensing fees and penalties shall be paid into the Consumer Finance Fund of the department. If the application is withdrawn or denied, the application fee along with any other applicable fee are not refundable.

(2) The minimum standards for license renewal for mortgage loan originators shall include the following:

(a) The mortgage loan originator continues to meet the minimum standards for license issuance under [Section 81-18-9\(4\)](#).

(b) The mortgage loan originator has satisfied the annual continuing education requirements described in Section 81-18-15(5).

(c) The mortgage loan originator has paid all required fees for renewal of the license. Annual renewals of this license shall require a fee of One Hundred Dollars (\$100.00).

(3) The license of a mortgage loan originator failing to satisfy the minimum standards for license renewal shall expire. The commissioner may adopt procedures for the reinstatement of expired licenses consistent with the standards established by the Nationwide Mortgage Licensing System and Registry. If the renewal fee remains unpaid, the license shall expire, but not before December 31 of any year for which the annual renewal fee has been paid. However, if the initial loan originator license is issued between November 1 and December 31, the license will expire December 31 of the following licensing year. If the renewal fee is not paid before the expiration date of the license, the mortgage loan originator shall be liable for the initial license fee, which is Two Hundred Dollars (\$200.00), in order to renew.

(4) Any licensee making timely and proper application for a license renewal shall be permitted to continue to operate under its existing license until its application is approved or rejected, but shall not be released from or otherwise indemnified for any act covered by this chapter or for any penalty incurred under this chapter as a result of any violation of this chapter or regulations adopted under this chapter, pending final approval or disapproval of the application for the license renewal.

(5) In order to meet the annual continuing education requirements referred to in Section 81-18-15(2)(b), a licensed mortgage loan originator shall complete at least eight (8) hours of education approved in accordance with subsection (2) of this section, which shall include at least:

(a) Three (3) hours of federal law and regulations;

(b) Two (2) hours of ethics, which shall include instruction on fraud, consumer protection and fair lending issues; and

(c) Two (2) hours of training related to lending standards for the nontraditional mortgage product marketplace.

(6) For the purposes of subsection (5) of this section, continuing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards. Review and approval of a continuing education course shall include review and approval of the course provider.

(7) Nothing in this section shall preclude any education course, as approved by the Nationwide Mortgage Licensing System and Registry, that is provided by the employer of the mortgage loan originator or an entity that is affiliated with the mortgage loan originator by an agency contract, or any subsidiary or affiliate of such employer or entity.

(8) Continuing education may be offered either in a classroom, online or by any other means approved by the Nationwide Mortgage Licensing System and Registry.

(9) A licensed mortgage loan originator:

(a) Except for Section 81-18-15(3) and subsection (13) of this section, may only receive credit for a continuing education course in the year in which the course is taken; and

(b) May not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

(10) A licensed mortgage loan originator who is an approved instructor of an approved continuing education course may receive credit for the licensed mortgage loan originator's own annual continuing education requirement at the rate of two (2) hours credit for every one (1) hour taught.

(11) A person having successfully completed the education requirements approved by the Nationwide Mortgage Licensing System and Registry in subsection (5) of this section for any state shall be accepted as credit towards completion of continuing education requirements in Mississippi.

(12) A licensed mortgage loan originator who later becomes unlicensed must complete the continuing education requirements for the last year in which the license was held prior to issuance of a new or renewed license.

(13) A person meeting the requirements of subsection (2)(a) and (c) of this section may make up any deficiency in continuing education as established by rule or regulation of the commissioner.

Credits

Added by [Laws 2000, Ch. 579, § 8, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 9, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 9, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2007, Ch. 581, § 9, eff. July 1, 2007](#). Amended by [Laws 2008, Ch. 434, § 4, eff. from and after passage \(approved April 7, 2008\)](#); [Laws 2009, Ch. 544, § 9, eff. July 31, 2009](#). Reenacted and amended by [Laws 2010, Ch. 462, § 10, eff. July 1, 2010](#). Reenacted by [Laws 2012, Ch. 571, § 9, eff. July 1, 2012](#). Amended by [Laws 2013, Ch. 499 \(S.B. No. 2696\), § 4, eff. July 1, 2013](#). Reenacted and amended by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 10, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 10, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-15, MS ST § 81-18-15

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-17

§ 81-18-17. License contents; posting and transfer; business
name; address changes; branch offices; personnel changes

Effective: July 1, 2020

Currentness

- (1) A license may not be transferred or assigned.
- (2) No licensee shall transact business under any name other than that designated in the license.
- (3) A licensed mortgage broker or mortgage lender shall notify the department through the Nationwide Mortgage Licensing System and Registry of any change in the address of its principal place of business or of any change in the address of an additional licensed branch location within thirty (30) days of the change.
- (4) No licensee shall open a branch office in this state or a branch office outside this state from which the licensee has direct contact with consumers regarding origination or brokering Mississippi residential property, without prior approval of the department. An application for any branch office shall be made through the Nationwide Mortgage Licensing System and Registry on a form prescribed by the department, which shall include at least evidence of compliance with [subsection \(1\) of Section 81-18-25](#) as to that branch and shall be accompanied by payment of a nonrefundable application fee of Three Hundred Dollars (\$300.00) and at least one (1) loan originator application licensed at that branch office. The application shall be approved unless the department finds that the applicant has not conducted business under this chapter in accordance with law. Each branch office that currently holds a branch license shall renew that branch license before the expiration date of the main company license, on or before December 31; however, if the initial branch license is issued between November 1 and December 31, the license will expire December 31 of the following licensing year. The license renewal shall be on a form prescribed by the department with a nonrefundable renewal application fee of One Hundred Dollars (\$100.00). If the annual renewal fee remains unpaid, the license shall expire, but not before December 31 of any year for which the annual renewal fee has been paid. If the renewal fee is not paid before the expiration date of the license, the branch shall be liable for the initial license fee, which is Three Hundred Dollars (\$300.00), in order to renew.
- (5) A licensed mortgage broker or mortgage lender shall notify the department within thirty (30) days by submitting a sponsorship removal in the Nationwide Mortgage Licensing System and Registry when a loan originator is released from its employment. In addition, the licensed mortgage broker or mortgage lender shall notify the department within thirty (30) days through the Nationwide Mortgage Licensing System and Registry when there is a change of the qualifying individual of the licensee.

Credits

Added by [Laws 2000, Ch. 579, § 9, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 10, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 10, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2007, Ch. 581, § 10, eff. July 1, 2007](#). Amended by [Laws 2008, Ch. 434, § 5, eff. from and after passage \(approved April 7, 2008\)](#); [Laws 2009, Ch. 544, § 10, eff. July 31, 2009](#). Reenacted and amended by [Laws 2010, Ch. 462, § 11, eff. July 1, 2010](#); [Laws 2012, Ch. 571, § 10, eff. July 1, 2012](#). Amended by [Laws 2013, Ch. 499 \(S.B. No. 2696\), § 5, eff. July 1, 2013](#). Reenacted by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 11, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 11, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-17, MS ST § 81-18-17

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Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-19

§ 81-18-19. Acquisitions and mergers; license denial review

Effective: July 1, 2020

[Currentness](#)

- (1) Except as provided in this section, no person shall acquire directly or indirectly ten percent (10%) or more of the voting shares of a corporation or ten percent (10%) or more of the ownership of any other entity licensed to conduct business under this chapter unless it first files an application in accordance with the requirements prescribed in [Section 81-18-9](#).
- (2) Upon the filing and investigation of an application, the department shall permit the applicant to acquire the interest in the licensee if it is satisfied and finds that the applicant and its members, if applicable, its directors and officers, if a corporation, and any proposed new directors and officers have provided its surety bond and have the character, reputation and experience to warrant belief that the business will be operated fairly and in accordance with the law. If the application is denied, the department shall notify the applicant of the denial and the reasons for the denial.
- (3) A decision of the department denying a license, original or renewal, shall be conclusive, except that the applicant may seek judicial review in the Chancery Court of the First Judicial District of Hinds County, Mississippi.
- (4) The provisions of this section do not apply to the following, subject to notification as required in this section:
- (a) The acquisition of an interest in a licensee directly or indirectly including an acquisition by merger or consolidation by or with a person licensed under this chapter or exempt from this chapter under [Section 81-18-5](#).
 - (b) The acquisition of an interest in a licensee directly or indirectly including an acquisition by merger or consolidation by or with a person affiliated through common ownership with the licensee.
 - (c) The acquisition of an interest in a licensee by a person by bequest, devise, gift or survivorship or by operation of law.
- (5) A person acquiring an interest in a licensee in a transaction that is requesting exemption from filing an application for approval of the application shall send a written request to the department for an exemption within thirty (30) days before the closing of the transaction.

Credits

Added by Laws 2000, Ch. 579, § 10, eff. July 1, 2000. Reenacted and amended by Laws 2002, Ch. 500, § 11, eff. July 1, 2002; Laws 2004, Ch. 364, § 11, eff. from and after passage (approved April 20, 2004). Reenacted by Laws 2007, Ch. 581, § 11, eff. July 1, 2007. Amended by Laws 2008, Ch. 434, § 6, eff. from and after passage (approved April 7, 2008); Laws 2009, Ch. 544, § 11, eff. July 31, 2009. Reenacted by Laws 2010, Ch. 462, § 12, eff. July 1, 2010. Reenacted and amended by Laws 2012, Ch. 571, § 11, eff. July 1, 2012. Reenacted by Laws 2016, Ch. 360 (S.B. No. 2504), § 12, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 12, eff. July 1, 2020.

Miss. Code Ann. § 81-18-19, MS ST § 81-18-19

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Proposed Legislation

West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-21

§ 81-18-21. Recordkeeping; inspections and investigations; access to books and records; confidentiality; immunity; enforcement authority of commissioner

Effective: July 1, 2020

Currentness

(1) Any person required to be licensed under this chapter shall maintain in its offices, or such other location as the department shall permit, the books, accounts and records necessary for the department to determine whether or not the person is complying with the provisions of this chapter and the rules and regulations adopted by the department under this chapter. These books, accounts and records shall be maintained apart and separate from any other business in which the person is involved and may represent historical data for five (5) years from the final disposition of the loan application to which the records relate. The books, accounts and records for individual consumer mortgage files shall be maintained apart and separate from any other personal loan files made by the same consumer. The books, accounts and records shall be kept in a secure location under conditions that will not lead to their damage or destruction. If the licensee wishes to keep the files in a location other than the location listed on the license, then the licensee first must submit a written request on a form designated by the department and gain written approval from the commissioner before storing the files at an off-site secure location.

(2) To assure compliance with the provisions of this chapter, the department may examine the books and records of any licensee without notice during normal business hours. The commissioner shall charge the licensee an examination fee in an amount not less than Three Hundred Dollars (\$300.00) nor more than Six Hundred Dollars (\$600.00) per day with a maximum examination fee of Two Thousand Four Hundred Dollars (\$2,400.00) for each office or location within the State of Mississippi, and an examination fee in an amount not less than Three Hundred Dollars (\$300.00) nor more than Eight Hundred Dollars (\$800.00) per day for each office or location outside the State of Mississippi, plus any actual expenses incurred while examining the licensee's records or books that are located outside the State of Mississippi. However, in no event shall a licensee be examined more than once in a two-year period unless for cause shown based upon consumer complaint and/or other exigent reasons as determined by the commissioner.

(3) The department, its designated officers and employees, or its duly authorized representatives, for the purposes of discovering violations of this chapter and for the purpose of determining whether any person or individual reasonably suspected by the commissioner of conducting business that requires a license under this chapter, may investigate those persons and individuals and examine all relevant books, records and papers employed by those persons or individuals in the transaction of business, and may summon witnesses and examine them under oath concerning matters as to the business of those persons, or other such matters as may be relevant to the discovery of violations of this chapter, including, without limitation, the conduct of business without a license as required under this chapter.

(4) Each licensee, individual or person subject to this chapter shall make available to the commissioner upon request the books and records relating to the operations of the licensee, individual or person subject to this chapter. The commissioner shall have access to those books and records and interview the officers, principals, mortgage loan originators, employees, independent contractors, agents, and customers of the licensee, individual or person subject to this chapter concerning their business. Failure to produce the books and records within sixty (60) days from the date of request may result in a violation of this chapter, resulting in a civil penalty.

(5) Each licensee, individual or person subject to this chapter shall make or compile reports or prepare other information as directed by the commissioner in order to carry out the purposes of this section, including, but not limited to:

(a) Accounting compilations;

(b) Information lists and data concerning loan transactions in a format prescribed by the commissioner; or

(c) Such other information deemed necessary to carry out the purposes of this section.

(6) In making any examination or investigation authorized by this chapter, the commissioner may control access to any documents and records of the licensee or person under examination or investigation. The commissioner may take possession of the documents and records or place a person in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, no individual or person shall remove or attempt to remove any of the documents and records except under a court order or with the consent of the commissioner. Unless the commissioner has reasonable grounds to believe the documents or records of the licensee have been or are at risk of being altered or destroyed for purposes of concealing a violation of this chapter, the licensee or owner of the documents and records shall have access to the documents or records as necessary to conduct its ordinary business affairs.

(7) The commissioner shall report regularly violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Mortgage Licensing System and Registry subject to the provisions contained in Section 81-18-63.

(8) Examinations and investigations conducted under this chapter and information obtained by the department, except as provided in subsection (7) of this section, in the course of its duties under this chapter are confidential.

(9) In the absence of malice, fraud or bad faith a person is not subject to civil liability arising from the filing of a complaint with the department, furnishing other information required by this chapter, information required by the department under the authority granted in this chapter, or information voluntarily given to the department related to allegations that a licensee or prospective licensee has violated this chapter. Failure of a person to respond to a formal complaint made with the department by a consumer may result in a violation of this chapter, resulting in a civil penalty.

(10) In order to carry out the purposes of this section, the commissioner may:

(a) Accept and rely on examination or investigation reports made by other government officials, within or without this state; or

(b) Accept audit reports made by an independent certified public accountant for the licensee, individual or person subject to this chapter in the course of that part of the examination covering the same general subject matter as the audit and may incorporate the audit report in the report of the examination, report of investigation or other writing of the commissioner; or

(c) Rely upon attorneys, accountants, or other professionals and specialists as examiners, auditors or investigators to conduct or assist in the conduct of examinations or investigations; or

(d) Enter into agreements or relationships with other government officials or regulatory associations, including, but not limited to, joint enforcement action, by sharing resources, standardized or uniform methods or procedures, and documents, records, information or evidence obtained under this section.

(11) The authority of this section shall remain in effect, whether such a licensee, individual or person subject to this chapter acts or claims to act under any licensing or registration law of this state, or claims to act without that authority.

(12) No licensee, individual or person subject to investigation or examination under this section may knowingly withhold, abstract, remove, mutilate, destroy, falsify, abandon or secret any books, records, computer records or other information.

Credits

Added by [Laws 2000, Ch. 579, § 11, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 12, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 12, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2007, Ch. 581, § 12, eff. July 1, 2007](#). Amended by [Laws 2009, Ch. 544, § 12, eff. July 31, 2009](#). Reenacted by [Laws 2010, Ch. 462, § 13, eff. July 1, 2010](#); [Laws 2012, Ch. 571, § 12, eff. July 1, 2012](#). Amended by [Laws 2013, Ch. 499 \(S.B. No. 2696\), § 6, eff. July 1, 2013](#). Reenacted and amended by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 13, eff. July 1, 2016](#). Reenacted and amended by [Laws 2020, S.B. No. 2427, § 13, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-21, MS ST § 81-18-21

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West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-23

§ 81-18-23. Submission of reports of condition to registry; penalty collection or relief; event reporting

Effective: July 1, 2020

[Currentness](#)

- (1) Each mortgage licensee shall submit to the Nationwide Mortgage Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide Mortgage Licensing System and Registry may require. Failure to file accurate, timely and complete reports on the Nationwide Mortgage Licensing System and Registry may result in a violation of this chapter, resulting in a civil penalty.
- (2) The department, in its discretion, may relieve any company from the payment of any penalty, in whole or in part, for good cause.
- (3) If a company fails to pay a penalty from which it has not been relieved, the department may maintain an action at law to recover the penalty.
- (4) Within fifteen (15) days of the occurrence of any of the following events, a company shall file with the Nationwide Mortgage Licensing System and Registry the applicable change in the disclosure questions and shall submit the information through the Nationwide Mortgage Licensing System and Registry or file a written report with the commissioner describing the event and its expected impact on the activities of the company in this state:
- (a) The filing for bankruptcy or reorganization by the company;
 - (b) The institution of revocation or suspension proceedings against the company by any state or governmental authority;
 - (c) Any felony indictment of the company or any of its directors, executive officers, qualifying individual or loan originators;
 - (d) Any felony conviction of the company or any of its directors, executive officers, qualifying individual or loan originators;
 - (e) Expiration, termination or default, technical or otherwise, of any existing line of credit or warehouse credit agreement;
 - (f) Suspension or termination of the licensee's status as an approved seller or seller/servicer by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or Government National Mortgage Association;

(g) Exercise of recourse rights by investors or subsequent assignees of mortgage loans if such loans, in the aggregate, exceed the licensee's net worth exclusive of real property and fixed assets; or

(h) Existence of negative balances, exceeding One Hundred Dollars (\$100.00) in any operation account at any time or the return of checks, exceeding One Hundred Dollars (\$100.00) for insufficient funds.

(5) Licensees who are involved in civil actions shall notify the Nationwide Mortgage Licensing System and Registry within sixty (60) days of the occurrence. An explanation and supporting documentation for each civil action concerning the company shall be submitted through the Nationwide Mortgage Licensing System and Registry. The department may require additional information as necessary.

Credits

Added by Laws 2000, Ch. 579, § 12, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 13, eff. July 1, 2002. Reenacted and amended by Laws 2004, Ch. 364, § 13, eff. from and after passage (approved April 20, 2004); reenacted and amended by Laws 2007, Ch. 581, § 13, eff. July 1, 2007. Amended by Laws 2008, Ch. 434, § 7, eff. from and after passage (approved April 7, 2008); Laws 2009, Ch. 544, § 13, eff. July 31, 2009. Reenacted and amended by Laws 2010, Ch. 462, § 14, eff. July 1, 2010. Reenacted by Laws 2012, Ch. 571, § 13, eff. July 1, 2012. Amended by Laws 2013, Ch. 499 (S.B. No. 2696), § 7, eff. July 1, 2013. Reenacted and amended by Laws 2016, Ch. 360 (S.B. No. 2504), § 14, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 14, eff. July 1, 2020.

Miss. Code Ann. § 81-18-23, MS ST § 81-18-23

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West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
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in General

Miss. Code Ann. § 81-18-25

§ 81-18-25. Principal place of business and branch office requirements; type of license required

Effective: July 1, 2020

Currentness

(1) Each principal place of business and branch office in the state shall meet all of the following requirements:

(a) Be in compliance with local zoning ordinances and have posted any licenses required by local government agencies. It is the responsibility of the licensee to meet local zoning ordinances and obtain the required occupational licenses; however, zoning cannot be residential. If there is no zoning in the area, then the person shall submit to the department a letter from the city or county stating that there is no zoning.

(b) Consist of at least one (1) secure enclosed room or secure building of stationary construction in which negotiations of mortgage loan transactions may be conducted in privacy. Stationary construction does not include the use of portable buildings. If there is no zoning in the requested location and the property is used for residential purposes, then the person shall utilize an enclosed room with a dedicated outside door.

(c) Display a permanent sign outside the place of business readily visible to the general public, unless the display of sign violates local zoning ordinances or restrictive covenants. The sign must contain the name of the licensee and shall also contain the Nationwide Mortgage Licensing System and Registry Unique Identifier issued to that particular licensed location.

(2) If one (1) of the following is correct, then that location shall be licensed as a mortgage broker or mortgage lender under this chapter and not as a branch:

(a) It is a separate entity operating as an independent business or mortgage operation which is not under the direct control, management supervision and responsibility of the licensee;

(b) The licensee is not the lessee or owner of the branch and the branch is not under the direct and daily ownership, control, management and supervision of the licensee;

(c) All assets and liabilities of the branch are not assets and liabilities of the licensee, and all income and expenses of the branch are income and expenses of the licensee and properly accounted for in the financial records and tax returns of the licensee; or

(d) All practices, policies and procedures, including, but not limited to, those relating to employment and operations, are not originated and established by the licensee or registered company and are not applied consistently to the principal place of business and all branches.

Nothing in this subsection (2) shall affect or change, or be construed as affecting or changing, the existing statutory law and common law on agency, principal and agent, independent contractors, and parent and subsidiary companies.

Credits

Added by [Laws 2000, Ch. 579, § 13, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 14, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 14, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2007, Ch. 581, § 14, eff. July 1, 2007](#). Amended by [Laws 2009, Ch. 544, § 14, eff. July 31, 2009](#). Reenacted by [Laws 2010, Ch. 462, § 15, eff. July 1, 2010](#). Reenacted and amended by [Laws 2012, Ch. 571, § 14, eff. July 1, 2012](#); [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 15, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 15, eff. July 1, 2020](#).

Miss. Code Ann. § 81-18-25, MS ST § 81-18-25

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-27

§ 81-18-27. Prohibited conduct

Effective: July 1, 2020

Currentness

(1) No person required to be licensed under this chapter shall:

- (a) Directly or indirectly employ any scheme, device or artifice to defraud or mislead borrowers or lenders or to defraud any person.
- (b) Misrepresent to or conceal from an applicant for a mortgage loan or mortgagor, material facts, terms or conditions of a transaction to which the licensee is a party.
- (c) Fail to disburse funds in accordance with a written commitment or agreement to make a mortgage loan.
- (d) Fail to truthfully account for monies belonging to a party to a residential mortgage loan transaction.
- (e) Improperly refuse to issue a satisfaction of a mortgage loan.
- (f) Fail to account for or deliver to any person any personal property obtained in connection with a mortgage loan, such as money, funds, deposits, checks, drafts, mortgages or other documents or things of value that have come into the possession of the licensee and that are not the property of the licensee, or that the licensee is not by law or at equity entitled to retain.
- (g) Engage in any transaction, practice, or course of business that is not in good faith, or that operates a fraud upon any person in connection with the making of or purchase or sale of any mortgage loan, including the use of correction fluid on any document associated with the mortgage loan.
- (h) Engage in any fraudulent residential mortgage underwriting practices, which include, but are not limited to, making in any manner, any false or deceptive statement or representation including, with regard to the rates, points or other financing terms or conditions for a residential mortgage loan, or engage in bait and switch advertising.
- (i) Solicit or enter into a contract with a borrower that provides in substance that the person or individual subject to this chapter may earn a fee or commission through "best efforts" to obtain a loan even though no loan is actually obtained for the borrower.

(j) Induce, require, or otherwise permit the applicant for a mortgage loan or mortgagor to sign a security deed, note, or other pertinent financial disclosure documents with any blank spaces to be filled in after it has been signed, except blank spaces relating to recording or other incidental information not available at the time of signing.

(k) Make, directly or indirectly, any residential mortgage loan with the intent to foreclose on the borrower's property. For purposes of this paragraph, there is a presumption that a person has made a residential mortgage loan with the intent to foreclose on the borrower's property if any of the following circumstances are proven:

(i) Lack of substantial benefit to the borrower;

(ii) The probability that full payment of the loan cannot be made by the borrower;

(iii) That the person has made a significant proportion of loans foreclosed under similar circumstances;

(iv) That the person has provided an extension of credit or collected a mortgage debt by extortion;

(v) That the person does business under a trade name that misrepresents or tends to misrepresent that the person is a bank, trust company, savings bank, savings and loan association, credit union, or insurance company.

(l) Charge or collect any direct payment, compensation or advance fee from a borrower unless and until a loan is actually found, obtained and closed for that borrower, and in no event shall that direct payment, compensation or advance fee exceed seven and ninety-five one-hundredths percent (7.95%) of the original principal amount of the loan, and any such direct payments, compensation or advance fees shall be included in all annual percentage rate (APR) calculations if required under Regulation Z of the federal Truth in Lending Act (TILA). A direct payment, compensation or advance fee as defined in this section shall not include:

(i) Any direct payment, compensation or advance fee collected by a licensed mortgage broker or mortgage lender to be paid to a nonrelated third party;

(ii) Any indirect payment to a licensed mortgage broker or mortgage lender by a lender if those fees are not required to be disclosed under the Real Estate Settlement Procedures Act (RESPA);

(iii) Any indirect payment or compensation by a lender to a licensee required to be disclosed by the licensee under RESPA, provided that the payment or compensation is disclosed to the borrower by the licensee on a good faith estimate of costs, is included in the APR if required under Regulation Z of TILA, and is made pursuant to a written agreement between the licensee and the borrower as may be required by [Section 81-18-33](#);

(iv) A fee not to exceed one percent (1%) of the principal amount of a loan for construction, provided that a binding commitment for the loan has been obtained for the prospective borrower; or

- (v) An advance fee, known as a lock-in fee, collected by a licensee to be paid to a lender to lock in an interest rate and/or a certain number of points on a mortgage loan from the lender as provided in Section 81-18-28.
- (m) Pay to any person not licensed under the provisions of this chapter any commission, bonus or fee in connection with arranging for or originating a mortgage loan for a borrower, except that a licensed loan originator may be paid a bonus, commission, or fee by his or her licensed employer.
- (n) Refuse to provide the loan payoff within three (3) business days of an oral or written request from a borrower or third party. Proof of authorization of the borrower shall be submitted for a third-party request. The payoff statement must be an understandable and accurate statement of the total amount that is required to pay off the mortgage loan as of a specified date. No borrower shall be charged a fee for being informed or receiving a payoff statement or for being provided with a release upon full payment, provided that the licensed mortgage lender may charge a reasonable fee for providing a payoff statement after five (5) or more requests in any calendar year.
- (o) Knowingly withhold, extract, remove, mutilate, destroy or conceal any books, records, computer records or other information which are required by law to be disclosed.
- (p) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or reports filed with a governmental agency or the Nationwide Mortgage Licensing System and Registry or in connection with any investigation conducted by the commissioner or another governmental agency.
- (q) Fail to comply with this chapter or rules or regulations promulgated under this chapter, or fail to comply with any other state or federal law, including the rules and regulations under that law, applicable to any business authorized or conducted under this chapter.
- (r) Conduct any business covered by this chapter without holding a valid license as required under this chapter, or assist or aid and abet any person in the conduct of business under this chapter without a valid license as required under this chapter.
- (s) Make any payment, threat or promise, directly or indirectly, to any person for the purposes of influencing the independent judgment of the person in connection with a residential mortgage loan, or make any payment threat or promise, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property.
- (t) Solicit, advertise or enter into a contract for specific interest rates, points or other financing terms unless the terms are actually available at the time of soliciting, advertising or contracting.
- (u) Fail to make disclosures as required by this chapter and any other applicable state or federal law including regulations under that law.
- (v) Cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer.

- (w) Sign a consumer's name to a mortgage loan application or mortgage loan documents on behalf of a consumer.
 - (x) Knowingly falsify income or asset information on a mortgage loan application or mortgage loan documents.
 - (y) Discourage a consumer in a mortgage loan transaction from seeking or obtaining independent legal counsel or legal advice.
- (2) A licensed mortgage broker or mortgage lender shall only broker a residential mortgage loan to a mortgage broker or mortgage lender licensed under this chapter or to a person exempt from licensure under the provisions of this chapter.
- (3) No nonbanking entity may use any sign or handwritten or printed paper indicating that it is a bank, savings bank, trust company or place of banking. No entity may use the word "bank," "savings bank," "banking," "banker" or "trust company," or the equivalent or plural of any of these words, in connection with any business other than that of banking. This subsection does not prohibit a person from acting in a trust capacity.
- (4) No person shall use the name or logo of any banking entity in connection with the sale, offering for sale, or advertising of any financial product or service without the express written consent of the banking entity.
- (5) No unlicensed Mississippi location of a Mississippi licensed mortgage broker or mortgage lender may advertise mortgage services if the unlicensed location is more than fifty (50) miles from a licensed Mississippi location.

Credits

Added by [Laws 2000, Ch. 579, § 14, eff. July 1, 2000](#). Reenacted and amended by [Laws 2002, Ch. 500, § 15, eff. July 1, 2002](#); [Laws 2004, Ch. 364, § 15, eff. from and after passage \(approved April 20, 2004\)](#); [Laws 2006, Ch. 451, § 1, eff. July 1, 2006](#); [Laws 2007, Ch. 581, § 15, eff. July 1, 2007](#). Amended by [Laws 2009, Ch. 544, § 15, eff. July 31, 2009](#). Reenacted by [Laws 2010, Ch. 462, § 16, eff. July 1, 2010](#); [Laws 2012, Ch. 571, § 15, eff. July 1, 2012](#). Reenacted and amended by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 16, eff. July 1, 2016](#). Reenacted by [Laws 2020, S.B. No. 2427, § 16, eff. July 1, 2020](#).

Notes of Decisions (1)

Miss. Code Ann. § 81-18-27, MS ST § 81-18-27

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Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-28

§ 81-18-28. Lock-in fees and agreements

Effective: July 1, 2020

[Currentness](#)

(1) A licensed mortgage broker or mortgage lender may enter into lock-in agreements and collect a lock-in fee from a borrower on the lender's behalf. The lock-in fee shall not exceed the following:

- (a) No fee may be collected to lock in for sixty (60) days or less;
- (b) One percent (1%) of the principal amount of the loan to lock in for more than sixty (60) days, but not to exceed one hundred eighty (180) days;
- (c) One and one-half percent (1 - ½ %) of the principal amount of the loan to lock in for more than one hundred eighty (180) days, but not to exceed two hundred seventy (270) days; or
- (d) Two percent (2%) of the principal amount of the loan to lock in for more than two hundred seventy (270) days.

(2) Before the collection of a lock-in fee, the applicant must be provided a copy of the lock-in fee agreement. This agreement shall contain at least the following:

- (a) Identification of the property that is associated with the loan;
- (b) The principal amount and term of the loan;
- (c) The initial interest rate and/or points, whether the interest rate is fixed or variable, and if variable, the index and margin, or the method by which an interest rate change for the mortgage loan will be calculated;
- (d) The amount of the lock-in fee, whether the fee is refundable or nonrefundable, the time by which the lock-in fee must be paid to the lender, and if the fee is refundable, the terms and conditions necessary to obtain the refund; and
- (e) The length of the lock-in period that the agreement covers.

Credits

Added by Laws 2006, Ch. 451, § 2, eff. July 1, 2006. Reenacted and amended by Laws 2007, Ch. 581, § 16, eff. July 1, 2007. Reenacted by Laws 2010, Ch. 462, § 17, eff. July 1, 2010; Laws 2012, Ch. 571, § 16, eff. July 1, 2012. Reenacted and amended by Laws 2016, Ch. 360 (S.B. No. 2504), § 17, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 17, eff. July 1, 2020.

Miss. Code Ann. § 81-18-28, MS ST § 81-18-28

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in General

Miss. Code Ann. § 81-18-29

§ 81-18-29. Enforcement rules and regulations

Effective: July 1, 2020

[Currentness](#)

The commissioner shall promulgate those rules and regulations, not inconsistent with law, necessary for the enforcement of this chapter.

Credits

Added by [Laws 2000, Ch. 579, § 15](#), eff. July 1, 2000. Reenacted by [Laws 2002, Ch. 500, § 16](#), eff. July 1, 2002; [Laws 2004, Ch. 364, § 16](#), eff. from and after passage (approved April 20, 2004). Reenacted and amended by [Laws 2007, Ch. 581, § 17](#), eff. July 1, 2007. Reenacted by [Laws 2010, Ch. 462, § 18](#), eff. July 1, 2010; [Laws 2012, Ch. 571, § 17](#), eff. July 1, 2012; [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 18](#), eff. July 1, 2016. Reenacted by [Laws 2020, S.B. No. 2427, § 18](#), eff. July 1, 2020.

Miss. Code Ann. § 81-18-29, MS ST § 81-18-29

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in General

Miss. Code Ann. § 81-18-31

§ 81-18-31. Advertising regulations

Effective: July 1, 2020

[Currentness](#)

The department shall promulgate regulations governing the advertising of mortgage loans, including, but not limited to, the following requirements:

- (a) That all advertisements for loans regulated under this chapter may not be false, misleading or deceptive. No person whose activities are regulated under this chapter may advertise in any manner so as to indicate or imply that its interest rates or charges for loans are “recommended,” “approved,” “set” or “established” by the State of Mississippi;
- (b) That all licensees shall maintain a copy of all advertisements citing interest rates or payment amounts primarily disseminated in this state and shall attach to each advertisement documentation that provides corroboration of the availability of the interest rate and terms of loans and names the specific media sources by which the advertisements were distributed;
- (c) That all published advertisements disseminated primarily in this state by a license shall contain the name and an office address of the licensee, which shall be the same as the name and address of the licensee on record with the department;
- (d) That an advertisement containing either a quoted interest rate or monthly payment amount must include:
 - (i) The interest rate of the mortgage, a statement as to whether the rate is fixed or adjustable, and the adjustment index and frequency of adjustments;
 - (ii) The term in years or months to fully repay the mortgage;
 - (iii) The APR as computed under federal guidelines; and
- (e) That the unique identifier of any person originating a residential mortgage loan shall be clearly shown on all residential mortgage loan application forms, solicitations or advertisements, including business cards or websites, and any other documents as established by rule, regulation or order of the commissioner.

Credits

Added by Laws 2000, Ch. 579, § 16, eff. July 1, 2000. Reenacted and amended by Laws 2002, Ch. 500, § 17, eff. July 1, 2002; Laws 2004, Ch. 364, § 17, eff. from and after passage (approved April 20, 2004); Laws 2007, Ch. 581, § 18, eff. July 1, 2007. Amended by Laws 2009, Ch. 544, § 16, eff. July 31, 2009. Reenacted by Laws 2010, Ch. 462, § 19, eff. July 1, 2010; Laws 2012, Ch. 571, § 18, eff. July 1, 2012. Reenacted and amended by Laws 2016, Ch. 360 (S.B. No. 2504), § 19, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 19, eff. July 1, 2020.

Miss. Code Ann. § 81-18-31, MS ST § 81-18-31

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KeyCite Yellow Flag - Negative Treatment

Proposed Legislation

West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-33

§ 81-18-33. Individual borrower and services files; required content

Effective: July 1, 2020

[Currentness](#)

(1) The individual borrower files of a licensee shall contain at least the following:

(a) A mortgage origination agreement provided to the borrower containing at least the following statements:

(i) "As required by Mississippi Law, (licensed company name) has secured a bond issued by (name of insurance company), a surety company authorized to do business in this state. A certified copy of this bond is filed with the Mississippi Commissioner of Banking and Consumer Finance."

(ii) "As a borrower you are protected under the Mississippi S.A.F.E. Mortgage Act."

(iii) "Complaints against a licensee may be made by contacting the:

Mississippi Department of Banking and

Consumer Finance

P.O. Drawer 12129

Jackson, MS 39236-2129";

(b) A copy of the original loan application signed and dated by the licensee;

(c) A copy of the signed closing statement as required by HUD or documentation of denial or cancellation of the loan application;

(d) A copy of the loan estimate of costs provided to the borrower;

- (e) A copy of the appraisal or statement of value if procured as a part of the loan application process;
 - (f) A copy of a loan lock-in agreement, if any, provided by the licensee;
 - (g) A copy of the disclosures required under Regulation Z of the federal Truth In Lending Act and other disclosures as required under federal regulations and evidence that those disclosures have been properly and timely made to the borrower;
 - (h) A copy of the final signed Uniform Residential Loan Application. However, any mortgage licensee who holds a license under the provisions of the Small Loan Regulatory Law, [Section 75-67-101 et seq.](#), and the Small Loan Privilege Tax Law, [Section 75-67-201 et seq.](#), may substitute an application that is otherwise compliant with federal and state law; and
 - (i) Additional information as required per the rules and regulations adopted by the commissioner according to [Section 81-18-29](#).
- (2) The individual servicer files of a licensee shall contain at least the following:
- (a) A copy of the original initial loan application signed and dated by the licensee;
 - (b) A copy of the final loan application signed and dated by the licensee;
 - (c) A copy of the signed closing statement as required by HUD or documentation of denial or cancellation of the loan application;
 - (d) Modification agreements;
 - (e) Collection/default letters and related documentation;
 - (f) Addendums, riders, assigned note, if applicable;
 - (g) Complete pay history from the time the loan was transferred or boarded;
 - (h) Complete comment/note history from the time the loan was transferred or boarded; and
 - (i) Additional information as required per the rules and regulations of this chapter as deemed by the commissioner according to [Section 81-18-29](#).

Credits

Added by [Laws 2000, Ch. 579, § 17](#), eff. July 1, 2000. Reenacted by [Laws 2002, Ch. 500, § 18](#), eff. July 1, 2002. Reenacted and amended by [Laws 2004, Ch. 364, § 18](#), eff. from and after passage (approved April 20, 2004); [Laws 2007, Ch. 581, § 19](#), eff. July 1, 2007. Amended by [Laws 2009, Ch. 544, § 17](#), eff. July 31, 2009. Reenacted and amended by [Laws 2010, Ch. 462, § 20](#), eff. July 1, 2010. Reenacted by [Laws 2012, Ch. 571, § 19](#), eff. July 1, 2012. Reenacted and amended by [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 20](#), eff. July 1, 2016. Reenacted and amended by [Laws 2020, S.B. No. 2427, § 20](#), eff. July 1, 2020.

Miss. Code Ann. § 81-18-33, MS ST § 81-18-33

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-35

§ 81-18-35. Mortgage transaction journal requirements

Effective: July 1, 2020

Currentness

(1) Each licensee shall maintain a journal of mortgage transactions at the principal place of business as stated on its license for all Mississippi residential loans that the licensee originated and/or funded. This journal shall be separate from non-Mississippi loans. The journal shall include at least the following information:

- (a) Name of applicant and co-applicant, if applicable;
- (b) Date of application;
- (c) Disposition of loan application, indicating date of loan closing, loan denial, withdrawal and name of lender if applicable;
- (d) Property address;
- (e) Loan amount;
- (f) Terms;
- (g) Loan program; and
- (h) Loan originator.

(2) Each licensee shall maintain a journal of serviced loans at the principal place of business as stated on its license, for all Mississippi residential loans that the licensee owns and/or services. This journal shall be kept separate from non-Mississippi loans. The journal shall include at least the following information:

- (a) The number of mortgage loans the licensee is servicing;
- (b) The type and characteristics of the loans;

- (c) The number of serviced loans in default, along with a breakdown of thirty-, sixty- and ninety-day delinquencies;
- (d) Information on loss mitigation activities, including details on workout arrangements undertaken and date loss mitigation application was submitted/approved/denied;
- (e) Information on foreclosures commenced and completed;
- (f) Name of applicant and co-applicant, if applicable; and
- (g) Date the loan was boarded/deboarded, if applicable.

Credits

Added by Laws 2000, Ch. 579, § 18, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 19, eff. July 1, 2002; Laws 2004, Ch. 364, § 19, eff. from and after passage (approved April 20, 2004). Reenacted and amended by Laws 2007, Ch. 581, § 20, eff. July 1, 2007. Reenacted by Laws 2010, Ch. 462, § 21, eff. July 1, 2010. Reenacted and amended by Laws 2012, Ch. 571, § 20, eff. July 1, 2012. Amended by Laws 2013, Ch. 499 (S.B. No. 2696), § 8, eff. July 1, 2013. Reenacted and amended by Laws 2016, Ch. 360 (S.B. No. 2504), § 21, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 21, eff. July 1, 2020.

Miss. Code Ann. § 81-18-35, MS ST § 81-18-35

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Miss. Code Ann. § 81-18-36

§ 81-18-36. Escrow accounts

Effective: July 1, 2020

Currentness

(1)(a) All monies paid to a licensee for payment of taxes, loan commitment deposits, work completion deposits, appraisals, credit reports or insurance premiums on property that secures any loan made or serviced by the licensee shall be deposited in an account that is insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration and shall be kept separate, distinct, and apart from funds belonging to the licensee.

(b) The funds, when deposited, are to be designated as an “escrow account,” or under some other appropriate name, indicating that the funds are not the funds of the licensee.

(2) The licensee shall, upon reasonable notice, account to any debtor whose property secures a loan made by the licensee for any funds which that person has paid to the licensee for the payment of taxes or insurance premiums on the property in question.

(3) The licensee shall, upon reasonable notice, account to the commissioner for all funds in the company’s escrow account.

(4) Escrow accounts are not subject to execution or attachment on any claim against the licensee.

(5) It is unlawful for any licensee knowingly to keep or cause to be kept any funds or money in any bank or other financial institution under the heading of “escrow account” or any other name designating the funds or monies belonging to the debtors of the licensee, except actual funds paid to the licensee for the payment of taxes and insurance premiums on property securing loans made or serviced by the company.

Credits

Added by Laws 2002, Ch. 500, § 20, eff. July 1, 2002. Reenacted by Laws 2004, Ch. 364, § 20, eff. from and after passage (approved April 20, 2004). Reenacted and amended by Laws 2007, Ch. 581, § 21, eff. July 1, 2007. Reenacted by Laws 2010, Ch. 462, § 22, eff. July 1, 2010; Laws 2012, Ch. 571, § 21, eff. July 1, 2012; Laws 2016, Ch. 360 (S.B. No. 2504), § 22, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 22, eff. July 1, 2020.

Miss. Code Ann. § 81-18-36, MS ST § 81-18-36

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in General

Miss. Code Ann. § 81-18-37

§ 81-18-37. Disciplinary actions; notice

Effective: July 1, 2020

Currentness

(1) The department may suspend or revoke any license for any reason that would have been grounds for refusal to issue an original license or for:

(a) A violation of any provision of this chapter or any rule or regulation adopted under this chapter;

(b) Failure of the licensee to pay, within thirty (30) days after it becomes final and nonappealable, a judgment recovered in any court within this state by a claimant or creditor in an action arising out of the licensee's business in this state as a mortgage broker or mortgage lender.

(2) Notice of the department's intention to enter an order denying an application for a license under this chapter or of an order suspending or revoking a license under this chapter shall be given to the applicant, licensee in writing, sent by registered or certified mail addressed to the principal place of business of the applicant or licensee. Within thirty (30) days of the date of the notice of intention to enter an order of denial, suspension or revocation under this chapter, the applicant or licensee may request in writing a hearing to contest the order. If a hearing is not requested in writing within thirty (30) days of the date of the notice of intention, the department shall enter a final order regarding the denial, suspension or revocation. Any final order of the department denying, suspending or revoking a license shall state the grounds upon which it is based and shall be effective on the date of issuance. A copy of the final order shall be forwarded promptly by registered or certified mail addressed to the principal place of business of the applicant or licensee.

Credits

Added by Laws 2000, Ch. 579, § 19, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 21, eff. July 1, 2002; Laws 2004, Ch. 364, § 21, eff. from and after passage (approved April 20, 2004). Reenacted and amended by Laws 2007, Ch. 581, § 22, eff. July 1, 2007. Amended by Laws 2009, Ch. 544, § 18, eff. July 31, 2009. Reenacted by Laws 2010, Ch. 462, § 23, eff. July 1, 2010; Laws 2012, Ch. 571, § 22, eff. July 1, 2012. Reenacted and amended by Laws 2016, Ch. 360 (S.B. No. 2504), § 23, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 23, eff. July 1, 2020.

Miss. Code Ann. § 81-18-37, MS ST § 81-18-37

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in General

Miss. Code Ann. § 81-18-39

§ 81-18-39. Cease and desist orders; injunctive relief; civil penalties

Effective: July 1, 2020

Currentness

(1) For purposes of this section, the term “person” shall be construed to include any officer, director, employee, affiliate or other person participating in the conduct of the affairs of the person subject to the orders issued under this section.

(2) If the department reasonably determines that a person required to be licensed under this chapter has violated any law of this state or any order or regulation of the department, the department may issue a written order requiring the person to cease and desist from unlawful or unauthorized practices. In the case of an unlawful purchase of mortgage loans, the cease and desist order to a purchaser shall constitute the knowledge required under this section for any subsequent violations.

(3) Any person required to be licensed under this chapter who has been deemed by the commissioner, after notice and hearing, to have violated the terms of any order properly issued by the department under this section shall be liable for a civil penalty not to exceed Three Thousand Dollars (\$3,000.00). The department, in determining the amount of the penalty, shall take into account the appropriateness of the penalty relative to the size of the financial resources of the person, the good-faith efforts of the person to comply with the order, the gravity of the violation, the history of previous violations by the person, and other factors or circumstances that contributed to the violation. The department may compromise, modify or refund any penalty that has been imposed under this section. Any person assessed a penalty as provided in this subsection shall have the right to request a hearing on the amount of the penalty within ten (10) days after receiving notification of the assessment. If no hearing is requested within ten (10) days of the receipt of the notice, the penalty shall be final except as to judicial review in the Chancery Court of the First Judicial District of Hinds County. Upon the filing of a petition for judicial review, the court shall issue an order to the licensee requiring the licensee to show cause why it should not be entered. If the court determines, after a hearing upon the merits or after failure of the person to appear when so ordered, that the order of the department was properly issued, it shall grant the penalty sought by the department.

Credits

Added by Laws 2000, Ch. 579, § 20, eff. July 1, 2000. Reenacted and amended by Laws 2002, Ch. 500, § 22, eff. July 1, 2002; Laws 2004, Ch. 364, § 22, eff. from and after passage (approved April 20, 2004). Reenacted by Laws 2007, Ch. 581, § 23, eff. July 1, 2007; Laws 2010, Ch. 462, § 24, effective July 1, 2010. Reenacted and amended by Laws 2012, Ch. 571, § 23, eff. July 1, 2012. Reenacted by Laws 2016, Ch. 360 (S.B. No. 2504), § 24, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 24, eff. July 1, 2020.

Miss. Code Ann. § 81-18-39, MS ST § 81-18-39

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Miss. Code Ann. § 81-18-40

§ 81-18-40. Subpoenas; civil penalties; contempt

Effective: July 1, 2020

Currentness

(1) For the purpose of conducting investigations, examinations or other proceedings under this chapter, the commissioner or his designee may issue subpoenas to any individual, person or other entity for the production of all books, papers, records, files, documents or other things, and may subpoena and compel the attendance of witnesses to give testimony, and may administer oaths. Subpoenas as herein provided may be served either by personal process or by registered mail, and upon service shall command attendance of such witnesses, and/or production of such papers and documents, at the time and place so specified.

(2) Any person or entity who fails or refuses to comply with a subpoena issued hereunder may be assessed by the commissioner a civil penalty of not more than Five Hundred Dollars (\$500.00) for each day of noncompliance, and any privileges or licenses issued by the commissioner to the person or entity may be suspended for not more than six (6) months. In addition to the civil penalty, the commissioner shall be entitled to the assistance of the chancery court or the chancellor in vacation, which, on petition by the commissioner or his designee, shall issue ancillary subpoenas and petitions and may punish as for contempt of court in the event of noncompliance therewith, and assess attorney's fees and costs, if deemed appropriate.

Credits

Added by [Laws 2008, Ch. 434, § 9](#), eff. from and after passage (approved April 7, 2008). Reenacted by [Laws 2010, Ch. 462, § 25](#), eff. July 1, 2010; [Laws 2012, Ch. 571, § 24](#), eff. July 1, 2012; [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 25](#), eff. July 1, 2016. Reenacted by [Laws 2020, S.B. No. 2427, § 25](#), eff. July 1, 2020.

Miss. Code Ann. § 81-18-40, MS ST § 81-18-40

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Miss. Code Ann. § 81-18-41

§ 81-18-41. Servicing contracts after license suspension or revocation

Effective: July 1, 2020

Currentness

Nothing in this chapter shall preclude a person whose license has been suspended or revoked from continuing to service mortgage loans pursuant to servicing contracts in existence at the time of the suspension or revocation for a reasonable transition period, as determined by the commissioner, after the date of the entry of the final decision in the case suspending or revoking the license.

Credits

Added by Laws 2000, Ch. 579, § 21, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 23, eff. July 1, 2002; Laws 2004, Ch. 364, § 23, eff. from and after passage (approved April 20, 2004). Reenacted and amended by Laws 2007, Ch. 581, § 24, eff. July 1, 2007. Reenacted by Laws 2010, Ch. 462, § 26, eff. July 1, 2010; Laws 2012, Ch. 571, § 25, eff. July 1, 2012; Laws 2016, Ch. 360 (S.B. No. 2504), § 26, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 26, eff. July 1, 2020.

Miss. Code Ann. § 81-18-41, MS ST § 81-18-41

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in General

Miss. Code Ann. § 81-18-43

§ 81-18-43. Regulatory enforcement; authority; disciplinary measures; civil penalties; criminal violations and penalties; enforcement; notice, hearing, and review

Effective: July 1, 2020

Currentness

- (1) In order to ensure the effective supervision and enforcement of this chapter, the commissioner may:
- (a) Deny, suspend, revoke, condition or decline to renew a license for a violation of this chapter, rules or regulations issued under this chapter or order or directive entered under this chapter.
 - (b) Deny, suspend, revoke, condition or decline to renew a license if an applicant or licensee fails at any time to meet the requirements of [Section 81-18-9\(4\)](#) or [81-18-15\(2\)](#), or withholds information or makes a material misstatement in an application for a license or renewal of a license.
 - (c) Order restitution against persons subject to this chapter for violations of this chapter.
 - (d) Impose civil penalties on persons subject to this chapter under subsections (2) and (3) of this section.
 - (e) Issue orders or directives under this chapter as follows:
 - (i) Order or direct persons subject to this chapter to cease and desist from conducting business, including immediate temporary orders to cease and desist.
 - (ii) Order or direct persons subject to this chapter to cease any harmful activities or violations of this chapter, including immediate temporary orders to cease and desist.
 - (iii) Enter immediate temporary orders to cease business under a license issued under the authority granted under [Section 81-18-7\(6\)](#) if the commissioner determines that the license was erroneously granted or the licensee is currently in violation of this chapter.
 - (iv) Order or direct such other affirmative action as the commissioner deems necessary.

(2) The commissioner may impose a civil penalty on a mortgage loan originator or person subject to this chapter, if the commissioner finds, on the record after notice and opportunity for hearing, that the mortgage loan originator or person subject to this chapter has violated or failed to comply with any requirement of this chapter or any regulation prescribed by the commissioner under this chapter or order issued under authority of this chapter. The maximum amount of penalty for each act or omission described in this subsection shall be Twenty-five Thousand Dollars (\$25,000.00).

(3) Each violation or failure to comply with any directive or order of the commissioner is a separate and distinct violation or failure.

(4) For a first offense, the licensee, person required to be licensed, or employee may be found guilty of a misdemeanor and, upon conviction thereof, shall be punishable by imprisonment in the county jail for not more than one (1) year.

(5) For a second or subsequent offense, the licensee, person required to be licensed, or employee shall be guilty of a felony and, upon conviction thereof, may be punished by imprisonment in the custody of the State Department of Corrections for a term not less than one (1) year nor more than five (5) years.

(6) Compliance with the criminal provisions of this section shall be enforced by the appropriate law enforcement agency, which may exercise for that purpose any authority conferred upon the agency by law.

(7) The commissioner shall report regularly violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Mortgage Licensing System and Registry subject to the provisions contained in [Section 81-18-63](#).

(8) The state may enforce its rights under the surety bond as required in [Section 81-18-11](#) as an available remedy for the collection of any civil penalties, criminal fines or costs of investigation and/or prosecution incurred.

(9) Any person assessed a penalty as provided in this section shall have the right to request a hearing on the amount of the penalty within ten (10) days after receiving notification of the assessment. If no hearing is requested within ten (10) days of the receipt of the notice, the penalty shall be final except as to judicial review in the Chancery Court of the First Judicial District of Hinds County. Upon the filing of a petition for judicial review, the court shall issue an order to the licensee requiring the licensee to show cause why it should not be entered. If the court determines, after a hearing upon the merits or after failure of the person to appear when so ordered, that the order of the department was properly issued, it shall grant the penalty sought by the department.

Credits

Added by [Laws 2000, Ch. 579, § 22](#), eff. July 1, 2000. Reenacted by [Laws 2002, Ch. 500, § 24](#), eff. July 1, 2002. Reenacted and amended by [Laws 2004, Ch. 364, § 24](#), eff. from and after passage (approved April 20, 2004); [Laws 2007, Ch. 581, § 25](#), eff. July 1, 2007. Amended by [Laws 2009, Ch. 544, § 19](#), eff. July 31, 2009. Reenacted by [Laws 2010, Ch. 462, § 27](#), eff. July 1, 2010; [Laws 2012, Ch. 571, § 26](#), eff. July 1, 2012; [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 27](#), eff. July 1, 2016. Reenacted by [Laws 2020, S.B. No. 2427, § 27](#), eff. July 1, 2020.

Miss. Code Ann. § 81-18-43, MS ST § 81-18-43

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Miss. Code Ann. § 81-18-45

§ 81-18-45. Commissioner employment of personnel

Effective: July 1, 2020

Currentness

The commissioner may employ the necessary full-time employees above the number of permanent full-time employees authorized for the department for the fiscal year 2001, to carry out and enforce the provisions of this chapter. The commissioner also may expend the necessary funds and equip and provide necessary travel expenses for those employees.

Credits

Added by Laws 2000, Ch. 579, § 23, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 25, eff. July 1, 2002; Laws 2004, Ch. 364, § 25, eff. from and after passage (approved April 20, 2004); Laws 2007, Ch. 581, § 26, eff. July 1, 2007; Laws 2010, Ch. 462, eff. July 1, 2010; Laws 2016, Ch. 360 (S.B. No. 2504), § 28, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 28, eff. July 1, 2020.

Miss. Code Ann. § 81-18-45, MS ST § 81-18-45

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Miss. Code Ann. § 81-18-47

§ 81-18-47. Liability exemptions for certain acts

Effective: July 1, 2020

[Currentness](#)

(1) A licensee under this chapter shall have no liability for any act or practice done or omitted in conformity with (a) any rule or regulation of the commissioner, or (b) any rule, regulation, interpretation or approval of any other state or federal agency or any opinion of the Attorney General, notwithstanding that after such act or omission has occurred the rule, regulation, interpretation, approval or opinion is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(2) A licensee under this chapter, acting in conformity with a written interpretation or approval by an official or employee of any state or federal agency or department, shall be presumed to have acted in accordance with applicable law, notwithstanding that after such act has occurred, the interpretation or approval is amended, rescinded, or determined by judicial or other authority to be incorrect or invalid for any reason.

Credits

Added by Laws 2000, Ch. 579, § 24, eff. July 1, 2000. Reenacted by Laws 2002, Ch. 500, § 26, eff. July 1, 2002; Laws 2004, Ch. 364, § 26, eff. from and after passage (approved April 20, 2004); Laws 2007, Ch. 581, § 27, eff. July 1, 2007; Laws 2010, Ch. 462, § 27, eff. July 1, 2010; Laws 2016, Ch. 360 (S.B. No. 2504), § 29, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 29, eff. July 1, 2020.

Miss. Code Ann. § 81-18-47, MS ST § 81-18-47

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West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-49

§ 81-18-49. Applicability

Effective: July 1, 2020

[Currentness](#)

Notwithstanding any provisions of this chapter to the contrary, mortgage companies engaging in business on or before June 1, 2000, shall be duly licensed by the department after submitting not later than January 1, 2001, the required documents and fees provided in [Sections 81-18-9](#) and [81-18-15](#). However, upon the expiration of the initial licenses for such mortgage companies, the department shall renew the licenses only if the mortgage companies satisfy all of the provisions of this chapter.

Credits

Added by [Laws 2000, Ch. 579, § 25](#), eff. July 1, 2000. Reenacted by [Laws 2002, Ch. 500, § 27](#), eff. July 1, 2002; [Laws 2004, Ch. 364, § 27](#), eff. from and after passage (approved April 20, 2004); [Laws 2007, Ch. 581, § 28](#), eff. July 1, 2007; [Laws 2010, Ch. 462](#), eff. July 1, 2010; [Laws 2016, Ch. 360 \(S.B. No. 2504\), § 30](#), eff. July 1, 2016. Reenacted by [Laws 2020, S.B. No. 2427, § 30](#), eff. July 1, 2020.

Notes of Decisions (1)

Miss. Code Ann. § 81-18-49, MS ST § 81-18-49

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KeyCite Red Flag - Severe Negative Treatment

KeyCite Red Flag Negative Treatment§ 81-18-51. Repealed by Laws 2020, S.B. No. 2427, § 35, eff. from and after passage (approved July 1, 2020)



KeyCite Yellow Flag - Negative Treatment

Proposed Legislation

West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-51

§ 81-18-51. Repealed by Laws 2020, S.B. No. 2427, § 35, eff. from and after passage (approved July 1, 2020)

Effective: July 1, 2020

[Currentness](#)

Miss. Code Ann. § 81-18-51, MS ST § 81-18-51

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West's Annotated Mississippi Code
Title 81. Banks and Financial Institutions
Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-53

§ 81-18-53. Application; retail sellers of manufactured homes; owner financing

Effective: July 1, 2020

Currentness

The provisions of this chapter shall apply to the activities of retail sellers of manufactured homes to the extent as determined by the United States Department of Housing and Urban Development through guidelines, rules, regulations or interpretive letters or the United States Consumer Financial Protection Bureau.

Credits

Added by Laws 2009, Ch. 544, § 23, eff. July 31, 2009. Reenacted by Laws 2010, Ch. 462, § 28, eff. July 1, 2010. Amended by Laws 2011, Ch. 386, § 1, eff. from and after passage (approved March 11, 2011). Reenacted and amended by Laws 2012, Ch. 571, § 28, eff. July 1, 2012. Reenacted by Laws 2016, Ch. 360 (S.B. No. 2504), § 32, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 31, eff. July 1, 2020.

Miss. Code Ann. § 81-18-53, MS ST § 81-18-53

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West's Annotated Mississippi Code

Title 81. Banks and Financial Institutions

Chapter 18. Mississippi S.a.F.E. Mortgage Act (Refs & Annos)
in General

Miss. Code Ann. § 81-18-55

§ 81-18-55. Servicing requirements for mortgage lenders

Effective: July 1, 2020

[Currentness](#)

(1) In addition to the activities prohibited under other provisions of this chapter, it shall be unlawful in the course of any residential mortgage loan transaction:

(a) For any person to fail to comply with the mortgage loan servicing transfer, escrow account administration, or borrower inquiry response requirements imposed by Sections 6 and 10 of the Real Estate Settlement Procedures Act (RESPA) and regulations adopted thereunder;

(b) For a mortgage lender to fail to provide written notice to a borrower upon taking action to place hazard, homeowners, or flood insurance on the mortgaged property or to place such insurance when the mortgage lender knows or has reason to know that the insurance is in effect;

(c) For a mortgage lender to place hazard, homeowners or flood insurance on a mortgaged property for an amount that exceeds either the value of the insurable improvements or the last-known coverage amount of insurance;

(d) For a mortgage lender to fail to provide to the borrower a refund or earned premiums paid by a borrower or charged to the borrower for hazard, homeowners, or flood insurance placed by a mortgage lender if the borrower provides reasonable proof that the borrower has obtained coverage such that the forced placement is no longer necessary and the property is insured. If the borrower provides reasonable proof within twelve (12) months of the placement that no lapse in coverage occurred such that the forced placement was not necessary, the mortgage lender shall refund the entire premium;

(e) For a mortgage lender to refuse to reinstate a delinquent loan upon a tender of payment made timely under the contract which is sufficient in amount, based upon the last written statement received by the borrower, to pay all past-due amounts, outstanding or overdue charges, and restore the loan to a nondelinquent status, but his reinstatement shall be available to a borrower no more than twice in any twenty-four-month period;

(f) For a mortgage lender to fail to mail, at least forty-five (45) days before the power-of-sale foreclosure auction is conducted, a notice addressed to the borrower at the borrower's last-known address with the following information:

(i) An itemization of all past-due amounts causing the loan to be in default;

(ii) An itemization of any other charges that must be paid in order to bring the loan current;

(iii) A statement that the borrower may have options available other than foreclosure and that the borrower may discuss the options with the mortgage lender, or a counselor approved by the U.S. Department of Housing and Urban Development (HUD);

(iv) The address, telephone number, and other contact information for the mortgage lender or the agent for the mortgage lender who is authorized to attempt to work with the borrower to avoid foreclosure;

(v) The name, address, telephone number, and other contact information for one or more HUD-approved counseling agencies operating to assist borrowers in Mississippi to avoid foreclosure; and

(vi) The address, telephone number, and other contact information for the consumer complaint section of the Mississippi Department of Banking and Consumer Finance;

(g) For a mortgage lender to fail to make all payments from any escrow account held for the borrower for insurance, taxes and other charges with respect to the property in a timely manner so as to ensure that no late penalties are assessed or other negative consequences result regardless of whether the loan is delinquent, unless there are not sufficient funds in the account to cover the payments and the mortgage lender has a reasonable basis to believe that recovery of the funds will not be possible.

(2) The mortgage lender shall make reasonable attempts to comply with a borrower's request for information about the home loan account and to respond to any dispute initiated by the borrower about the loan account, as provided in this section. The mortgage lender shall maintain, until the home loan is paid in full, otherwise satisfied, or sold, written or electronic records of each written request for information regarding a dispute or error involving the borrower's account. Specifically, the mortgage lender is required to do all of the following:

(a) Provide a written statement to the borrower within ten (10) business days of receipt of a written request from the borrower that includes or otherwise enables the mortgage lender to identify the name and account of the borrower and includes a statement that the account is or may be in error or otherwise provides sufficient detail to the mortgage lender regarding information sought by the borrower. The borrower is entitled to one such statement in any six-month period free of charge, and additional statements shall be provided if the borrower pays the mortgage lender a reasonable charge for preparing and furnishing the statement not to exceed Twenty-five Dollars (\$25.00). The statement shall include the following information if requested:

(i) Whether the account is current or, if the account is not current, an explanation of the default and the date the account went into default;

(ii) The current balance due on the loan, including the principal due, the amount of funds (if any) held in a suspense account, the amount of the escrow balance (if any) known to the mortgage lender, and whether there are any escrow deficiencies or shortages known to the mortgage lender;

(iii) The identity, address and other relevant information about the current holder, owner or assignee of the loan; and

(iv) The telephone number and mailing address of a mortgage lender representative with the information and authority to answer questions and resolve disputes;

(b) Provide the following information and/or documents within twenty-five (25) business days of receipt of a written request from the borrower that includes or otherwise enables the mortgage lender to identify the name and account of the borrower and includes a statement that the account is or may be in error or otherwise provides sufficient detail to the mortgage lender regarding information sought by the borrower:

(i) A copy of the original note, or if unavailable, an affidavit of the lost note;

(ii) A statement that identifies and itemizes all fees and charges assessed under the loan transaction and provides a full payment history identifying in a clear and conspicuous manner all of the debits, credits, application of and disbursement of all payments received from or for the benefit of the borrower, and other activity on the home loan including escrow account activity and suspense account activity, if any. The period of the account history shall cover at a minimum the two-year period prior to the date of the receipt of the request for information. If the mortgage lender has not serviced the home loan for the entire two-year time period the mortgage lender shall provide the information going back to the date on which the mortgage lender began servicing the home loan. For purposes of this subsection, the date of the request for the information shall be presumed to be no later than thirty (30) days from the date of the receipt of the request. If the mortgage lender claims that any delinquent or outstanding sums are owed on the home loan prior to the two-year period or the period during which the mortgage lender has serviced the loan, the mortgage lender shall provide an account history beginning with the month that the mortgage lender claims any outstanding sums are owed on the loan up to the date of the request for the information. The borrower is entitled to one (1) such statement in any six-month period free of charge. Additional statements shall be provided if the borrower pays the mortgage lender a reasonable charge for preparing and furnishing the statement not to exceed Fifty Dollars (\$50.00); and

(c) Promptly correct errors relating to the allocation of payments, the statement of account, or the payoff balance identified in any notice from the borrower provided in accordance with paragraph (b) of this subsection, or discovered through the due diligence of the mortgage lender or other means.

(3) A mortgage lender must comply as to every residential mortgage loan, regardless of whether the loan is considered in default or the borrower is in bankruptcy or the borrower has been in bankruptcy, with the following requirements:

(a) Any fee that is incurred by a mortgage lender shall be both:

(i) Assessed within forty-five (45) days of the date on which the fee was incurred. Provided, however, that attorney or trustee fees and costs incurred as a result of a foreclosure action shall be assessed within forty-five (45) days of the date they are charged by either the attorney or trustee to the mortgage lender; and

(ii) Explained clearly and conspicuously in a statement mailed to the borrower at the borrower's last-known address within thirty (30) days after assessing the fee, provided the mortgage lender shall not be required to take any action in violation

of the provisions of the federal bankruptcy code. The mortgage lender shall not be required to send such a statement for a fee that: results from a service that is affirmatively requested by the borrower, is paid for by the borrower at the time the service is provided, and is not charged to the borrower's loan account.

(b) All amounts received by a mortgage lender on a home loan at the address where the borrower has been instructed to make payments shall be accepted and credited, or treated as credited, within one (1) business day of the date received, provided that the borrower has made the full contractual payment and has provided sufficient information to credit the account. If a mortgage lender uses the scheduled method of accounting, any regularly scheduled payment made prior to the scheduled due date shall be credited no later than the due date. Provided, however, that if any payment is received and not credited, or treated as credited, the borrower shall be notified within ten (10) business days by mail at the borrower's last-known address of the disposition of the payment, the reason the payment was not credited, or treated as credited to the account, and any actions necessary by the borrower to make the loan current.

(c) The notification required by paragraph (b) of this subsection is not necessary if the mortgage lender complies with the terms of any agreement or plan made with the borrower and has applied and credited payments received in the manner required, and the mortgage lender is applying and crediting payments to the borrower's account in compliance with all applicable state and federal laws, including bankruptcy laws, and if at least one (1) of the following occurs:

(i) The borrower has entered into written loss mitigation, loan modification, or forbearance¹ agreement with the mortgage lender that itemizes all amounts due and specifies how payments will be applied and credited;

(ii) The borrower has elected to participate in an alternative payment plan, such as a biweekly payment plan, that specifies as part of a written agreement how payments will be applied and credited; or

(iii) The borrower is making payments pursuant to a bankruptcy plan.

(d) Failure to charge the fee or provide the information within the allowable time and in the manner required under subsection (3)(a)(i) of this section constitutes a waiver of such fee.

(e) All fees charged by a mortgage lender must be otherwise permitted under applicable law and the contracts between the parties. Nothing herein is intended to permit the application of payments or method of charging interest which is less protective of the borrower than the contracts between the parties and other applicable law.

(f) A mortgage lender shall charge a sum or prepayment penalty for the prepayment of any residential mortgage loan only as authorized by [Section 75-17-31](#).

(g) A mortgage lender shall charge a late payment charge only as authorized by [Section 75-17-27](#).

(h) The costs of collection and reasonable attorney fees may not be in excess of twenty-five percent (25%) of the unpaid debt after default, when the debt has been referred to an attorney for collection.

- (i) Charges or premiums for credit life insurance actually written on the life of the borrower or endorser in an amount not to exceed the total sum payable under the residential mortgage loan, including all interest, fees, costs and charges.

Credits

Added by Laws 2012, Ch. 571, § 31, eff. July 1, 2012. Reenacted and amended by Laws 2016, Ch. 360 (S.B. No. 2504), § 33, eff. July 1, 2016. Reenacted by Laws 2020, S.B. No. 2427, § 32, eff. July 1, 2020.

Footnotes

1. So in original.

Miss. Code Ann. § 81-18-55, MS ST § 81-18-55

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