SECTIONAL ANALYSIS
CSSB 272(L&C)

SECTION 1

Adds mortgage lenders and brokers to the definition of financial institution.

SECTION 2

Article 1. Licensing

06.60.010 Subjects lenders and brokers to licensing

06.60.020 Lists various exemptions from licensing under this Act

06.60.025 Requires that an employee and independent contract have to follow the provisions in this chapter even though they do not have to get a separate license

06.60.030 Provides the requirements for licensure under this Act

06.60.040 Requires the Division to investigate applications for a license under this Act

06.60.050 Requires the initial license fee be submitted with the application, and that only one fee is required for dual licenses.

06.60.060 Sets out bonding requirements and amounts and gives the Division authority to increase the amount set in this section.

06.60.070 Requires the Division to grant or deny a license within 90 from the date they receive a complete application.
06.60.080 Details some things the Division must consider when determining whether to grant or deny a license.

06.60.090 Lists additional grounds for denying a license.

06.60.100 Gives the Division the authority to define the form and contents of the license and requires the business and internet addresses be included.

06.60.110 Gives duration of a license and means to renew a license.

06.60.120 Provides requirements for a licensee to transfer a license.

**Article 2. Licensee Obligations**

06.60.200 Requires an annual report, that contents are specified by the Division, be submitted and provides a $25/day fee for late filling.

06.60.210 Sets a $250 annual license fee and sets when the fee is due each year.

06.60.220 Prohibits the licensee from doing business within another business unless it is disclosed in the application.

06.60.230 Allows for a license to change business locations after the licensee submits written notice to the Division.

06.60.240 Requires the licensee to notify the Division of any significant change in the operation or control of the license.

06.60.250 Sets guidelines and requirements for record keeping.

06.60.260 Requires a licensee who’s office is located outside Alaska make their records available at a location in Alaska, or pay the costs of the Division to examine their records out of state.

06.60.270 Defines disqualified person and prohibits them from most aspects of a licensed office/business, unless there is written approval by the division in some cases, or after seven years of having a clean record.

06.60.280 Requires the license to be posted at the place of business.

**Article 3. Discipline of Licensee**

06.60.300 Specifies when the Division should revoke or suspend a license.

06.60.310 Sets guidelines/requirements for surrendering a license.
06.60.320 Provides the effect of revocation, suspension or surrender of a license and requires all preexisting contracts and loans be satisfied or sold/assigned to another licensee.

06.60.330 Gives the Division the authority to reinstate a revoked licensee.

06.60.340 Sets requirements and purposes for an examination of a licensee. Frequency of at least every 3 years and provides for reimbursement to the Division for costs of conducting the examination.

06.60.350 Prohibits a licensee from giving false, misleading or deceptive statements to the Division in the course of an investigation or examination.

06.60.360 Gives the Division the authority to make a ruling, demand or finding addressing proper conduct of a licensee.

**Article 4. Business Duties and Restrictions**

06.60.400 Prohibits a licensee from advertising false, misleading or deceptive information about their business.

06.60.410 Subjects a person, when pertinent, to federal regulations.

06.60.420 Gives a list of activities that are prohibited of a person listed in this chapter.

06.60.430 Sets restrictions on refinancing a loan within the first 12 months.

06.60.440 Requires segregations of escrow accounts and restricts when a licensee can require a borrower to supply escrow funds.

**Article 5. Enforcement**

06.60.500 Defines when the Division can issue a cease and desist order.

06.60.510 Provides authority and process for the Division to censure, suspend or bar a licensee, also limits the period covered for such actions; up to 12 months.

06.60.520 States that the licensee is liable for a violation committed by a person/agency employed by the licensee.

06.60.530 Sets a civil penalty of no more than $10,000 for a person who knowingly violates any provision of this chapter.

06.60.540 Provides additional enforcement provisions.
Article 6. Collection of Program Administration Fee

06.60.600 Sets up a program administration fee.

06.60.610 Provides authority for the Division to contract with a licensee or other person to act as an agent to collect the program administration fee, and removes liability of the Division.

06.60.620 Allows an agent from .610 to retain 25% of collected fees, requires transmittal of fees collected by January 15 and gives the Division authority to assess a penalty for late fees or no fees.


06.60.700 Clarifies that the provisions of this chapter apply to internet businesses.

06.60.705 Triggers the Administrative Procedures Act for actions of the Division taken to deny, revoke or suspend a license, and for hearings and orders.

06.60.710 Gives the Division the authority to adopt regulations to implement this chapter.

06.60.720 Clarifies that when sections of this Act are preempted by federal law, then federal law applies. When this Act conflicts with another state law, then this Act applies.

Article 8. General Provisions

06.60.990 Gives definitions for various terms used in this Act.

06.60.995 Gives the short title of this Act

SECTION 3

Amends AS 44.62.330(a) to add this Act to that section of law

SECTION 4

Adds new subsection to AS 45.50.481

SECTION 5

Provides for a transition period for the implementation of this Act. Gives current business activities, subject to this Act, until March 1, 2008 to get licensed.
SECTION 6

Provides the Division the ability to adopt regulations necessary to implement the changes made by this Act.

SECTION 7

Gives an immediate effective date for Section 6 of this Act.

SECTION 8

Gives an effective date, for all other sections of this Act, of July 1, 2007.