



Rules of Department of Commerce and Insurance

Division 1140—Division of Finance Chapter 30—Mortgage Broker and Originator Rules

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 1140—Division of Finance
Chapter 30—Mortgage Broker and
Originator Rules**

20 CSR 1140-30.010 Definitions
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.010. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.010, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

20 CSR 1140-30.030 Licensing
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.030. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.030, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

**20 CSR 1140-30.040 Operations and
Supervision**
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.040. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.040, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

**20 CSR 1140-30.050 Annual Report of
Mortgage Brokerage Activity and
Mortgage Servicing Activity**
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule

originally filed as 4 CSR 140-30.050. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.050, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

20 CSR 1140-30.070 Advertising
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.070. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.070, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

**20 CSR 1140-30.080 Loan Brokerage
Practices**
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo, Supp. 1996. This rule originally filed as 4 CSR 140-30.080. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.080, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

**20 CSR 1140-30.090 Loan Application
Practices**
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.090. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.090, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

20 CSR 1140-30.100 General Practices
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.100. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.100, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

**20 CSR 1140-30.110 Commitment and
Closing Practices**
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.110. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.110, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

20 CSR 1140-30.120 Exemption Guidelines
(Rescinded November 30, 2010)

AUTHORITY: sections 443.847, 443.869(7), and 443.887, RSMo Supp. 1996. This rule originally filed as 4 CSR 140-30.120. Emergency rule filed Nov. 25, 1996, effective Dec. 5, 1996, expired June 2, 1997. Original rule filed Nov. 25, 1996, effective May 30, 1997. Moved to 20 CSR 1140-30.120, effective Aug. 28, 2006. Emergency rescission filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Rescinded: Filed April 15, 2010, effective Nov. 30, 2010.

20 CSR 1140-30.200 Definitions

PURPOSE: This rule establishes the definitions used in 20 CSR 1140-30 and 20 CSR 1140-31.

(1) The definitions in sections 443.701 to 443.893, RSMo, shall apply to these rules. In addition, the terms listed below shall have the following meanings:

(A) "Act," the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act;



(B) “Broker” shall have the same meaning as Residential Mortgage Loan Broker set forth in section 443.703.1(31), RSMo;

(C) “Control” means the power to, directly or indirectly, affect the voting interest of twenty-five percent (25%) or more of any class of the outstanding voting shares, or partnership interest or limited liability company interest, of a broker; and

(D) “First tier subsidiary” shall include any corporation or limited liability company which is majority owned and controlled by a federally-insured and regulated depository institution.

AUTHORITY: sections 443.703.2, 443.709, 443.711, 443.725, 443.843, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.703, RSMo 2009; 443.709, RSMo 2009; 443.711, RSMo 2009; 443.725, RSMo 2009; 443.843, RSMo 1994, amended 1995, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.210 Licensing of Mortgage Loan Originators

PURPOSE: This rule establishes guidelines for the licensing of mortgage loan originators.

(1) Initial Licensing. Application for an initial Mortgage Loan Originator license shall be made within the procedures established by the Nationwide Mortgage Licensing System and Registry (NMLSR).

(2) Incomplete Applications. Failure to meet a request for additional information within ten (10) business days may result in denial of the application. A denial under such circumstances shall not affect subsequent applications filed with the appropriate fee.

(3) License Renewal and Expiration. Application for renewal shall be made within the procedures established by NMLSR. A renewal application not received by the division prior to December 1 of any year cannot be assured of issuance prior to January 1, at which time the license will be considered to be expired. Any license which is not renewed prior to December 31 may require the applicant to file a reinstatement application as provided for in these rules.

(A) The director may not renew a Mortgage Loan Originator license unless all required fees, administrative penalties owed

to the director, and any refunds ordered by the director to be returned to consumers have been paid.

(4) Reinstatement of License. The license of a mortgage loan originator that expires for failure to satisfy the minimum standards for renewal or does not allow for sufficient lead time for review and processing of an application may be reinstated if the licensee meets the following requirements:

(A) The licensee must submit a request for reinstatement through the NMLSR;

(B) All continuing education courses and any other requirements for the license renewal for the year in which the license expired must be completed; and

(C) The licensee must pay the applicable licensing, reinstatement, and late fees/penalties.

1. If the mortgage loan originator whose license has expired fails to meet the requirements for reinstatement specified in this section and submits a reinstatement filing within the parameters established by NMLSR, the mortgage loan originator must apply for a new license and meet the requirements for licensure in effect at that time.

2. The director may waive any late filing penalty or fee for a licensed mortgage loan originator on active military duty serving outside of Missouri.

(5) Fees.

(A) Initial and renewal applications shall be made through the NMLSR and shall be accompanied by the applicable fee, which shall be set by the director from time-to-time, not to exceed two hundred fifty dollars (\$250). Said fees are not refundable.

(B) For each duplicate original license issued, the director shall collect a duplicate original license fee not to exceed one hundred fifty dollars (\$150).

(C) For each amended license issued, the director shall collect an amended original license fee not to exceed one hundred fifty dollars (\$150).

(D) A late fee, not to exceed one hundred fifty dollars (\$150), may be assessed to any mortgage loan originator who fails to submit a renewal application by December 31 of each year.

AUTHORITY: sections 443.709, 443.711, 443.725, 443.843, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.709, RSMo 2009; 443.711, RSMo 2009; 443.725, RSMo 2009; 443.843, RSMo 1994,*

amended 1995, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.

20 CSR 1140-30.220 Self-Reporting Requirements

PURPOSE: This rule establishes self-reporting requirements for mortgage loan originators, brokers, or any of a broker's directors, principal stockholders, members, partners, or individuals who influence management.

(1) A mortgage loan originator, broker, or any of a broker's directors, principal stockholders, members, partners, or individuals who influence management (hereinafter collectively referred to as “licensee” for the purpose of this rule) shall notify the director in writing within five (5) days of the occurrence of any of the following events:

(A) Licensee files for bankruptcy protection or is subjected to an involuntary bankruptcy proceeding;

(B) Institution by any state or other jurisdiction of a license denial, cease and desist, suspension or revocation procedure, or other formal or informal regulatory action against a licensee;

(C) Institution of an action by the Missouri attorney general or other enforcer of the consumer protection laws of any jurisdiction to enforce consumer protection laws against a licensee;

(D) Having a license suspended, terminated, or otherwise prohibited from participating in a federal or state program;

(E) Licensee is suspended, terminated, or otherwise prohibited as an approved lender or seller/servicer by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Department of Housing and Urban Development, Department of Veterans Affairs, or any other federal or state agency or program;

(F) The entry of a judgment against a licensee;

(G) A licensee is convicted of or enters a plea of guilty or *nolo contendere* to a felony or misdemeanor, excluding traffic violations, in a domestic, foreign, or military court. For the purposes of this requirement, a licensee need not report traffic or driving violations to the director so long as said violations are not felonies;

(H) The entry of a tax or other government lien upon the property of a licensee; or

(I) Revocation or suspension of a licensee's professional or business license by any state or jurisdiction. An agreement to surrender a license and/or not to operate in an occupation



in which a professional license is required shall be considered a revocation for the purposes of this rule.

AUTHORITY: sections 443.869 and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.869, RSMo 1994, amended 1995, 2001, 2009 and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.230 Challenges to Information Submitted to NMLSR

PURPOSE: This rule establishes the procedures by which a mortgage loan originator can challenge information submitted by the director to the Nationwide Mortgage Licensing System and Registry.

(1) A mortgage loan originator may challenge the accuracy of information entered by the director to the Nationwide Mortgage Licensing System and Registry (NMLSR) regarding the mortgage loan originator by filing a written appeal with the director. The appeal shall specify what information is alleged to be in error and the basis of said belief. The appeal shall also include any documentation believed to support the mortgage loan originator's claim. The director shall review the appeal and notify the mortgage loan originator of the director's decision within thirty (30) days of receipt of the appeal, which shall represent the director's final decision.

AUTHORITY: sections 443.727, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.727, RSMo 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.240 Operations and Supervision of Residential Mortgage Loan Brokers

PURPOSE: This rule establishes procedures and guidelines for the licensing of residential mortgage loan brokers and the fees associated therewith.

(1) Creation of a company/business account/record through the Nationwide

Mortgage Licensing System and Registry (NMLSR).

(A) Prior to initial licensure or renewal, each applicant for a broker's license shall create a company/business account/record or otherwise register through the NMLSR or its successor(s), in order to obtain a unique or other identifier assigned by protocols established by the NMLSR. Applicants shall continue to satisfy the requirements set forth by the NMLSR in order to keep its company/business account/record in current or active status, including but not limited to the payment of any applicable fees.

(B) Applicants for initial licensure or renewal shall apply through the NMLSR on forms acceptable to the director and shall be verified by the oath or affirmation of the applicant or a principal officer thereof. In addition to the documents and information required by law or rule, the director may require additional information in order to enable the director to determine that the applicant meets or the licensee continues to meet the requirements of the Missouri Secure and Fair Enforcement for Mortgage Licensing and Residential Mortgage Brokers Licensing Act. Where the NMLSR does not make available submission of any document or report required or permitted by law to be filed with the director, an applicant shall directly submit such information to the director in the format requested.

(C) Notwithstanding a licensee's biennial renewal anniversary date, each licensee shall annually attest to the completeness, truthfulness, and accuracy of its company/business account/record during the annual year-end renewal period established by the NMLSR. Failure to do so shall result in the suspension of the broker's license.

(2) Initial Licensing. Applications for an initial broker's license shall be in a form prescribed by the director and shall include a nonrefundable license investigation fee which shall be set by the director from time-to-time, not to exceed one thousand five hundred dollars (\$1,500).

(A) Failure to meet a request for additional information within ten (10) business days may result in denial of the application. A denial under such circumstances shall not affect subsequent applications filed with the appropriate investigation fee.

(B) Upon approval of an initial broker's license, the director shall collect a nonrefundable license fee, which shall be set by the director from time-to-time, not to exceed one thousand five hundred dollars (\$1,500). The license fee shall cover the licensing of the broker's main office in Missouri. Additional licensing fees for the establishment of branch

locations will apply as provided for in these rules.

(3) Renewal Applications. Applications for renewal of a broker's license shall be in a form prescribed by the director and may require a nonrefundable license investigation fee which shall be set by the director from time-to-time, not to exceed one thousand five hundred dollars (\$1,500). Such completed renewal application shall be received by the director at least sixty (60) days prior to such licensee's biennial renewal date. Upon approval of a biennial renewal of a broker's license, the director shall collect a nonrefundable renewal license fee, which shall be set from time-to-time by the director, not to exceed three thousand dollars (\$3,000), one half (1/2) of which is to be paid upon issuance of the license, and the balance one (1) year thereafter. Failure by an existing licensee to submit a renewal application and any applicable investigation fees to the director at least sixty (60) days in advance of a licensee's biennial renewal date may not allow sufficient time for the director to process the licensee's renewal application and may result in the expiration of licensee's existing license.

(4) Fees. The director may assess the reasonable costs of an investigation incurred by the division that are outside the normal expense of any annual or special examination or any other costs incurred by the division as a result of a licensee's violation of sections 443.701 to 443.893, RSMo, or these rules.

(A) For each duplicate original license issued, the director shall collect a duplicate original license fee not to exceed one hundred fifty dollars (\$150).

(B) For each amended license issued, the director shall collect an amended original license fee not to exceed one hundred fifty dollars (\$150).

(C) For each notice of change of officers or directors or change of name or address, the director shall collect a fee not to exceed one hundred fifty dollars (\$150). A broker must report any change in directors or principal officers within thirty (30) days to the director.

(D) Each licensee who intends to operate and maintain an additional full-service office shall file a Notice of Intent to Establish an Additional Full-Service Office on a form prescribed by the director, thirty (30) days prior to the proposed operation; the director shall collect a fee not to exceed one hundred fifty dollars (\$150) at the time the notice is filed.

AUTHORITY: sections 443.821, 443.825, 443.827, 443.833, 443.839, 443.843, 443.869, and 443.887, RSMo Supp. 2013. Emergency rule filed April 5, 2010, effective*



April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010. Amended: Filed Sept. 16, 2013, effective April 30, 2014.

*Original authority: 443.821, RSMo 1994, amended 1995, 2001, 2009; 443.825, RSMo 1994, amended 1995, 2001, 2009, 2009; 443.827, RSMo 1994, amended 1995, 2001, 2009; 443.833, RSMo 1994, amended 1995, 2001, 2009; 443.839, RSMo 1994, amended 1995, 2001, 2009; 443.843, RSMo 1994, amended 1995, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.

20 CSR 1140-30.250 Change in Business Activities

PURPOSE: This rule establishes procedures and guidelines for mortgage loan brokers to follow in the event there is a change in their respective business activities and the fees and notice requirements associated therewith.

(1) A broker shall return his/her license to the director within ten (10) days upon a licensee closing a full-service office or his/her decision to discontinue brokering, originating, or servicing.

(2) Prior to a change of ownership or control, a broker and/or a prospective purchaser shall submit an application on a form prescribed by the director, which shall be submitted with the applicable fee not to exceed one hundred fifty dollars (\$150) at least forty-five (45) days prior to the proposed change. All proposed changes must be approved by the director. Failure to obtain the director's prior approval may result in administrative action against the broker's license.

(3) A broker shall file an Application for Change of Name or Address, with the applicable fee, ten (10) business days in advance, on a form prescribed by the director. The name change shall be approved unless deceptively similar to another name or is otherwise prohibited by law.

AUTHORITY: sections 443.843, 443.869, and 443.887, RSMo Supp. 2009.* Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.

*Original authority: 443.843, RSMo 1994, amended 1995, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.

20 CSR 1140-30.260 Full-Service Office Requirement

PURPOSE: This rule establishes operations

and supervision guidelines concerning the full in-state service office requirement.

(1) Each broker shall maintain at least one (1) full-service office located in Missouri consistent with sections 443.703.1(12) and 443.857, RSMo. At a minimum, each Missouri office must be staffed by one (1) supervised licensed mortgage loan originator and such staff as is needed to efficiently administer the tasks mandated by section 443.703.1(12), RSMo. The office location shall have a street address and shall not be a post office box or similar designation and shall be the address where the director is to send all correspondence, official notices, and orders; the broker shall be responsible for keeping the director informed of any changes in said address. In determining whether a broker handles such matters in a reasonably adequate manner, the director may consider consumer complaints received regarding said broker, information obtained from examinations conducted by the division, and reports filed with the division. If it is determined that a broker is not in compliance with section 443.857, RSMo, the director shall notify the broker in writing detailing the requirements to achieve compliance, along with a reasonable deadline.

(A) Each full-service office shall also comply with any applicable local zoning ordinances and shall post any occupational licenses required by law or regulation.

AUTHORITY: sections 443.703.1(12), 443.857, 443.869, and 443.887, RSMo Supp. 2009.* Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.

*Original authority: 443.703, RSMo 2009; 443.857, RSMo 1994, amended 2001, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.

20 CSR 1140-30.270 Maintenance of Records

PURPOSE: This rule establishes guidelines for the maintenance of required records to be kept by residential mortgage loan brokers and the penalty for failure to do so.

(1) Each broker shall maintain an application log and shall produce it for examination by the director. It shall contain at least the following concerning each residential mortgage loan application received during the previous thirty-six (36) months:

(A) Full name of all applicants;

(B) Date of application;

(C) Name of the mortgage loan originator responsible for the loan application whose name and Nationwide Mortgage Licensing System and Registry (NMLSR) unique identifier also appears on the application;

(D) Disposition of the mortgage loan application and date of disposition. The log shall indicate the result of the loan transaction. The disposition of the application shall be categorized as one (1) of the following: loan closed, loan denied, application withdrawn, application in process, or other explanation;

(E) Address of the property;

(F) Amount of the loan; and

(G) The terms of the loan and/or loan program.

(2) An application log shall be maintained at the broker's main Missouri office. The log shall be kept current. Records may be kept at a branch, but the broker's main Missouri office must have a current log updated no less frequently than every seven (7) days. The failure to enter said information to the log within seven (7) days from the date of the occurrence of the event required to be recorded in the log shall be deemed a failure to keep the log current.

(3) Failure to maintain an application log or to keep the log current may be grounds for suspension or revocation of the license or other appropriate administrative action and may subject the broker to fines authorized by the Secure and Fair Enforcement Mortgage Licensing Act of 2008.

AUTHORITY: sections 443.869 and 443.887, RSMo Supp. 2009.* Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.

*Original authority: 443.869, RSMo 1994, amended 1995, 2001, 2009 and 443.887, RSMo 1994, amended 1995, 2001, 2009.

20 CSR 1140-30.280 Authorized Advance Fees and Escrow Requirements

PURPOSE: This rule establishes general practices and guidelines for residential mortgage loan brokers with regard to what advance fees may be collected and placement of said fees. This rule also sets forth guidelines for the collection and disbursement of rate-lock fees.

(1) A broker shall not require a borrower to pay any fees or charges prior to the loan closing, except for:



(A) The actual and necessary charges of third parties needed to process the application, which shall be administered pursuant to this rule; and

(B) A rate-lock fee, provided that the written rate-lock fee agreement signed by both the borrower and the proposed lender includes the following terms:

1. The expiration date of the fee agreement;
2. The amount of the loan;
3. The maximum interest rate and maximum discount (points);
4. The term of the loan;
5. The lender is able to perform under the terms of the fee agreement; and
6. Subject to verification, the information submitted by the borrower indicates that the loan will be approved in accordance with the fee agreement.

(2) Refunds on Failure to Close. The rate-lock fee must be refunded if the loan does not close in accordance with the fee agreement, except that the fee may be retained upon the lender's ability to demonstrate to the director any of the following reasons: the borrower withdrew the loan application; made a material misrepresentation on the loan application; or failed to provide documentation necessary to the processing or closing of the loan, such documents having been timely requested. When the fee is to be retained, the lender shall send a written notice to the borrower stating the reason for retaining the fee.

(3) Brokers Failure to Close. If a residential mortgage loan is not closed through no fault of the applicant, all the charges shall be refunded to the borrower, except to the extent such charges were incurred in good faith by the lender on behalf of the borrower for third-party services.

(4) Nothing in these rules shall be construed as to allow a broker, that is not a lender, to charge a fee for a rate-lock agreement or otherwise enter into a rate-lock agreement.

(5) Escrow. Brokers, not subject to the Department of Housing and Urban Development escrow regulations, who receive funds that are to be used for actual and necessary third-party expenses needed to process the application shall place said funds with one (1) of the following no later than five (5) days after receipt:

(A) A title insurer, title agency, or title agent not affiliated with a title agency that is authorized to act as an escrow, security, settlement, or closing agent pursuant to Chapter 381, RSMo;

(B) An unaffiliated depository institution as defined in section 443.703.1(5), RSMo, or first-tier subsidiary or service corporation thereof that is acting as an escrow agent as defined by section 443.703.1(9), RSMo; or

(C) A licensed attorney.

*AUTHORITY: sections 443.865, 443.869, and 443.887, RSMo Supp. 2009. *Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.865, RSMo 1994, amended 1995, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.290 In-State Office Waiver For Servicers

PURPOSE: This rule establishes the procedures and qualifications needed for servicers to obtain a waiver for the full in-state service office requirement.

(1) Procedures to Obtain Waiver. Prior to the issuance of a waiver pursuant to section 443.812.5, RSMo, of the requirement of maintaining a full-service office in Missouri, an applicant shall obtain a certificate of authority from the Missouri secretary of state. Furthermore, an applicant shall file with the license application an irrevocable consent in a form to be determined by the director, duly acknowledged, that provides suits and actions that may be commenced against the applicant in the courts of this state, and, should it be necessary to bring an action against the applicant, applicant agrees that venue shall lie in Cole County, Missouri.

(2) Qualifications for Waiver. For the purposes of determining if a loan servicer qualifies for the waiver set forth in section 443.812.5, RSMo, the term "primarily engaged in servicing residential mortgage loans" shall be defined as a residential loan servicer that derives seventy-five percent (75%) or more of its gross income from Missouri from residential loan servicing.

*AUTHORITY: sections 443.812.5, 443.857, 443.869, and 443.887, RSMo Supp. 2009. *Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.812, RSMo 1994, amended 1995, 2001, 2009; 443.857, RSMo 1994, amended 2001, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.300 Annual Report

PURPOSE: This rule establishes procedures and requirements for residential mortgage loan brokers to follow in submitting their annual reports to the director.

(1) Filing Requirements. By March 1 of each year, each broker must file an Annual Report of Residential Mortgage Loan Broker Activity that contains the information mandated by section 443.885, RSMo. If any category(ies) requested has nothing to report, then the proper response is "none."

(A) The Annual Report of Residential Mortgage Loan Broker Activity shall include the names of the mortgage loan originators and the dollar amount originated by each individual. It shall also include the dollar amount of the loans and with whom the broker had mortgage brokerage agreements including the aggregate dollar amount of loans brokered, funded, and serviced in the state of Missouri for the previous year. Each broker that reports any default or foreclosure shall also furnish the name of the lender who originated the loan.

(B) Brokers that file a Home Mortgage Disclosure Act Report may file a copy thereof in lieu of the report described herein.

(C) Each annual report shall be accompanied by an affidavit, attesting to truthfulness of the information contained therein.

*AUTHORITY: sections 443.869, 443.885, and 443.887, RSMo Supp. 2009. *Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.869, RSMo 1994, amended 1995, 2001, 2009; 443.885, RSMo 1994, amended 1995, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.310 Bonding Requirements

PURPOSE: This rule establishes bonding procedures and requirements for residential mortgage loan brokers to follow.

(1) Annual Review and Initial Schedule. The principal amount of the surety bond shall be determined annually by the information contained in the broker's Annual Report of Residential Mortgage Loan Broker Activity and shall be based on the dollar amount of loans brokered, funded, and serviced in the state of Missouri for the previous year. In the event a broker brokers, funds, and services residential mortgage loans, or any combination thereof, the principal amount of the surety



bond shall be based on the category that results in the highest bonding amount. The initial bonding schedule is as follows:

| Dollar Amount of Loans Brokered/Funded/Serviced For Previous Year | Bond Amounts For Loans Brokered | Bond Amounts For Loans Funded | Bond Amounts For Loans Serviced |
|---|---------------------------------|-------------------------------|---------------------------------|
| \$7,500,000 or less | \$50,000 | \$50,000 | \$50,000 |
| \$7,500,001–\$15,000,000 | \$50,000 | \$100,000 | \$100,000 |
| \$15,000,001–\$22,500,000 | \$75,000 | \$150,000 | \$150,000 |
| \$22,500,001–\$30,000,000 | \$100,000 | \$200,000 | \$200,000 |
| \$30,000,001–\$45,000,000 | \$150,000 | \$300,000 | \$300,000 |
| \$45,000,001–\$60,000,000 | \$200,000 | \$400,000 | \$400,000 |
| \$60,000,001 or more | \$250,000 | \$500,000 | \$500,000 |

(A) Any increased surety bond as required above shall be filed with the director on or before May 1. Failure to do so shall be grounds for summary suspension of a broker’s license.

AUTHORITY: sections 443.869 and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

(B) Surety bonds provided to the director are deemed to be records of the division and will not be released or returned to licensees or to the entities by which they were issued.

**Original authority: 443.869, RSMo 1994, amended 1995, 2001, 2009 and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

AUTHORITY: sections 443.731, 443.849, 443.869, and 443.887, RSMo Supp. 2009. Emergency rule filed April 5, 2010, effective April 18, 2010, expired Jan. 26, 2011. Original rule filed April 15, 2010, effective Nov. 30, 2010.*

**Original authority: 443.731, RSMo 2009; 443.849, RSMo 1994, amended 1995, 2001, 2009; 443.869, RSMo 1994, amended 1995, 2001, 2009; and 443.887, RSMo 1994, amended 1995, 2001, 2009.*

20 CSR 1140-30.320 Exempt List

PURPOSE: This rule establishes procedures and requirements for exempt companies to register with the director.

(1) Registration. The director requests that all exempt entities file a letter disclosing exempt status and the reason therefore at the Division of Finance, Residential Mortgage Section, PO Box 716, Jefferson City, MO 65102. There shall be no fee for said filing.