

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**SENATE DRS35152-LT-64\* (3/9)**

Short Title: Continuing Education of Mortgage Brokers. (Public)

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Sponsors: Senator Hoyle.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO REVISE THE LAW GOVERNING THE CONTINUING EDUCATION  
OF MORTGAGE BROKERS BY ESTABLISHING REQUIREMENTS FOR LIVE  
BROADCASTS OF CONTINUING EDUCATION COURSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 53-243.07 reads as rewritten:

**"§ 53-243.07. Continuing education.**

(a) As a condition of license renewal, the Commissioner may adopt rules to require continuing education of licensees under this Article for the purpose of enhancing the professional competence and professional responsibility of all licensees. The rules may include criteria for:

- (1) The content of continuing education courses.
- (2) Accreditation of continuing education sponsors and programs.
- (3) Accreditation of videotape or other audiovisual programs.
- (4) Computation of credit.
- (5) Special cases and exemptions.
- (6) General compliance procedures.
- (7) Sanctions for noncompliance.
- (8) Conditions under which a continuing education course may be broadcast simultaneously to one or more remote locations.

(b) Annual continuing professional education requirements shall be determined by the Commissioner. However, the requirements shall not exceed eight credit hours within a one-year period.

Continuing professional education credit hours may be given only for courses that are taught live by an instructor or instructors. To receive credit hours for a course, a licensee must attend and view the live teaching of the course or a live broadcast of the course. Only the period of live instruction shall apply to the satisfaction of the

1 continuing professional education requirement established in this section. Courses  
2 consisting solely of recorded or printed materials or of electronic images, other than live  
3 broadcast images, shall not apply to the satisfaction of the continuing professional  
4 education requirement.

5 Licensees shall receive continuing professional education credit hours for live  
6 courses that are broadcast simultaneously to licensees in one or more remote locations  
7 only if the continuing education course provider, or an employee or agent of the  
8 provider, certifies to the Commissioner the identity and attendance of each licensee at  
9 the remote location. False certification of attendees by a continuing education course  
10 provider shall be grounds for the suspension or revocation of the course provider's  
11 privilege to provide courses in this State. The Commissioner may take disciplinary  
12 action against the licensee pursuant to G.S. 53-243.12 for false certification of  
13 attendance at a continuing education course.

14 (c) The Commissioner may require education providers of the fundamentals  
15 mortgage lending course required under the provisions of G.S. 53-243.05(b)(2) and the  
16 continuing education courses required under this section to file information regarding  
17 the contents and materials of proposed courses to satisfy the education requirements  
18 with the Commissioner for review and approval. The Commissioner may set fees for the  
19 initial and continuing review of courses for which credit hours will be granted. The  
20 initial filing fee for review of materials shall not exceed five hundred dollars (\$500.00)  
21 and the fee for continued review shall not exceed two hundred fifty dollars (\$250.00)  
22 per annum per course offered."

23 **SECTION 2.** G.S. 53-243.12(a) reads as rewritten:

24 "(a) The Commissioner may, by order, deny, suspend, revoke, or refuse to issue or  
25 renew a license of a licensee or applicant under this Article or may restrict or limit the  
26 activities relating to mortgage loans of any licensee or any person who owns an interest  
27 in or participates in the business of a licensee, if the Commissioner finds both of the  
28 following:

- 29 (1) That the order is in the public interest.  
30 (2) That any of the following circumstances apply to the applicant,  
31 licensee, or any partner, member, manager, officer, director, loan  
32 officer, managing principal, or any person occupying a similar status  
33 or performing similar functions or any person directly or indirectly  
34 controlling the applicant or licensee. The person:  
35 a. Has filed an application for license that, as of its effective date  
36 or as of any date after filing, contained any statement that, in  
37 light of the circumstances under which it was made, is false or  
38 misleading with respect to any material fact.  
39 b. Has violated or failed to comply with any provision of this  
40 Article, rule adopted by the Commissioner, or order of the  
41 Commissioner.  
42 c. Has been convicted of any felony, or, within the past 10 years,  
43 has been convicted of any misdemeanor involving mortgage  
44 lending or any aspect of the mortgage lending business, or any

- 1 offense involving breach of trust, moral turpitude, or fraudulent  
2 or dishonest dealing.
- 3 d. Is permanently or temporarily enjoined by any court of  
4 competent jurisdiction from engaging in or continuing any  
5 conduct or practice involving any aspect of the mortgage  
6 lending business.
- 7 e. Is the subject of an order of the Commissioner denying,  
8 suspending, or revoking that person's license as a mortgage  
9 broker or mortgage banker.
- 10 f. Is the subject of an order entered within the past five years by  
11 the authority of any state with jurisdiction over that state's  
12 mortgage brokerage or mortgage banking industry denying or  
13 revoking that person's license as a mortgage broker or mortgage  
14 banking industry or denying or revoking that person's license as  
15 a mortgage broker or mortgage banker.
- 16 g. Does not meet the qualifications or the financial responsibility,  
17 character, or general fitness requirements under G.S. 53-243.05  
18 or any bond or capital requirements under this Article.
- 19 h. Has been the executive officer or controlling shareholder or  
20 owned a controlling interest in any mortgage broker or  
21 mortgage banker who has been subject to an order or injunction  
22 described in sub-subdivision d., e., or f. of this subdivision.
- 23 i. Has failed to pay the proper filing or renewal fee under this  
24 Article. However, the Commissioner may enter only a denial  
25 order under this sub-subdivision, and the Commissioner shall  
26 vacate the order when the deficiency has been corrected.
- 27 j. Has falsely certified attendance at a continuing professional  
28 education course."

29 **SECTION 3.** This act becomes effective January 1, 2006, and applies to  
30 licenses issued or renewed on or after that date.