

HB0292/453097/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 292

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, strike “2009” and substitute “2008”; in line 12, strike “sources” and substitute “governmental agencies and state licensing entities”; and in line 27, after “employer;” insert “establishing an affiliated insurance producer-mortgage loan originator license; specifying the circumstances under which the license will be issued; exempting an affiliated insurance producer-mortgage loan originator from certain provisions of law applicable to mortgage loan originator licensees;”.

On page 2, in line 17, after “definitions;” insert “providing that certain licensing requirements shall apply to retail sellers of manufactured homes under certain circumstances; establishing the circumstances under which certain prelicensing testing requirements shall be effective for certain licensees; requiring the Commissioner to notify certain licensees under certain circumstances;”; in line 21, strike “11-505(d) and (e), 11-506(c)” and substitute “11-505(e)”; in line 22, strike “11-508(b) and (d)” and substitute “11-508(d)(2)”; strike beginning with “11-513(a)” in line 22 down through “(c)” in line 23 and substitute “11-517(c)”; in line 23, strike “11-523(b),”; in line 25, strike “11-613(a)” and substitute “11-613”; and in line 30, after “11-513.1” insert “, 11-603.1”.

AMENDMENT NO. 2

On page 3 in lines 16 and 26, on page 4 in lines 12, 18, and 24, on page 5 in lines 7, 8, and 13, on page 6 in lines 2 and 4, on page 7 in lines 7, 9, 18, 20, 25, and 29, on page 8 in lines 8 and 19, on page 20 in lines 12, 16, 19, 20, and 21, on page 23 in lines 1 and 28, on page 25 in lines 22, 25, and 28, on page 27 in line 26, on page 32 in line 16, on page 33 in line 16, on page 40 in lines 5 and 19, and on page 41 in line 32, in each instance, strike “**RESIDENTIAL**”.

On page 3, in line 14, after “(C)” insert “(1)”; and after line 14, insert:

(Over)

“(2) “DWELLING” DOES NOT INCLUDE A RESIDENTIAL STRUCTURE OR MOBILE HOME UNLESS THE RESIDENTIAL STRUCTURE OR MOBILE HOME, OR AT LEAST ONE UNIT CONTAINED IN THE RESIDENTIAL STRUCTURE OR MOBILE HOME, IS OWNER-OCCUPIED.”.

On page 5, in line 5, strike “or”; in line 8, after “purchases” insert “**;** **OR**

(VI) AN AFFILIATED INSURANCE PRODUCER–MORTGAGE LOAN ORIGINATOR LICENSED UNDER § 11–603.1 OF THIS SUBTITLE”;

in line 10, strike “(i)” and substitute “**(J)**”; in line 14, in each instance, strike the bracket; in the same line, strike “**WITHIN**”; after line 28, insert:

“(L) “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 OR RESIDENTIAL REAL ESTATE ON WHICH A DWELLING IS CONSTRUCTED OR INTENDED TO BE CONSTRUCTED.”;

and in lines 29 and 31, strike “**(L)**” and “**(M)**”, respectively, and substitute “**(M)**” and “**(N)**”, respectively.

On page 6, in lines 6 and 12, strike “**(N)**” and “**(O)**”, respectively, and substitute “**(O)**” and “**(P)**”, respectively; in line 15, after “**PARTNERSHIP**” insert “**, BUSINESS TRUST**”; and strike in their entirety lines 16 through 20, inclusive.

On page 8, strike in their entirety lines 24 through 29, inclusive.

On pages 9 through 11, strike in their entirety the lines beginning with line 15 on page 9 through line 10 on page 11, inclusive.

On page 12 in line 17, and on page 30 in line 2, in each instance, strike “, **AND ANY OTHER SOURCE AS DIRECTED BY THE COMMISSIONER**” and substitute “**WITH SUBJECT MATTER JURISDICTION, AND ANY OTHER STATE LICENSING ENTITY THAT HAS LOAN ORIGINATORS REGISTERED WITH THE NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY**”.

On page 14, strike in their entirety lines 12 through 22, inclusive; and strike beginning with “(1)” in line 23 down through “filed.” in line 30.

On page 15, strike in their entirety lines 4 through 13, inclusive.

On page 17, in line 3, strike “**IN**” and substitute “**UNDER**”; and strike in their entirety lines 13 through 21, inclusive.

On pages 17 and 18, strike in their entirety the lines beginning with line 27 on page 17 through line 20 on page 18, inclusive.

On pages 18 and 19, strike in their entirety the lines beginning with line 22 on page 18 through line 10 on page 19, inclusive.

On page 19, in lines 20 and 24, in each instance, strike “**\$10,000**” and substitute “**\$5,000**”; in lines 29, 30, and 32, in each instance, strike the bracket; in line 30, strike “**SECURED**”; and in line 31, strike “[;” and substitute a semicolon.

On page 20, strike in their entirety lines 1 through 6, inclusive.

AMENDMENT NO. 3

On page 21, after line 6, insert:

“(J) “INDIVIDUAL LOAN SERVICER” MEANS AN INDIVIDUAL WHO ON BEHALF OF A NOTE HOLDER OR MORTGAGE LOAN SERVICER:

(1) COLLECTS OR RECEIVES PAYMENTS, INCLUDING PAYMENTS OF PRINCIPAL, INTEREST, ESCROW AMOUNTS, AND OTHER AMOUNTS DUE ON EXISTING MORTGAGE LOAN OBLIGATIONS OWED TO THE NOTE HOLDER OR MORTGAGE LOAN SERVICER, AT A TIME WHEN THE BORROWER IS IN DEFAULT, OR IN REASONABLY FORESEEABLE LIKELIHOOD OF DEFAULT; AND

(2) WORKING WITH THE BORROWER AND THE NOTE HOLDER OR MORTGAGE LOAN SERVICER, COLLECTS DATA AND MAKES DECISIONS TO MODIFY, EITHER TEMPORARILY OR PERMANENTLY, THE TERMS OF THE MORTGAGE LOAN OBLIGATIONS DESCRIBED IN ITEM (1) OF THIS SUBSECTION OR TO PROCEED WITH COLLECTION EFFORTS THROUGH FORECLOSURE OR OTHER PROCESSES.”;

in line 16, in each instance, strike the bracket; and in the same line, strike “(j)” and substitute “**(P)**”.

On page 21 in lines 7, 9, 11, 12, and 14, on page 22 in line 29, on page 23 in lines 16 and 31, and on page 24 in lines 1, 3, 4, 7, 22, and 24, strike “(J)”, “(K)”, “(L)”, “(M)”, “(N)”, “(O)”, “(P)”, “(Q)”, “(R)”, “(S)”, “(T)”, “(U)”, “(W)”, and “(X)”, respectively, and substitute “**(K)**”, “**(L)**”, “**(M)**”, “**(N)**”, “**(O)**”, “**(Q)**”, “**(R)**”, “**(S)**”, “**(T)**”, “**(U)**”, “**(V)**”, “**(W)**”, “**(X)**”, and “**(Y)**”, respectively.

On page 24, strike lines 20 and 21 in their entirety.

On page 25, in line 20, strike “§ 11-601(U)” and substitute “**§ 11-601(W)**”; in line 26, strike “AND”; in line 31, after the second “A” insert “**MORTGAGE**”; in line 32, after “ORIGINATOR” insert “**; AND**”

(5) SUBJECT TO SUBSECTION (E) OF THIS SECTION, AN INDIVIDUAL LOAN SERVICER.

(E) THE EXEMPTION UNDER SUBSECTION (D)(5) OF THIS SECTION IS SUBJECT TO MODIFICATION BY REGULATIONS THAT ARE ADOPTED BY THE COMMISSIONER AND CONSISTENT WITH ANY APPLICABLE WRITTEN INTERPRETATIONS OF THE FEDERAL SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT OF 2008 BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PRESENTED THROUGH COMMENTARIES, GUIDELINES, RULES, REGULATIONS, OR INTERPRETIVE LETTERS”;

and in line 33, strike “(E)” and substitute “(F)”.

On page 27, after line 30, insert:

“(F) THIS SECTION DOES NOT APPLY TO AN AFFILIATED INSURANCE PRODUCER–MORTGAGE LOAN ORIGINATOR LICENSED UNDER § 11–603.1 OF THIS SUBTITLE.

11–603.1.

(A) IN THIS SECTION, “AFFILIATED INSURANCE PRODUCER–MORTGAGE LOAN ORIGINATOR” MEANS AN INDIVIDUAL WHO:

(1) ORIGINATES MORTGAGE LOANS ONLY ON BEHALF OF A SINGLE FINANCIAL INSTITUTION THAT IS:

(I) DESCRIBED IN § 11–502(B)(1) OF THIS TITLE; AND

(Over)

(II) APPROVED BY THE COMMISSIONER UNDER SUBSECTION (B) OF THIS SECTION;

(2) IS A LICENSED INSURANCE PRODUCER IN GOOD STANDING UNDER § 10-103 OF THE INSURANCE ARTICLE; AND

(3) HOLDS AN APPOINTMENT AS AN INSURANCE PRODUCER FOR AN INSURER THAT CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH:

(I) THE FINANCIAL INSTITUTION DESCRIBED IN ITEM (1) OF THIS SUBSECTION; OR

(II) A MORTGAGE LENDER LICENSEE THAT:

1. IS APPROVED BY THE COMMISSIONER UNDER SUBSECTION (C) OF THIS SECTION; AND

2. ORIGINATES LOANS ONLY ON BEHALF OF THE FINANCIAL INSTITUTION DESCRIBED IN ITEM (1) OF THIS SUBSECTION UNDER AN EXCLUSIVE CONTRACT WITH THE FINANCIAL INSTITUTION.

(B) THE COMMISSIONER SHALL APPROVE A FINANCIAL INSTITUTION DESCRIBED IN SUBSECTION (A)(1) OF THIS SECTION BASED ON THE FOLLOWING CRITERIA:

(1) THE FINANCIAL INSTITUTION IS IN GOOD STANDING WITH ITS PRIMARY STATE OR FEDERAL REGULATOR; AND

(2) THE FINANCIAL INSTITUTION IS IN MATERIAL COMPLIANCE WITH APPLICABLE STATE AND FEDERAL LAW.

(C) THE COMMISSIONER SHALL APPROVE A MORTGAGE LENDER LICENSEE DESCRIBED IN SUBSECTION (A)(3)(II) OF THIS SECTION BASED ON THE FOLLOWING CRITERIA:

(1) THE MORTGAGE LENDER LICENSEE IS IN GOOD STANDING WITH THE COMMISSIONER AND ANY OTHER REGULATOR TO WHICH IT IS SUBJECT; AND

(2) THE MORTGAGE LENDER LICENSEE IS IN MATERIAL COMPLIANCE WITH APPLICABLE STATE AND FEDERAL LAW.

(D) APPROVAL BY THE COMMISSIONER OF A FINANCIAL INSTITUTION UNDER SUBSECTION (B) OF THIS SECTION AND A MORTGAGE LENDER LICENSEE UNDER SUBSECTION (C) OF THIS SECTION SHALL BE IN WRITING.

(E) (1) AN APPLICATION FOR A LICENSE UNDER THIS SECTION SHALL BE IN THE FORM APPROVED BY THE COMMISSIONER.

(2) THE APPLICATION SHALL REQUIRE THE IDENTIFICATION OF:

(I) THE FINANCIAL INSTITUTION DESCRIBED IN SUBSECTION (A)(1) OF THIS SECTION;

(II) IF APPLICABLE, THE MORTGAGE LENDER LICENSEE DESCRIBED IN SUBSECTION (A)(3)(II) OF THIS SECTION; AND

(III) THE INSURER WITH WHICH THE APPLICANT HOLDS AN APPOINTMENT.

(3) AN APPLICATION FOR A LICENSE UNDER THIS SECTION SHALL BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF:

(I) THE FINANCIAL INSTITUTION IDENTIFIED IN THE APPLICATION; OR

(II) IF A MORTGAGE LENDER LICENSEE IS IDENTIFIED IN THE APPLICATION, THE MORTGAGE LENDER LICENSEE.

(F) NOTWITHSTANDING §§ 11-602(A) AND 11-603 OF THIS SUBTITLE, AND SUBJECT TO THE PROVISIONS OF THIS SECTION, A LICENSE ISSUED UNDER THIS SECTION AUTHORIZES THE LICENSEE TO ACT AS A MORTGAGE LOAN ORIGINATOR.

(G) AN APPLICANT FOR A LICENSE UNDER THIS SECTION AND A LICENSEE UNDER THIS SECTION SHALL COMPLY WITH ALL OTHER REQUIREMENTS FOR LICENSURE AS A MORTGAGE LOAN ORIGINATOR UNDER THIS SUBTITLE.

(H) A LICENSEE UNDER THIS SECTION SHALL LIMIT THE LICENSEE'S ACTIVITIES TO ORIGINATING MORTGAGE LOANS ONLY ON BEHALF OF A SINGLE FINANCIAL INSTITUTION APPROVED BY THE COMMISSIONER UNDER SUBSECTION (B) OF THIS SECTION.

(I) THE FINANCIAL INSTITUTION IDENTIFIED IN A LICENSEE'S LICENSE APPLICATION OR, IF A MORTGAGE LENDER LICENSEE IS IDENTIFIED IN A LICENSEE'S LICENSE APPLICATION, THE MORTGAGE LENDER LICENSEE SHALL:

(1) SUPERVISE THE LICENSEE, INCLUDING PROVIDING DIRECTION THROUGH WRITTEN INSTRUCTIONS OR ELECTRONIC MEANS AND BY PERIODICALLY EXAMINING THE LICENSEE'S BOOKS, RECORDS, AND OTHER ASPECTS OF THE LICENSEE'S BUSINESS;

(2) BE HELD JOINTLY AND SEVERALLY LIABLE WITH THE LICENSEE FOR CLAIMS ARISING OUT OF THE LICENSEE'S MORTGAGE LOAN ORIGINATION ACTIVITIES; AND

(3) MEET, OR CAUSE THE LICENSEE TO MEET, THE SURETY BOND REQUIREMENTS UNDER § 11-619(C) OF THIS SUBTITLE.

(J) EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, A LICENSEE UNDER THIS SECTION MAY NOT:

(1) AID OR ASSIST A BORROWER TO OBTAIN A MORTGAGE LOAN FROM A FINANCIAL INSTITUTION OTHER THAN THE FINANCIAL INSTITUTION IDENTIFIED IN THE LICENSEE'S LICENSE APPLICATION;

(2) EXCEPT FOR COMPENSATION BASED ON THE PRINCIPAL BALANCE OF A MORTGAGE LOAN, BE COMPENSATED BY ANY PERSON FOR MORTGAGE LOAN ORIGINATION ACTIVITIES ON A BASIS THAT DEPENDS ON THE TERMS OF THE MORTGAGE LOAN, INCLUDING INTEREST RATE OR FEES;

(3) RECEIVE A FINDER'S FEE, AS DEFINED IN § 12-801 OF THE COMMERCIAL LAW ARTICLE;

(4) HANDLE BORROWER OR OTHER THIRD PARTY FUNDS IN CONNECTION WITH THE ORIGINATION OR CLOSING OF A MORTGAGE LOAN;

(Over)

(5) REFER A BORROWER TO ANY OTHER LICENSEE UNDER SUBTITLE 5 OF THIS TITLE; OR

(6) MAKE OR SERVICE A MORTGAGE LOAN.

(K) A LICENSEE UNDER THIS SECTION MAY FORWARD A CHECK TO THE FINANCIAL INSTITUTION IDENTIFIED IN THE LICENSEE'S LICENSE APPLICATION IF THE CHECK IS:

(1) MADE PAYABLE TO THE FINANCIAL INSTITUTION;

(2) FROM AN APPLICANT FOR A MORTGAGE LOAN; AND

(3) IN CONNECTION WITH AN APPLICATION FOR A MORTGAGE LOAN TO COVER COSTS FOR:

(I) AN APPRAISAL;

(II) A CREDIT REPORT; OR

(III) PROCESSING THE APPLICATION.

(L) AN AFFILIATED INSURANCE PRODUCER-MORTGAGE LOAN ORIGINATOR WHO HOLDS A MORTGAGE LENDER LICENSE UNDER § 11-506(C) OF THIS TITLE ON JULY 1, 2009, MAY CONTINUE TO ORIGINATE MORTGAGES UNDER A VALID MORTGAGE LENDER LICENSE UNTIL DECEMBER 31, 2009, PROVIDED THAT THE AFFILIATED INSURANCE PRODUCER-MORTGAGE LOAN ORIGINATOR TAKES THE ACTIONS NECESSARY TO PARTICIPATE IN THE

NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY, AS REQUIRED BY THE COMMISSIONER.

On page 29, in line 27, strike "**FEDERAL**" and substitute "**FEDERAL**".

On page 31, in line 5, strike the period and substitute a semicolon; in line 31, strike "**HAS SHOWN A LACK OF**" and substitute "**DOES NOT MEET THE REQUIREMENTS FOR**"; in line 32, strike "**FOR PURPOSES OF**" and substitute "**UNDER**"; and in line 33, strike "**INCLUDE**" and substitute "**NOT BE BASED SOLELY ON**".

On page 32, strike beginning with "**CURRENT**" in line 1 down through "**OF**" in line 2 and substitute "**DEBTS ARISING FROM**"; in line 2, after "**EXPENSES**" insert "**, INCLUDING JUDGMENTS**"; strike beginning with "**CURRENT**" in line 3 down through "**FILINGS**" in line 4 and substitute "**EXCEPT FOR DELINQUENT CHILD SUPPORT PAYMENTS, DEBTS, INCLUDING JUDGMENTS, ARISING FROM DIVORCE PROCEEDINGS OR DIVORCE SETTLEMENTS**"; in line 5, strike "**WITHIN THE PAST 3 YEARS; AND**" and substitute "**ON THE APPLICANT'S PRINCIPAL RESIDENCE;**"; and strike beginning with "**A**" in line 6 down through "**YEARS**" in line 7 and substitute "**THE APPLICANT'S CREDIT SCORE AS REPORTED BY ANY CONSUMER REPORTING AGENCY, AS DEFINED IN 15 U.S.C. § 1681A; OR**

(5) THE APPLICANT'S INVOLVEMENT IN A BANKRUPTCY PROCEEDING UNDER TITLE 11 OF THE UNITED STATES CODE.

On page 34, in line 22, after "**STANDARDS**" insert "**AND LOAN TERMS**"; in line 23, strike "**THE**"; and in the same line, strike "**PRODUCT MARKETPLACE**" and substitute "**PRODUCTS**".

On page 38, strike beginning with “A” in line 1 down through “MAY” in line 2 and substitute **“NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION OR § 11-605 OF THIS SUBTITLE, AN APPLICANT FOR RENEWAL OF A LICENSE WHO IS DULY LICENSED UNDER THIS SUBTITLE ON JULY 1, 2009:**

(1) MAY;

in line 3, after “REQUIREMENTS” insert **“FOR RENEWAL OF THE LICENSE”**; in lines 4, 6, and 8, strike “(1)”, “(2)”, and “(3)”, respectively, and substitute “(I)”, “(II)”, and “(III)”, respectively; in line 9, after “SUBTITLE” insert **“; AND**

(2) IS DEEMED TO HAVE SATISFIED THE PRELICENSING EDUCATIONAL COURSE REQUIREMENT UNDER § 11-606 OF THIS SUBTITLE IF THE APPLICANT COMPLETED 20 HOURS OF CONTINUING EDUCATION COURSES APPROVED BY THE COMMISSIONER WITHIN 5 YEARS PRIOR TO THE EXPIRATION DATE OF THE APPLICANT’S CURRENT LICENSE”;

strike in their entirety lines 10 through 15; and in line 16, strike “(G)” and substitute **“(F)”**.

On page 40, after line 10, insert:

“(B) IN ADDITION TO THE REQUIREMENTS OF THIS SECTION, AN AFFILIATED INSURANCE PRODUCER-MORTGAGE LOAN ORIGINATOR LICENSED UNDER § 11-603.1 OF THIS SUBTITLE SHALL BE SUBJECT TO THE PROVISIONS OF §§ 11-513 AND 11-515 OF THIS TITLE:

(1) TO THE EXTENT THE COMMISSIONER DETERMINES IS NECESSARY TO ENABLE THE COMMISSIONER TO INVESTIGATE AND EXAMINE

THE MORTGAGE LOAN ORIGINATION ACTIVITIES OF THE AFFILIATED
INSURANCE PRODUCER–MORTGAGE LOAN ORIGINATOR; AND

(2) AS SPECIFIED IN REGULATIONS ADOPTED BY THE
COMMISSIONER.

[(b)](C) A licensee shall pay to the Commissioner a per-day fee set by the Commissioner for each of the Commissioner's employees engaged in any investigation conducted under this section that the Commissioner reasonably considers necessary.

[(c)](D) In connection with an investigation made under this section, the Commissioner may:

(1) Examine the books and records of a licensee or of any other person that the Commissioner believes has violated a provision of this subtitle, any rule or regulation adopted under this subtitle, or any other law regulating mortgage lending or mortgage origination in the State;

(2) Subpoena documents or other evidence; and

(3) Summon and examine under oath any person whose testimony the Commissioner requires.

[(d)] (E) (1) If a person fails to comply with a subpoena or summons of the Commissioner under this subtitle or to testify concerning any matter about which the person may be interrogated under this subtitle, the Commissioner may file a petition for enforcement with the circuit court for a county.

(2) On petition by the Commissioner, the court may order the person to attend and testify or produce evidence.”.

On page 41, in lines 7 and 11, in each instance, strike “\$10,000” and substitute “\$5,000”; and after line 33, insert:

“(C) A LICENSEE WHO IS AN AFFILIATED INSURANCE PRODUCER-MORTGAGE LOAN ORIGINATOR SHALL BE DEEMED IN COMPLIANCE WITH THIS SECTION IF THE LICENSEE:

(1) HOLDS A SURETY BOND THAT WOULD SATISFY THE SURETY BOND REQUIREMENTS UNDER § 11-508 OF THIS TITLE IF THE AFFILIATED INSURANCE PRODUCER-MORTGAGE LOAN ORIGINATOR WERE A LICENSEE UNDER SUBTITLE 5 OF THIS TITLE; OR

(2) IS COVERED UNDER A BLANKET SURETY BOND HELD BY THE FINANCIAL INSTITUTION OR MORTGAGE LENDER LICENSEE IDENTIFIED IN § 11-603.1(A)(3) OF THIS SUBTITLE IF THE BLANKET SURETY BOND:

(I) COVERS ALL AFFILIATED INSURANCE PRODUCER-MORTGAGE LOAN ORIGINATORS; AND

(II) IS IN THE AMOUNT OF \$1,000,000 OR ANOTHER AMOUNT AS REQUIRED BY THE COMMISSIONER BY REGULATION.”.

On page 43, in line 25, strike “AS THE COMMISSIONER REQUIRES BY REGULATION, THE” and substitute “THE”; strike beginning with “ON” in line 27 down through “SPECIFIED” in line 28 and substitute “AS REQUIRED”; and in line 29, after “COMMISSIONER” insert “BY REGULATION”.

AMENDMENT NO. 4

On page 43, after line 29, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That licensing required under § 11-602 of the Financial Institutions Article, as enacted by Section 1 of this Act, shall apply to retail sellers of manufactured homes based on interpretations of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 by the United States Department of Housing and Urban Development presented through commentaries, guidelines, rules, regulations, or interpretive letters.

SECTION 3. AND BE IT FURTHER ENACTED, That the prelicensing testing requirement under § 11-609(e)(1)(iii) of the Financial Institutions Article, as enacted by Section 1 of this Act, for licensees described in § 11-609(e)(1) of the Financial Institutions Article, as enacted by Section 1 of this Act, shall be effective when and if the United States Department of Housing and Urban Development determines through commentaries, guidelines, rules, regulations, or interpretive letters that the requirement is applicable to those licensees. If it is determined that the prelicensing testing requirement is applicable to the licensees, the Commissioner of Financial Regulation shall notify the licensees of the necessity for compliance.”;

and in line 30, strike “2.” and substitute “4.”.