



News From the FAMP Government Affairs Committee

Changes to FS494 to go into Effect on July 1, 2014

As part of the 2014 Florida Legislative Session, changes were made to FS 494, Florida's Mortgage Brokerage and Lending Law. These changes will go into effect on July 1, 2014.

Below is a list of the significant revisions to the statute that will have an effect on your day to day business...

- **Processing Fees** - The collection of processing fees is no longer required to be included as part of the loan origination fee. This fee can no be reflected separately on the GFE and HUD-1.
- **Late License Renewals** - Starting with the 2014 license renewal, if a individual loan originator, mortgage broker business, mortgage lender business or branch office fails to renew their existing license by December 31, their license will fall into a "failed to renew status" and they will be given until March 1 of the following year to complete all outstanding requirements (including completing CE requirements) and pay a late fee which is commiserate with the license type. Failure to comply by March 1 will cause the license to fall into a "terminated

status".

- **Mortgage Broker Agreement** - FS494 will no longer include the requirement for a Mortgage Broker Agreement to be executed on transactions which fall under the statute.
- **Itemized List** - FS494 will no longer include the requirement for an Itemized List to be provided at the time of issuance of the Good Faith Estimate
- **Material Change Disclosure** - FS494 will no longer include the requirement for a re-disclosure when a material change occurs.
- **Federally-required Disclosures** - FS494 will no longer include similar disclosure requirements which fall under such federal laws as RESPA/TILA.
- **Florida Fair Lending Law** - FS494 will no longer include high-cost loan requirements.

Please note...the removal of federally-required disclosures, terms and conditions from Florida Statutes does not preclude the licensee from continuing to follow federal rules and regulations. The following statute reference remains in effect –

FS494.00255 Administrative penalties and fines; license violations.-

(1) Each of the following acts constitutes a ground for which the disciplinary actions specified in subsection (2) may be taken against a person licensed or required to be licensed under part II or part III of this chapter:

(m) In any mortgage transaction, violating any provision of the federal Real Estate Settlement Procedures Act, as amended, 12 U.S.C. ss. 2601 et seq.; the federal Truth in Lending Act, as amended, 15 U.S.C. ss. 1601 et seq.; or any regulations adopted under such acts.

[To view the revisions to FS494, click here](#)

<http://www.flsenate.gov/Session/Bill/2014/1012/BillText/er/PDF>