

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0546.01 Bart Miller

HOUSE BILL 11-1022

HOUSE SPONSORSHIP

Scott, Massey, Holbert, Joshi, McNulty

SENATE SPONSORSHIP

Morse, Harvey, Grantham, Steadman

House Committees

Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE EXEMPTION FROM LAWS REGULATING MORTGAGE**
102 **LOAN ORIGINATORS OF CERTAIN PERSONS PROVIDING SELLER**
103 **FINANCING FOR THE SALE OF A LIMITED NUMBER OF**
104 **RESIDENTIAL PROPERTIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill exempts from the "Mortgage Loan Originator Licensing and Mortgage Company Registration Act" a person, estate, or trust that

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

provides mortgage financing for the sale of no more than 3 residential properties in any 12-month period to purchasers of such properties, each of which is owned by the person, estate, or trust.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds that:

4 (a) Colorado is currently experiencing a deep economic recession;

5 (b) The housing market is vital to any economic recovery in
6 Colorado;

7 (c) The recovery of housing markets in Colorado, much like other
8 states, are impeded by tight credit market conditions and the inability of
9 borrowers to receive the financing necessary to purchase real property
10 and thereby relieve the markets of excess inventory; and

11 (d) In order for excess inventory to be consumed, and thereby the
12 housing market to recover, real property in Colorado must have the ability
13 to be conveyed using all available means of financing.

14 **SECTION 2.** The introductory portion to 12-61-904 (1) and
15 12-61-904 (1) (b), Colorado Revised Statutes, are amended to read:

16 **12-61-904. Exemptions.** (1) Except as otherwise provided in
17 section 12-61-911, this part 9 ~~shall~~ DOES not apply to the following:

18 (b) ~~An individual who only offers or negotiates terms of a~~
19 ~~residential mortgage loan secured by a dwelling that served as the~~
20 ~~individual's residence~~ WITH RESPECT TO A RESIDENTIAL MORTGAGE LOAN,
21 A PERSON, ESTATE, OR TRUST THAT PROVIDES MORTGAGE FINANCING FOR
22 THE SALE OF NO MORE THAN THREE PROPERTIES IN ANY TWELVE-MONTH
23 PERIOD TO PURCHASERS OF SUCH PROPERTIES, EACH OF WHICH IS OWNED
24 BY SUCH PERSON, ESTATE, OR TRUST AND SERVES AS SECURITY FOR THE

1 LOAN;

2 **SECTION 3. Act subject to petition - effective date -**
3 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
4 following the expiration of the ninety-day period after final adjournment
5 of the general assembly (August 10, 2011, if adjournment sine die is on
6 May 11, 2011); except that, if a referendum petition is filed pursuant to
7 section 1 (3) of article V of the state constitution against this act or an
8 item, section, or part of this act within such period, then the act, item,
9 section, or part shall not take effect unless approved by the people at the
10 general election to be held in November 2012 and shall take effect on the
11 date of the official declaration of the vote thereon by the governor.
12 (2) The provisions of this act shall apply to acts occurring on or
13 after the applicable effective date of this act.