

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0832.01 Bart Miller

SENATE BILL 11-206

SENATE SPONSORSHIP

Boyd,

HOUSE SPONSORSHIP

Holbert,

Senate Committees

Health and Human Services

House Committees

A BILL FOR AN ACT

101 CONCERNING THE EXEMPTION OF CERTAIN NONCOMMERCIAL
102 MORTGAGE-RELATED ACTIVITIES FROM THE "MORTGAGE LOAN
103 ORIGINATOR LICENSING AND MORTGAGE COMPANY
104 REGISTRATION ACT".

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 the following from the "Mortgage Loan Originator Licensing and Mortgage Company Registration Act":

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.

- ! An agency of the federal government, the Colorado government, or any of Colorado's political subdivisions or employees of an agency of the federal government, of the Colorado government, or of any of Colorado's political subdivisions;
- ! Quasi-government agencies, United States department of housing and urban development (HUD) approved housing counseling agencies, or employees of quasi-government agencies or HUD-approved housing counseling agencies;
- ! Community development organizations or employees of community development organizations; and
- ! Self-help housing organizations, employees of self-help housing organizations, or volunteers acting as an agent of self-help housing organizations.

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, is impeded by tight credit market conditions, the inability of
9 borrowers to receive the financing necessary to purchase real property
10 and thereby relieve the markets of excess inventory, and the inability of
11 owners to receive the financing necessary to maintain housing in a safe
12 and habitable condition; and

13 (d) In order for excess inventory to be consumed and existing
14 inventory to be rehabilitated or maintained, and thereby the housing
15 market to recover, real property in Colorado must have the ability to be
16 conveyed using all available means of financing and entities and
17 organizations must have the ability to utilize all available means of

1 investment in real property and in housing finance tools.

2 **SECTION 2.** 12-61-902, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to
4 read:

5 **12-61-902. Definitions.** As used in this part 9, unless the context
6 otherwise requires:

7 (1.7) "COMMUNITY DEVELOPMENT ORGANIZATION" MEANS ANY
8 COMMUNITY HOUSING DEVELOPMENT ORGANIZATION OR COMMUNITY
9 LAND TRUST AS DEFINED BY THE FEDERAL "CRANSTON-GONZALEZ
10 NATIONAL AFFORDABLE HOUSING ACT OF 1990" OR A COMMUNITY-BASED
11 DEVELOPMENT ORGANIZATION AS DEFINED BY THE FEDERAL "HOUSING
12 AND COMMUNITY DEVELOPMENT ACT OF 1974", THAT IS ALSO EITHER A
13 PRIVATE OR PUBLIC NONPROFIT ORGANIZATION THAT IS EXEMPT FROM
14 TAXATION UNDER SECTION 501 (a) OF THE FEDERAL "INTERNAL REVENUE
15 CODE OF 1986" PURSUANT TO SECTION 501 (c) OF THE FEDERAL
16 "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (a) AND 501 (c),
17 AND THAT RECEIVES FUNDING FROM THE UNITED STATES DEPARTMENT OF
18 HOUSING AND URBAN DEVELOPMENT, COLORADO DIVISION OF HOUSING,
19 COLORADO HOUSING AND FINANCE AUTHORITY, OR UNITED STATES
20 DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT, OR THROUGH A
21 GRANTEE OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
22 DEVELOPMENT, PURELY FOR THE PURPOSE OF COMMUNITY HOUSING
23 DEVELOPMENT ACTIVITIES.

24 (4.6) "HUD-APPROVED HOUSING COUNSELING AGENCY" MEANS AN
25 AGENCY THAT IS EITHER A PRIVATE OR PUBLIC NONPROFIT ORGANIZATION
26 THAT IS EXEMPT FROM TAXATION UNDER SECTION 501 (a) OF THE FEDERAL
27 "INTERNAL REVENUE CODE OF 1986" PURSUANT TO SECTION 501 (c) OF

1 THE FEDERAL "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (a)
2 AND 501 (c), AND APPROVED BY THE UNITED STATES DEPARTMENT OF
3 HOUSING AND URBAN DEVELOPMENT, IN ACCORDANCE WITH THE HOUSING
4 COUNSELING PROGRAM HANDBOOK SECTION 7610.1 AND 24 CFR 214.

5 (7.6) "QUASI-GOVERNMENT AGENCY" MEANS AN AGENCY THAT IS
6 EITHER A PRIVATE OR PUBLIC NONPROFIT ORGANIZATION THAT IS EXEMPT
7 FROM TAXATION UNDER SECTION 501 (a) OF THE FEDERAL "INTERNAL
8 REVENUE CODE OF 1986" PURSUANT TO SECTION 501 (c) OF THE FEDERAL
9 "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (a) AND 501 (c),
10 AND WAS CREATED TO OPERATE IN ACCORDANCE WITH PART 1 OF ARTICLE
11 25 OF TITLE 31, C.R.S., AS AN URBAN RENEWAL AUTHORITY, OR WAS
12 CREATED TO OPERATE IN ACCORDANCE WITH ARTICLE 4 OF TITLE 29,
13 C.R.S., AS A PUBLIC HOUSING AUTHORITY.

14 (9.5) "SELF-HELP HOUSING ORGANIZATION" MEANS A PRIVATE OR
15 PUBLIC NONPROFIT ORGANIZATION THAT IS EXEMPT FROM TAXATION
16 UNDER SECTION 501 (a) OF THE FEDERAL "INTERNAL REVENUE CODE OF
17 1986" PURSUANT TO SECTION 501 (c) OF THE FEDERAL "INTERNAL
18 REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (a) AND 501 (c), AND THAT
19 PURELY ORIGINATES RESIDENTIAL MORTGAGE LOANS WITH INTEREST
20 RATES NO GREATER THAN ZERO PERCENT FOR BORROWERS WHO HAVE
21 PROVIDED PART OF THE LABOR TO CONSTRUCT THE DWELLING SECURING
22 THE LOAN OR THAT RECEIVES FUNDING FROM THE UNITED STATES
23 DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT SECTION 502
24 MUTUAL SELF-HELP HOUSING PROGRAM FOR BORROWERS THAT HAVE
25 PROVIDED PART OF THE LABOR TO CONSTRUCT THE DWELLING SECURING
26 THE LOAN.

27 **SECTION 3.** The introductory portion to 12-61-904 (1), Colorado

1 Revised Statutes, is amended, and the said 12-61-904 (1) is further
2 amended BY THE ADDITION OF THE FOLLOWING NEW
3 PARAGRAPHS, to read:

4 **12-61-904. Exemptions.** (1) Except as otherwise provided in
5 section 12-61-911, this part 9 ~~shall~~ DOES not apply to the following,
6 UNLESS OTHERWISE DETERMINED BY THE FEDERAL BUREAU OF CONSUMER
7 FINANCIAL PROTECTION OR THE UNITED STATES DEPARTMENT OF HOUSING
8 AND URBAN DEVELOPMENT:

9 (h) AN AGENCY OF THE FEDERAL GOVERNMENT, THE COLORADO
10 GOVERNMENT, OR ANY OF COLORADO'S POLITICAL SUBDIVISIONS OR
11 EMPLOYEES OF AN AGENCY OF THE FEDERAL GOVERNMENT, OF THE
12 COLORADO GOVERNMENT, OR OF ANY OF COLORADO'S POLITICAL
13 SUBDIVISIONS;

14 (i) QUASI-GOVERNMENT AGENCIES, HUD-APPROVED HOUSING
15 COUNSELING AGENCIES, OR EMPLOYEES OF QUASI-GOVERNMENT AGENCIES
16 OR HUD-APPROVED HOUSING COUNSELING AGENCIES;

17 (j) COMMUNITY DEVELOPMENT ORGANIZATIONS OR EMPLOYEES OF
18 COMMUNITY DEVELOPMENT ORGANIZATIONS;

19 (k) SELF-HELP HOUSING ORGANIZATIONS OR EMPLOYEES OF
20 SELF-HELP HOUSING ORGANIZATIONS OR VOLUNTEERS ACTING AS AN
21 AGENT OF SELF-HELP HOUSING ORGANIZATIONS.

22 **SECTION 4. Safety clause.** The general assembly hereby finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, and safety.