

First Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 11-0832.01 Bart Miller

**SENATE BILL 11-206**

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**SENATE SPONSORSHIP**

**Boyd,**

**HOUSE SPONSORSHIP**

**Bradford,**

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**Senate Committees**

Health and Human Services

**House Committees**

Economic and Business Development

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**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".**

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**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.*

SENATE  
3rd Reading Unamended  
April 13, 2011

SENATE  
Amended 2nd Reading  
April 12, 2011

- ! 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.

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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 (1.2) "AFFORDABLE HOUSING DWELLING UNIT" MEANS AN  
8 AFFORDABLE HOUSING DWELLING UNIT AS DEFINED IN SECTION 29-26-102,  
9 C.R.S.

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

27 (4.6) "HUD-APPROVED HOUSING COUNSELING AGENCY" MEANS AN

1 AGENCY THAT IS EITHER A PRIVATE OR PUBLIC NONPROFIT ORGANIZATION  
2 THAT IS EXEMPT FROM TAXATION UNDER SECTION 501 (a) OF THE FEDERAL  
3 "INTERNAL REVENUE CODE OF 1986" PURSUANT TO SECTION 501 (c) OF  
4 THE FEDERAL "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (a)  
5 AND 501 (c), AND APPROVED BY THE UNITED STATES DEPARTMENT OF  
6 HOUSING AND URBAN DEVELOPMENT, IN ACCORDANCE WITH THE HOUSING  
7 COUNSELING PROGRAM HANDBOOK SECTION 7610.1 AND 24 CFR 214.

8 (7.6) "QUASI-GOVERNMENT AGENCY" MEANS AN AGENCY THAT IS  
9 EITHER A PRIVATE OR PUBLIC NONPROFIT ORGANIZATION THAT IS EXEMPT  
10 FROM TAXATION UNDER SECTION 501 (a) OF THE FEDERAL "INTERNAL  
11 REVENUE CODE OF 1986" PURSUANT TO SECTION 501 (c) OF THE FEDERAL  
12 "INTERNAL REVENUE CODE OF 1986", 26 U.S.C. SEC. 501 (a) AND 501 (c),  
13 AND WAS CREATED TO OPERATE IN ACCORDANCE WITH ARTICLE 4 OF TITLE  
14 29, C.R.S., AS A PUBLIC HOUSING AUTHORITY.

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

1           **SECTION 3.** The introductory portion to 12-61-904 (1), Colorado  
2 Revised Statutes, is amended, and the said 12-61-904 (1) is further  
3 amended BY THE ADDITION OF THE FOLLOWING NEW  
4 PARAGRAPHS, to read:

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

10           (h) TO THE EXTENT THAT IT IS PROVIDING PROGRAMS BENEFITTING  
11 AFFORDABLE HOUSING DWELLING UNITS, AN AGENCY OF THE FEDERAL  
12 GOVERNMENT, THE COLORADO GOVERNMENT, OR ANY OF COLORADO'S  
13 POLITICAL SUBDIVISIONS OR EMPLOYEES OF AN AGENCY OF THE FEDERAL  
14 GOVERNMENT, OF THE COLORADO GOVERNMENT, OR OF ANY OF  
15 COLORADO'S POLITICAL SUBDIVISIONS;

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

19           (j) COMMUNITY DEVELOPMENT ORGANIZATIONS OR EMPLOYEES OF  
20 COMMUNITY DEVELOPMENT ORGANIZATIONS;

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

24           **SECTION 4.** 12-61-904, Colorado Revised Statutes, is amended  
25 BY THE ADDITION OF A NEW SUBSECTION to read:

26           **12-61-904. Exemptions - rules.** (3) THE BOARD MAY ADOPT  
27 REASONABLE RULES MODIFYING THE EXEMPTIONS IN THIS SECTION IN

1 ACCORDANCE WITH RULES ADOPTED BY THE FEDERAL BUREAU OF  
2 CONSUMER FINANCIAL PROTECTION OR THE UNITED STATES DEPARTMENT  
3 OF HOUSING AND URBAN DEVELOPMENT.

4 **SECTION 5. Safety clause.** The general assembly hereby finds,  
5 determines, and declares that this act is necessary for the immediate  
6 preservation of the public peace, health, and safety.