

**NO FISCAL IMPACT****Drafting Number:** LLS 13-0511**Date:** February 5, 2013**Prime Sponsor(s):** Sen. Hodge  
Rep. Pabon**Bill Status:** Senate Business, Labor, & Technology  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING CLARIFICATION OF THE EXEMPTIONS FROM THE LAWS REGULATING MORTGAGE LOAN ORIGINATORS, AND, IN CONNECTION THEREWITH, CLARIFYING THAT CERTAIN PERSONS PROVIDING SELLER FINANCING FOR THE SALE OF A LIMITED NUMBER OF RESIDENTIAL PROPERTIES ARE COVERED BY THE LAW PROHIBITING CERTAIN PRACTICES AND EXEMPTING REAL ESTATE LICENSEES REPRESENTING THESE PERSONS.

**Summary of Legislation**

This bill allows a private property owner to provide seller financing for up to five properties and remain exempt from the license and registration requirements for a mortgage loan originator or mortgage company. The bill increases from three to five the number of allowable properties a property owner may finance for sale while remaining exempt from the professional practice act regulating mortgage loan originators. Private property owners who offer seller financing are still subject to legal prohibitions against fraudulent and deceptive practices.

**Assessment**

This bill is a clarification that property owners who finance the sale of their property are not mortgage loan originators or mortgage companies, nor subject to regulation by the Division of Real Estate in the Department of Regulatory Agencies. The exemption from regulation is not an exemption from other consumer protection laws. The bill is not anticipated to change the expenditure or revenue of any state agency or local government. For this reason, the bill is assessed as having no fiscal impact.

**Departments Contacted**

Law            Regulatory Agencies