

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 104

Short Title: Eliminate Audited Financial Statement Req. (Public)

Sponsors: Representatives J. Bell and Jordan (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Banking.

February 27, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO ELIMINATE THE REQUIREMENT THAT LICENSED MORTGAGE
3 LENDERS OBTAIN AN AUDITED FINANCIAL STATEMENT, AS RECOMMENDED
4 BY THE LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE ON
5 BANKING LAW AMENDMENTS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 53-244.104 reads as rewritten:

8 "**§ 53-244.104. Minimum net worth requirements.**

9 (a) A minimum net worth shall be continuously maintained for licensees in accordance
10 with this section. In the event that the mortgage loan originator or transitional mortgage loan
11 originator is an employee or exclusive agent of a person subject to this Article, the net worth of
12 the person subject to this Article can be used in lieu of the mortgage loan originator's or
13 transitional mortgage loan originator's minimum net worth requirement. The minimum net
14 worth to be maintained for each license is as follows:

15 (1) If the licensee is a mortgage lender, it shall maintain a net worth of at least
16 one hundred thousand dollars (\$100,000), including evidence of liquidity of
17 one million dollars (\$1,000,000), which may include a warehouse line of
18 credit of one million dollars (\$1,000,000) or other evidence of funding
19 capacity to conduct mortgage originations as documented by ~~an unqualified~~
20 ~~audited statement~~ a certified public accountant's compilation of financial
21 condition.

22 (2) If the licensee is a mortgage servicer, it shall maintain a net worth of at least
23 one hundred thousand dollars (\$100,000), not including monies in any
24 escrow accounts held for others.

25 (3) If the licensee is a mortgage broker, it shall maintain a net worth of at least
26 twenty-five thousand dollars (\$25,000), including evidence of liquidity of
27 ten thousand dollars (\$10,000), as certified by the licensee in a certified
28 statement of financial condition.

29 (b) The Commissioner may adopt rules to require additional minimum net worth or
30 otherwise amend net worth requirements as are necessary to ensure licensees maintain adequate
31 financial responsibility and accomplish the purposes of this Article."

32 **SECTION 2.** This act is effective when it becomes law.

