

standards, streamlining communication between all stakeholders involved in residential mortgage loan origination and processing, and establishing performance based bonding requirements for mortgage originators or institutions that employ such brokers.

**(b) Legislative recommendations**

Not later than 6 months after July 30, 2008, the Director shall make recommendations to Congress on legislative reforms to the Real Estate Settlement Procedures Act of 1974 [12 U.S.C. 2601 et seq.], that the Director deems appropriate to promote more transparent disclosures, allowing consumers to better shop and compare mortgage loan terms and settlement costs.

(Pub. L. 110-289, div. A, title V, §1516, July 30, 2008, 122 Stat. 2824; Pub. L. 111-203, title X, §1100(3), July 21, 2010, 124 Stat. 2106.)

REFERENCES IN TEXT

The Real Estate Settlement Procedures Act of 1974, referred to in subsec. (b), is Pub. L. 93-533, Dec. 22, 1974, 88 Stat. 1724, which is classified principally to chapter 27 (§2601 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2601 of this title and Tables.

AMENDMENTS

2010—Pub. L. 111-203 substituted “Director” for “Secretary” wherever appearing.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L. 111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

**§ 5116. Study and reports on defaults and foreclosures**

**(a) Study required**

The Director shall conduct an extensive study of the root causes of default and foreclosure of home loans, using as much empirical data as is available.

**(b) Preliminary report to Congress**

Not later than 6 months after July 30, 2008, the Director shall submit to Congress a preliminary report regarding the study required by this section.

**(c) Final report to Congress**

Not later than 12 months after July 30, 2008, the Director shall submit to Congress a final report regarding the results of the study required by this section, which shall include any recommended legislation relating to the study, and recommendations for best practices and for a process to provide targeted assistance to populations with the highest risk of potential default or foreclosure.

(Pub. L. 110-289, div. A, title V, §1517, July 30, 2008, 122 Stat. 2824; Pub. L. 111-203, title X, §1100(3), July 21, 2010, 124 Stat. 2106.)

AMENDMENTS

2010—Pub. L. 111-203 substituted “Director” for “Secretary” wherever appearing.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the designated transfer date, see section 1100H of Pub. L.

111-203, set out as a note under section 552a of Title 5, Government Organization and Employees.

**§ 5117. Employment transition of loan originators**

**(a) Definitions**

In this section:

**(1) Application State**

The term “application State” means a State in which a registered loan originator or a State-licensed loan originator seeks to be licensed.

**(2) State-licensed mortgage company**

The term “State-licensed mortgage company” means an entity that is licensed or registered under the law of any State to engage in residential mortgage loan origination and processing activities.

**(b) Temporary authority to originate loans for loan originators moving from a depository institution to a non-depository institution**

**(1) In general**

Upon becoming employed by a State-licensed mortgage company, an individual who is a registered loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the individual—

(A) has not had—

(i) an application for a loan originator license denied; or

(ii) a loan originator license revoked or suspended in any governmental jurisdiction;

(B) has not been subject to, or served with, a cease and desist order—

(i) in any governmental jurisdiction; or

(ii) under section 5113(c) of this title;

(C) has not been convicted of a misdemeanor or felony that would preclude licensure under the law of the application State;

(D) has submitted an application to be a State-licensed loan originator in the application State; and

(E) was registered in the Nationwide Mortgage Licensing System and Registry as a loan originator during the 1-year period preceding the date on which the information required under section 5104(a) of this title is submitted.

**(2) Period**

The period described in this paragraph shall begin on the date on which an individual described in paragraph (1) submits the information required under section 5104(a) of this title and shall end on the earliest of the date—

(A) on which the individual withdraws the application to be a State-licensed loan originator in the application State;

(B) on which the application State denies, or issues a notice of intent to deny, the application;

(C) on which the application State grants a State license; or

(D) that is 120 days after the date on which the individual submits the application, if the

application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

**(c) Temporary authority to originate loans for State-licensed loan originators moving interstate**

**(1) In general**

A State-licensed loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the State-licensed loan originator—

- (A) meets the requirements of subparagraphs (A), (B), (C), and (D) of subsection (b)(1);
- (B) is employed by a State-licensed mortgage company in the application State; and
- (C) was licensed in a State that is not the application State during the 30-day period preceding the date on which the information required under section 5104(a) of this title was submitted in connection with the application submitted to the application State.

**(2) Period**

The period described in this paragraph shall begin on the date on which the State-licensed loan originator submits the information required under section 5104(a) of this title in connection with the application submitted to the application State and end on the earliest of the date—

- (A) on which the State-licensed loan originator withdraws the application to be a State-licensed loan originator in the application State;
- (B) on which the application State denies, or issues a notice of intent to deny, the application;
- (C) on which the application State grants a State license; or
- (D) that is 120 days after the date on which the State-licensed loan originator submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

**(d) Applicability**

**(1) Employer of loan originators**

Any person employing an individual who is deemed to have temporary authority to act as a loan originator in an application State under this section shall be subject to the requirements of this chapter and to applicable State law to the same extent as if that individual was a State-licensed loan originator licensed by the application State.

**(2) Engaging in mortgage loan activities**

Any individual who is deemed to have temporary authority to act as a loan originator in an application State under this section and who engages in residential mortgage loan origination activities shall be subject to the requirements of this chapter and to applicable State law to the same extent as if that individual was a State-licensed loan originator licensed by the application State.

(Pub. L. 110-289, div. A, title V, §1518, as added Pub. L. 115-174, title I, §106(a), May 24, 2018, 132 Stat. 1302.)

EFFECTIVE DATE

Section effective 18 months after May 24, 2018, see section 106(d) of Pub. L. 115-174, set out as an Effective Date of 2018 Amendment note under section 5112 of this title.

**CHAPTER 52—EMERGENCY ECONOMIC STABILIZATION**

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**§ 5201. Purposes**

The purposes of this chapter are—