

House Bill 876 (AS PASSED HOUSE AND SENATE)

By: Representatives Williamson of the 112<sup>th</sup>, Williams of the 148<sup>th</sup>, Dickey of the 145<sup>th</sup>,  
Wade of the 9<sup>th</sup>, Chastain of the 7<sup>th</sup>, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Titles 7, 10, and 53 of the Official Code of Georgia, relating to banking and  
2 finance, commerce and trade, and wills, trusts, and administration of estates, respectively,  
3 so as to update terminology; to revise procedures concerning incorporators of banks and trust  
4 companies; to revise requirements of articles of incorporation of banks and trust companies;  
5 to revise procedures concerning approval of banks and trust companies; to revise provisions  
6 concerning subordinated securities; to revise procedures concerning approval of certain  
7 transactions; to provide for definitions; to revise requirements concerning certain meetings  
8 of credit unions; to revise duties of directors of credit unions; to revise provisions concerning  
9 certain loans made by credit unions; to remove a requirement that certain mortgage brokers  
10 register with the Department of Banking and Finance; to provide for certain requirements of  
11 foreign banks; to provide for refund of installment loan closing fees; to revise requirements  
12 of merchant acquirer limited purpose banks; to provide for exceptions; to revise the  
13 definition of bona fide discount points; to conform cross-references; to provide for effective  
14 dates; to provide for related matters; to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

## PART I

## SECTION 1-1.

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Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is amended in Code Section 7-1-4, relating to definitions relative to financial institutions, by revising paragraph (37) as follows:

"(37)(A) 'Subsidiary' means a corporation or a company, as defined in Code Section 7-1-605, that is controlled by a financial institution which owns at least a majority of its voting shares. A financial institution shall be deemed to control such corporation or company if:

(i) Such financial institution, directly or indirectly or acting through one or more other persons, owns, controls, or has the power to vote more than 50 percent of any class of voting securities of such corporation or company;

(ii) Such financial institution controls in any manner the election of a majority of the directors or trustees of such corporation or company; or

(iii) The department determines, after notice and opportunity for hearing, that such financial institution, directly or indirectly, exercises a controlling influence over the management or policies of such corporation or company.

(B) Notwithstanding subparagraph (A) of this paragraph, a financial institution shall not be deemed to control a corporation or company solely due to the financial institution's ownership or voting power of securities of such corporation or company that is:

(i) Held in a fiduciary capacity, unless such financial institution has sole discretionary authority to exercise voting rights with respect to such corporation or company; or

(ii) Acquired in securing or collecting a debt previously contracted in good faith for a period of two years after the date of acquiring such ownership or voting power of securities."

42 **SECTION 1-2.**

43 Said title is further amended by revising Code Section 7-1-391, relating to prohibition of  
44 promoters' fees, as follows:

45 "7-1-391.

46 (a) A bank or trust company shall not pay any fee, compensation, or commission for  
47 promotion in connection with its organization or apply any money received on account of  
48 shares or subscriptions, selling shares, or other services in connection with its organization,  
49 except legal fees, commissions or fees to disinterested third parties for sale of bank stock  
50 to others, and other usual and ordinary expenses necessary for its organization.

51 ~~(b) A majority of incorporators shall file with the department at the time of filing of the~~  
52 ~~articles an affidavit:~~

53 ~~(1) Setting forth all expenses incurred or to be incurred in connection with the~~  
54 ~~organization of the bank or trust company, subscription for its shares, and sale of its~~  
55 ~~shares; and~~

56 ~~(2) Stating that no fee, compensation, or commission prohibited by subsection (a) of this~~  
57 ~~Code section has been paid or incurred.~~

58 ~~(c) In the event of a violation of this Code section the department may disapprove the~~  
59 ~~articles on account of such violation."~~

60 **SECTION 1-3.**

61 Said title is further amended in Code Section 7-1-392, relating to articles of incorporation,  
62 advertisement of articles or notice of application, and naming registered agent, by revising  
63 paragraphs (8) and (9) of subsection (a) as follows:

64 "(8) The name, place and county of residence, ~~and post office address~~ of each  
65 incorporator;

66 (9) The name, occupation, citizenship, place and county of residence, ~~and post office~~  
67 ~~address~~ of each of the first directors, which number shall not be less than five; and"

68 **SECTION 1-4.**

69 Said title is further amended in Code Section 7-1-393, relating to additional filings with  
70 department and fees, by revising paragraph (2) as follows:

71 "(2) ~~The affidavit required by Code Section 7-1-391~~ Reserved;"

72 **SECTION 1-5.**

73 Said title is further amended in Code Section 7-1-394, relating to investigation, approval or  
74 disapproval by department, and abbreviated procedures, by revising subsection (b) as  
75 follows:

76 "(b) Within 90 days after receipt of the articles and the filings and fees from the  
77 incorporators as required by Code Section 7-1-393, the department shall approve or  
78 disapprove the proposed bank or trust company; provided, however, that, if the approval  
79 of a federal public body is also required with respect to the bank or trust company, then the  
80 department may elect to not act on the application until after such approval is given. In  
81 giving approval, the department may impose conditions to be satisfied prior to the issuance  
82 of a permit to do business under Code Section 7-1-396. If the department, in its discretion,  
83 shall approve the proposed bank or trust company with or without conditions, it shall  
84 deliver its written approval of the articles to the Secretary of State and notify the  
85 incorporators of its action, ~~provided that if the approval of a federal public body is also~~  
86 ~~required with respect to the bank or trust company, then the department may, at its option,~~  
87 ~~withhold its written approval from the Secretary of State until such approval is given and~~  
88 ~~may, at its option, withdraw its approval if the federal public body refuses to grant its~~  
89 ~~approval to the bank or trust company.~~ If the department, in its discretion, shall disapprove  
90 the proposed bank or trust company, it shall notify the incorporators of its disapproval and  
91 state generally the unfavorable factors influencing its decision. The decision of the  
92 department shall be conclusive, except that it may be subject to judicial review as provided  
93 in Code Section 7-1-90."

94 **SECTION 1-6.**

95 Said title is further amended in Code Section 7-1-419, relating to subordinated securities, by  
96 revising subsections (c) and (d) as follows:

97 ~~"(c) If at or after the payment or retirement of the subordinated securities of a bank or trust~~  
98 ~~company there is or would be a deficiency in the capital stock of the bank or trust~~  
99 ~~company, such fact shall be reported to the department in advance of the payment or~~  
100 ~~retirement. The department may, upon receipt of such report, order a restoration of capital~~  
101 ~~stock or take other appropriate remedial measures under this chapter.~~

102 ~~(d)~~ Subordinated securities shall not be considered in determining the amount of ad  
103 valorem taxes payable by the bank or trust company."

104 **SECTION 1-7.**

105 Said title is further amended in Code Section 7-1-590, relating to definitions relative to  
106 representative offices and registration, by revising paragraph (4) as follows:

107 "(4) 'Loan production office' is a form of a representative office, where the solicitation  
108 of loans or of leases of personal property may occur, but not the closing of loans, the  
109 disbursement of loan proceeds to the borrower, nor any other banking business. It shall  
110 be established and registered as a representative office."

111 **SECTION 1-8.**

112 Said title is further amended in Code Section 7-1-606, relating to actions of bank holding  
113 companies unlawful without prior approval of commissioner and exceptions, by revising  
114 subparagraph (C) of paragraph (2) of subsection (a) as follows:

115 "(C) A bank holding company of a national bank with its main office in Georgia  
116 acquiring a Georgia bank holding company, as such term is defined in paragraph (10)  
117 of Code Section 7-1-621, ~~shall notify~~ provided that such bank holding company has  
118 notified the department upon filing an application with the appropriate federal or state

119 financial regulator and that the department has not objected to the transaction in  
 120 accordance with the provisions of this subparagraph. The notification requirements of  
 121 this subparagraph shall be satisfied by furnishing the department with a copy of the  
 122 application or applications filed with the applicable bank supervisory agencies seeking  
 123 approval for the proposed transaction and such other information as the department may  
 124 request. In addition, the parties to such transaction shall file with the department ~~and~~  
 125 ~~the Secretary of State~~ a certificate of approval of the acquisition by the appropriate  
 126 supervisory agencies prior to consummation of the transaction. The department may,  
 127 for good cause shown, object to the transaction by letter to the bank holding company  
 128 of a national bank with its main office in Georgia, the Georgia bank holding company,  
 129 and to the appropriate federal or state financial regulator before consummation of the  
 130 transaction. In the event of such objection, the acquisition cannot be consummated  
 131 without the parties obtaining the approval of the department. Unless the department has  
 132 objected to the transaction, the department shall forward to the Secretary of State  
 133 written confirmation that the requirements of this subparagraph have been satisfied; or"

134 **SECTION 1-9.**

135 Said title is further amended in Code Section 7-1-623, relating to acquisitions not requiring  
 136 department approval and notifications, by revising subsections (a) and (c) as follows:

137 "(a) Subject to any applicable restrictions, an out-of-state bank holding company having  
 138 a bank subsidiary with banking offices in Georgia may acquire a bank that does not have  
 139 banking offices in this state, and an out-of-state bank holding company may acquire an  
 140 out-of-state bank with branch offices in Georgia without the approval of the department."

141 "(c) An out-of-state bank holding company acquiring a Georgia bank holding company or  
 142 Georgia state bank shall notify the department upon filing an application with the  
 143 appropriate federal or state financial regulator. The notification requirements of this  
 144 subsection shall be satisfied by furnishing the department with a copy of the application or

145 applications filed with the applicable bank supervisory agencies seeking approval for the  
146 proposed transaction and such other information as the department shall request. In  
147 addition, the parties to such transaction shall file with the department ~~and the Secretary of~~  
148 ~~State~~ a certificate of approval of the acquisition by the appropriate supervisory agencies  
149 prior to consummation of the transaction. The department may, for good cause shown,  
150 object to the transaction by letter to the out-of-state bank holding company, the Georgia  
151 bank holding company, and to the appropriate federal or state financial regulator before  
152 consummation of the transaction. In the event of such objection, the acquisition cannot be  
153 consummated without the parties obtaining the approval of the department. Unless the  
154 department has objected to the transaction, the department shall forward to the Secretary  
155 of State written confirmation that the requirements of this subsection have been satisfied."

156 **SECTION 1-10.**

157 Said title is further amended in Code Section 7-1-630, relating to initial subscribers, contents  
158 and filing of articles, other required filings, fee for investigation, and selection of initial  
159 directors, by revising paragraph (2) of subsection (e) and adding a new subsection to read as  
160 follows:

161 "(2) The number of directors, which ~~must~~ shall be not less than five nor more than 25,  
162 all of whom ~~must~~ shall be members, and their powers and duties, together with the duties  
163 of the executive officers elected by the board of directors;"

164 "(h) For the purposes of this article, the term 'executive officer' means an individual who  
165 performs significant managerial, supervisory, or policy-making functions on behalf of a  
166 credit union, including, but not limited to, the chief executive officer, president, chief  
167 financial officer, chief operating officer, and other individuals who perform such  
168 functions."

169 **SECTION 1-11.**

170 Said title is further amended in Code Section 7-1-633, relating to organizational meeting of  
171 directors and commencing of business, by revising subsection (a) as follows:

172 "(a) Within 30 days after receipt of the certificate of incorporation from the Secretary of  
173 State, an organizational meeting of the board of directors named in the articles of  
174 incorporation shall be held for the purpose of accepting the certificate and bylaws,  
175 appointing an audit committee and a credit committee or, in lieu thereof, loan officers ~~and~~  
176 ~~an audit committee pursuant to Code Section 7-1-658~~, naming the president, and electing  
177 or appointing ~~the~~ other executive officers, as provided in Code Section 7-1-655, who shall  
178 serve until the first directors' meeting after the first annual meeting. Notice of the meeting  
179 shall be given at least five days prior to the date of the meeting."

180 **SECTION 1-12.**

181 Said title is further amended in Code Section 7-1-635.1, relating to out-of-state credit unions,  
182 by revising subsection (e) as follows:

183 "(e) A credit union which is approved under this Code section shall be exempt from the  
184 requirements of Article 15 of Chapter ~~2~~ 3 of Title 14."

185 **SECTION 1-13.**

186 Said title is further amended in Code Section 7-1-651, relating to membership and shares, by  
187 revising subsection (b) as follows:

188 "(b) Societies, associations, partnerships, limited liability companies, and corporations  
189 composed of persons who are eligible for membership or headquartered within the field of  
190 membership may be admitted to membership in the same manner and under the same  
191 conditions as such persons."

192 **SECTION 1-14.**

193 Said title is further amended by revising Code Section 7-1-655, relating to board of directors,  
 194 credit and audit committees, officers, oaths of officials, removal from office, suspension of  
 195 member, filling of vacancies, and notification to department of change in president or chief  
 196 executive officers, as follows:

197 "7-1-655.

198 (a) At the first annual meeting, the members shall elect from among their number a board  
 199 of directors of no less than five nor more than 25 and at each annual meeting thereafter  
 200 shall elect successors to the members of the board of directors whose terms of office expire  
 201 at such annual meeting.

202 (b) Except as this Code section permits the bylaws of a credit union to provide otherwise,  
 203 members of the board of directors elected at the first annual meeting shall serve until the  
 204 next annual meeting ~~and until their successors are elected and qualified~~. A credit union  
 205 may in its bylaws provide for staggered elections for members of the board of directors;  
 206 but in that event the bylaws shall provide that as nearly as possible one-third of the board  
 207 shall be elected at each annual meeting.

208 (c) At the organizational meeting and at its first meeting after each annual meeting of the  
 209 members, the board of directors shall appoint an audit committee, credit committee,  
 210 chairperson, and secretary, ~~and such other~~. In addition, the board of directors may appoint  
 211 other committees or executive officers consistent with the bylaws as the board deems  
 212 desirable. No member of the audit committee may be an employee of the credit union.

213 (d) The chairperson of the credit and audit committees shall be appointed by the board  
 214 from among its number. Both the credit and audit committees shall be accountable to the  
 215 board and members of such committees may be removed by the board.

216 (e) ~~Officers and the committee members elected or appointed at the organizational meeting~~  
 217 ~~shall serve until the first annual meeting. Thereafter, the terms of such persons~~ Directors  
 218 shall ~~be~~ serve until their successors are chosen or have duly qualified. ~~An officer~~ A

219 director elected or appointed to fill an unexpired term shall be elected or appointed for the  
220 balance of that term.

221 (f) All members of the board ~~and all officers~~ of directors and committee members shall be  
222 sworn to perform faithfully the duties of their several offices in accordance with this  
223 chapter and the bylaws or as otherwise lawfully established. The oaths shall be subscribed  
224 in writing and a copy thereof shall be retained in the minutes of the meetings of the board.  
225 The oaths shall not modify in any manner the legal duties of or the standard of care for  
226 members of the board of directors and ~~officers~~ committee members in the exercise of such  
227 duties.

228 (g) The entire board of directors or an individual director may be removed from office  
229 without cause by the vote of a quorum of members at a properly called meeting.

230 (h) The board may remove a director from office if:

231 (1) The director is adjudicated an incompetent by a court or is convicted of a felony;

232 (2) The director does not, within 60 days of his or her election or such longer time as  
233 may be specified in the bylaws, accept the office in writing or by attendance at a meeting  
234 and fulfill other requirements for holding the office;

235 (3) The director fails to attend regular meetings of the board for six successive meetings  
236 without having been excused by the board;

237 (4) The director was an employee or duly elected officer of the credit union and was  
238 discharged or resigned at the request of the board for reasons relating to performance of  
239 duties as an employee or officer of the credit union; or

240 (5) For any reason set forth in the bylaws of the credit union.

241 (i) The board of directors, by a two-thirds' vote of a quorum of the board, may suspend any  
242 member of the credit union's board of directors, for cause, until the next membership  
243 meeting, which shall be held not less than seven nor more than 60 days after such  
244 suspension. The suspended person will be notified of the details of his or her suspension,  
245 and shall have the right to request a meeting with the board to reconsider his or her

246 suspension prior to the membership meeting. Any suspended member of the board of  
247 directors may be removed by a majority vote of a quorum of members at a properly called  
248 meeting. At such meeting of the membership, the suspended person shall have the right  
249 to make a presentation to the members and the suspension shall be acted upon by the  
250 members at such meeting and the person shall be removed from, or restored to, the board.

251 (j) Vacancies in the board of directors, whether caused by removal or otherwise and  
252 including vacancies resulting from an increase in the number of directors, may be filled by  
253 the remaining members of the board, even though less than a quorum.

254 (k) The credit union shall immediately notify the department upon a change in president  
255 or chief executive officer.

256 (l) Each credit union shall keep minutes of the meetings of its members, board of directors,  
257 and committees of directors."

258 **SECTION 1-15.**

259 Said title is further amended in Code Section 7-1-656, relating to duties of directors,  
260 meetings, prohibited activities, eligibility to vote, applicability of Code Section 7-1-490, and  
261 appointment of honorary director or director emeritus, by revising paragraphs (2) and (3) of  
262 subsection (a) as follows:

263 "(2) To determine from time to time rates of interest and dividends which shall be  
264 allowed on deposits ~~and charged on~~, loans, and income consistent with this article and  
265 other applicable laws and to authorize any interest refunds on such classes of loans and  
266 under such conditions as the board prescribes;

267 (3) To fix the amount of the fidelity bond which shall be required of all directors,  
268 officers, employees, agents, or members having custody of funds, properties, or records;  
269 provided, however, that the amount of such fidelity bond shall not be less than such  
270 minimum requirements as shall be prescribed by regulation of the department and shall  
271 be in such form as may from time to time be approved by the department;"

272 **SECTION 1-16.**

273 Said title is further amended in Code Section 7-1-658, relating to loans, by revising  
274 subsection (c) and paragraph (5) of subsection (g) as follows:

275 "(c) Loans may be made to executive officers, directors, and committee members of the  
276 credit union under the same general terms and conditions as to other members of the credit  
277 union; provided, however, that no ~~officer, director, committee member, or employee person~~  
278 shall participate in approving any loan in which he or she has a direct or indirect financial  
279 interest. The approval of all loans to officers, directors, and committee members of the  
280 credit union shall be reported to the board of directors at its next meeting."

281 "(5) Unsecured obligations below the unsecured legal lending limit in conjunction with  
282 secured obligations below the secured legal lending limit so long as the total aggregate  
283 liability for both secured and unsecured obligations is ~~\$50,000.00~~ \$150,000.00 or less."

284 **SECTION 1-17.**

285 Said title is further amended by revising Code Section 7-1-661, relating to fiscal year, special  
286 meetings of members, and voting and proxies, as follows:

287 "7-1-661.

288 The credit union fiscal year shall end at the close of business on December 31, unless the  
289 bylaws of the credit union specify a different fiscal year. ~~Special~~ Unless the articles of  
290 incorporation or bylaws provide otherwise, special meetings of the members may be held  
291 by order of the chairperson of the board of directors, the president or chief executive  
292 officer, or at least 20 percent of the directors in office. In addition, special meetings of the  
293 members may be held ~~or~~ on written request of ~~at~~ 5 percent of the members or such other  
294 amount as the articles of incorporation or bylaws shall specify; provided, however, that  
295 such articles or bylaws shall not require written request from more than 25 percent of the  
296 members for a special meeting to be held. At all meetings a member shall have but one  
297 vote. No member may vote by proxy; but a society, association, partnership, or corporation

298 having membership in the credit union may be represented by one person duly authorized  
299 by said society, association, partnership, or corporation to represent it. At any meeting the  
300 members may decide on any matter of interest to the credit union and may overrule the  
301 board of directors, provided that the notice of the meeting shall have stated the question to  
302 be considered."

303 **SECTION 1-18.**

304 Said title is further amended in Code Section 7-1-1000, relating to definitions relative to  
305 licensing of mortgage lenders and mortgage brokers, by revising paragraphs (4), (16), (22)  
306 and (28) as follows:

307 "(4) 'Commitment' or 'commitment agreement' means a statement by a lender required  
308 to be licensed ~~or registered~~ under this article that sets forth the terms and conditions upon  
309 which the lender is willing to make a particular mortgage loan to a particular borrower."

310 "(16) 'Lock-in agreement' means a written agreement whereby a lender or a broker  
311 required to be licensed ~~or registered~~ under this article guarantees for a specified number  
312 of days or until a specified date the availability of a specified rate of interest for a  
313 mortgage loan, a specified formula by which the rate of interest will be determined, or  
314 a specific number of discount points if the mortgage loan is approved and closed within  
315 the stated period of time."

316 "(22) 'Mortgage loan originator' means an individual who for compensation or gain or  
317 in the expectation of compensation or gain takes a residential mortgage loan application  
318 or offers or negotiates terms of a residential mortgage loan. Generally, this does not  
319 include an individual engaged solely as a loan processor or underwriter except as  
320 otherwise provided in subsection (a.1) of Code Section 7-1-1002; a person or entity that  
321 only performs real estate brokerage activities and is licensed ~~or registered~~ in accordance  
322 with Georgia law unless the person or entity is compensated by a mortgage lender,  
323 mortgage broker, or other mortgage loan originator or by any agent of such mortgage

324 lender, mortgage broker, or other mortgage loan originator; and does not include a person  
 325 or entity solely involved in extensions of credit relating to time-share plans, as that term  
 326 is defined in 11 U.S.C. Section 101(53D)."

327 "(28) ~~'Registrant' means any person required to register pursuant to Code~~  
 328 ~~Sections 7-1-1001 and 7-1-1003.2. Reserved.~~"

329 **SECTION 1-19.**

330 Said title is further amended in subsection (a) of Code Section 7-1-1001, relating to  
 331 exemption for certain persons and entities, registration requirements, authored actions of  
 332 licensed mortgage lenders, and violations, by revising the introductory language and  
 333 paragraphs (2.1), (14), and (19), by deleting "or" at the end of subparagraph (B) of paragraph  
 334 (18), and by adding a new paragraph to read as follows:

335 "(a) The following persons shall not be required to obtain a mortgage loan originator,  
 336 mortgage broker, or mortgage lender license and shall not be subject to the provisions of  
 337 this article but may be subject to registration requirements; ~~if registration of such persons~~  
 338 ~~is required by this article."~~

339 "(2.1) Any wholly owned subsidiary of any bank holding company; ~~provided, however,~~  
 340 ~~that such subsidiary shall be subject to registration requirements in order to facilitate the~~  
 341 ~~department's handling of consumer inquiries. Such requirements are contained in Code~~  
 342 ~~Section 7-1-1003.3;"~~

343 "(14) A natural person employed by a licensed ~~or registered~~ mortgage broker, a licensed  
 344 ~~or registered~~ mortgage lender, or any person exempted from the mortgage broker or  
 345 mortgage lender licensing requirements of this article when acting within the scope of  
 346 employment and under the supervision of the mortgage broker or mortgage lender or  
 347 exempted person as an employee and not as an independent contractor, except those  
 348 natural persons exempt from licensure as a mortgage broker or mortgage lender under  
 349 paragraph (17) of this subsection. To be exempt from licensure as a mortgage broker or

350 mortgage lender, a natural person shall be employed by only one such employer and shall  
 351 be at all times eligible for employment in compliance with the provisions and  
 352 prohibitions of Code Section 7-1-1004. Such natural person, who meets the definition  
 353 of mortgage loan originator provided in paragraph (22) of Code Section 7-1-1000, shall  
 354 be subject to mortgage loan originator licensing requirements. A natural person against  
 355 whom a cease and desist order has become final shall not qualify for this exemption while  
 356 under the employment time restrictions of subsection (p) of Code Section 7-1-1004 if  
 357 such order was based on a violation of Code Section 7-1-1002 or 7-1-1013 or whose  
 358 license was revoked within five years of the date such person was hired;"

359 "(19) Any person who purchases or holds closed mortgage loans for the sole purpose of  
 360 securitization into a secondary market, provided that such person holds the individual  
 361 loans for ~~less than seven~~ 14 days or less and does not service the loans, but with such  
 362 loans being serviced instead by a person licensed as a mortgage lender or exempt from  
 363 the licensing requirements of this article; or

364 (20) Any trust, the trustee of which is a bank that satisfies the exemption from licensure  
 365 set forth in paragraph (1) of this subsection, that purchases or holds closed mortgage  
 366 loans for the sole purpose of securitization or otherwise transferring the loans into a  
 367 secondary market, provided that the loans held in the trust are not serviced by the trust  
 368 or the trustee of the trust but are instead serviced by a person licensed as a mortgage  
 369 lender or exempt from the licensing requirements of this article. A trust that commences  
 370 foreclosure proceedings on a mortgage loan held by the trust either through the trustee  
 371 of the trust or otherwise shall not qualify for this exemption."

372 **SECTION 1-20.**

373 Said title is further amended in Code Section 7-1-1002, relating to transaction of business  
 374 without a license, registration, or exemption prohibited, knowing purchase of mortgage loan

375 from unlicensed or nonexempt broker or lender prohibited, and liability of persons  
376 controlling violators, by revising subsections (a) and (b) as follows:

377 "(a) It shall be prohibited for any person to transact business in this state directly or  
378 indirectly as a mortgage broker, a mortgage lender, or a mortgage loan originator unless  
379 such person:

380 (1) Is licensed ~~or registered as such~~ under this article by the department utilizing the  
381 Nationwide Multistate Licensing System and Registry;

382 (2) Is exempted from the licensing ~~or registration~~ requirements of this article pursuant  
383 to Code Section 7-1-1001;

384 (3) In the case of an employee of a mortgage broker or mortgage lender, has qualified  
385 to be relieved of the necessity for a license under the employee exemption in  
386 paragraph (14) of subsection (a) of Code Section 7-1-1001; or

387 (4) In the case of a mortgage loan originator, is supervised by a mortgage broker,  
388 mortgage lender, or exemptee on a daily basis while performing mortgage functions; is  
389 employed by and works exclusively for only one mortgage broker, mortgage lender, or  
390 exemptee; and is paid on a W-2 basis by the employing mortgage broker, mortgage  
391 lender, or exemptee, except those natural persons exempt from licensure as a mortgage  
392 broker or mortgage lender under paragraph (17) of subsection (a) of Code Section  
393 7-1-1001. Each licensed mortgage loan originator shall register with and maintain a valid  
394 unique identifier issued by the Nationwide Multistate Licensing System and Registry.  
395 For the purposes of implementing an orderly and efficient mortgage loan originator  
396 process, the department may establish licensing rules or regulations and interim  
397 procedures for licensing and acceptance of applications."

398 "(b) It shall be prohibited for any person, as defined in Code Section 7-1-1000, to  
399 purchase, sell, or transfer one or more mortgage loans or loan applications from or to a  
400 mortgage loan originator, mortgage broker, or mortgage lender who is neither licensed nor  
401 exempt from the licensing ~~or registration~~ provisions of this article. Such a purchase shall

402 not affect the obligation of the borrower under the terms of the mortgage loan. The  
403 department shall provide for distribution or availability of information regarding approved  
404 or revoked licenses."

405 **SECTION 1-21.**

406 Said title is further amended in Code Section 7-1-1003.2, relating to financial requirements  
407 for licensing and registration and bond requirements, by revising subsections (a), (b), and (c)  
408 as follows:

409 "(a) Each licensed ~~or registered~~ mortgage broker shall provide the department with a bond.  
410 The bond for a mortgage broker shall be in the principal sum of \$150,000.00 or such  
411 greater sum as the department may require as set forth by regulation based on an amount  
412 that reflects the dollar amount of loans originated, and the bond shall meet the other  
413 requirements of subsection (d) of this Code section.

414 (b) Except as otherwise provided in subsection (d) of this Code section, the department  
415 shall not license ~~or register~~ any mortgage lender unless the applicant ~~or registrant~~ provides  
416 the department with a bond. The bond for a mortgage lender shall be in the principal sum  
417 of \$250,000.00 or such greater sum as the department may require as set forth by regulation  
418 based on an amount that reflects the dollar amount of loans originated, and which bond  
419 shall meet the other requirements of subsection (d) of this Code section.

420 (c) Each mortgage loan originator shall be covered by the surety bond of his or her  
421 sponsoring licensed ~~or registered~~ mortgage broker or lender. In the event that the mortgage  
422 loan originator is an employee of a licensed ~~or registered~~ mortgage broker or lender or  
423 under an exclusive written independent contractor agreement as described in paragraph  
424 (17) of Code Section 7-1-1001, the surety bond of such licensed ~~or registered~~ mortgage  
425 broker or lender may be used in lieu of the mortgage loan originator's surety bond  
426 requirement."

427 **SECTION 1-22.**

428 Said title is further amended by revising Code Section 7-1-1003.3, relating to application for  
429 registration, as follows:

430 "7-1-1003.3.

431 ~~An application to register as a mortgage lender or broker under this article shall be made~~  
432 ~~annually in writing, under oath, on a form provided by the department, subject to~~  
433 ~~requirements specified by rules and regulations of the department. Reserved.~~"

434 **SECTION 1-23.**

435 Said title is further amended in Code Section 7-1-1004, relating to investigation of applicant  
436 and its officers, audit, and education, experience, and other requirements relative to licensees  
437 and registrants, by revising subsections (b), (c), (i), (l), (m), (o), (p), (q), and (r) as follows:

438 "(b) Upon receipt of an application for license ~~or registration~~, the department shall conduct  
439 such investigation as it deems necessary to determine that the mortgage broker and  
440 mortgage lender applicant and the individuals who direct the affairs or establish policy for  
441 the mortgage broker and mortgage lender applicant, including the officers, directors, or the  
442 equivalent, are of good character and ethical reputation; that the mortgage broker and  
443 mortgage lender applicant is not disqualified for licensure as a result of adverse  
444 administrative civil or criminal findings in any jurisdiction; that the mortgage broker and  
445 mortgage lender applicant and such persons meet the requirements of subsection (i) of this  
446 Code section; that the mortgage broker and mortgage lender applicant and such persons  
447 demonstrate reasonable financial responsibility; that the mortgage broker and mortgage  
448 lender applicant has reasonable policies and procedures to receive and process customer  
449 grievances and inquiries promptly and fairly; and that the mortgage broker and mortgage  
450 lender applicant has and maintains a registered agent for service in this state.

451 (c) The department shall not license ~~or register~~ any mortgage broker and mortgage lender  
452 applicant unless it is satisfied that the mortgage broker and mortgage lender applicant may

453 be expected to operate its mortgage lending or brokerage activities in compliance with the  
454 laws of this state and in a manner which protects the contractual and property rights of the  
455 citizens of this state."

456 "(i) The department shall not issue or may revoke a license ~~or registration~~ if it finds that  
457 the mortgage loan originator, mortgage broker, or mortgage lender applicant or licensee,  
458 or any person who is a director, officer, partner, covered employee, or ultimate equitable  
459 owner of 10 percent or more of the mortgage broker or mortgage lender applicant;  
460 ~~registrant~~, or licensee or any individual who directs the affairs or establishes policy for the  
461 mortgage broker or mortgage lender applicant, ~~registrant~~, or licensee, has been convicted  
462 of a felony in any jurisdiction or of a crime which, if committed within this state, would  
463 constitute a felony under the laws of this state. Other than a mortgage loan originator, for  
464 the purposes of this article, a person shall be deemed to have been convicted of a crime if  
465 such person shall have pleaded guilty or nolo contendere to a charge thereof before a court  
466 or federal magistrate or shall have been found guilty thereof by the decision or judgment  
467 of a court or federal magistrate or by the verdict of a jury, irrespective of the  
468 pronouncement of sentence or the suspension thereof, and regardless of whether first  
469 offender treatment without adjudication of guilt pursuant to the charge was entered, or an  
470 adjudication or sentence was otherwise withheld or not entered on the charge, unless and  
471 until such plea of guilty, or such decision, judgment, or verdict, shall have been set aside,  
472 reversed, or otherwise abrogated by lawful judicial process or until probation, sentence, or  
473 both probation and sentence of a first offender have been successfully completed and  
474 documented, or unless the person convicted of the crime shall have received a pardon  
475 therefor from the President of the United States or the ~~Governor~~ governor or other  
476 pardoning authority in the jurisdiction where the conviction occurred. For purposes of this  
477 article, a mortgage loan originator shall be deemed to have been convicted of a crime if he  
478 or she has pleaded guilty to, been found guilty of, or entered a first offender or nolo

479     contendere plea to a felony in a domestic, foreign, or military court; provided, however,  
480     that any pardon of a conviction shall not be a conviction."

481     "(l) Every mortgage broker and mortgage lender licensee,~~registrant~~, and applicant shall  
482     be authorized and required to obtain criminal background checks on covered employees.  
483     Such criminal background checks shall be commercial background checks. Licensees;  
484     ~~registrants~~, and applicants shall be responsible for any applicable fees charged by the  
485     company performing the commercial background check. A licensee,~~registrant~~, or  
486     applicant may only employ a covered employee whose criminal history has been checked  
487     in this manner and has been found to be in compliance with all lawful requirements prior  
488     to the initial date of hire. This provision shall not apply to directors, officers, partners,  
489     agents, or ultimate equitable owners of 10 percent or more or to persons who direct the  
490     company's affairs or establish policy, whose background shall have been investigated  
491     through the department before taking office, beginning employment, or securing  
492     ownership. The department shall be entitled to review any applicant's,~~registrant's~~, or  
493     licensee's files to determine whether the required commercial background checks have been  
494     conducted and whether all covered employees are qualified. Notwithstanding the  
495     requirement that licensees,~~registrants~~, and applicants conduct such commercial  
496     background checks on covered employees, the department shall retain the right to obtain  
497     conviction data on covered employees pursuant to subsection (j) of this Code section.

498     (m) Upon receipt of fingerprints, fees, and other required information from the department,  
499     the Georgia Crime Information Center shall promptly transmit fingerprints to the Federal  
500     Bureau of Investigation for a search of bureau records and an appropriate report and shall  
501     promptly conduct a search of its own records and records to which it has access. The  
502     Georgia Crime Information Center shall notify the department in writing of any derogatory  
503     finding, including, but not limited to, any conviction data regarding the fingerprint records  
504     check, or if there is no such finding. All conviction data received by the department shall  
505     be used by the department for the exclusive purpose of carrying out the responsibilities of

506 this article, shall not be a public record, shall be privileged, and shall not be disclosed to  
507 any other person or agency except to any person or agency which otherwise has a legal  
508 right to inspect the file. All such records shall be maintained by the department and the  
509 applicant or licensee ~~or registrant~~ pursuant to laws regarding such records and the rules and  
510 regulations of the Federal Bureau of Investigation and the Georgia Crime Information  
511 Center, as applicable."

512 "(o) The department may deny or revoke a license ~~or registration~~ or otherwise restrict a  
513 license ~~or registration~~ if it finds that the mortgage broker or mortgage lender applicant or  
514 any person who is a director, officer, partner, or ultimate equitable owner of 10 percent or  
515 more or person who directs the company's affairs or who establishes policy of the applicant  
516 has been in one or more of these roles as a mortgage lender, or broker, ~~or registrant~~ whose  
517 license ~~or registration~~ has been denied, revoked, or suspended within five years of the date  
518 of the application.

519 (p) The department shall not issue a license ~~or registration~~ to and may revoke a license ~~or~~  
520 ~~registration~~ from a mortgage broker or mortgage lender applicant, or licensee, ~~or registrant~~  
521 if such person:

522 (1) Has been the recipient of a final cease and desist order issued within the preceding  
523 five years if such order was based on a violation of subsection (i) of this Code section or  
524 Code Section 7-1-1002 or 7-1-1013;

525 (2) Employs any other person against whom a final cease and desist order has been  
526 issued within the preceding five years if such order was based on a violation of  
527 subsection (i) of this Code section or Code Section 7-1-1002 or 7-1-1013; or

528 (3) Has had his or her license revoked within five years of the date such person was hired  
529 or employs any other person who has had his or her license revoked within five years of  
530 the date such person was hired.

531 (q) Each mortgage broker and mortgage lender applicant, or licensee, ~~and registrant~~ shall,  
532 before hiring an employee, examine the department's public records to determine that such

533 employee is not subject to the type of order described in subsection (p) of this Code  
534 section.

535 (r) Within 90 days after receipt of a completed application and payment of licensing fees  
536 prescribed by this article, the department shall either grant or deny the request for license  
537 ~~or registration.~~"

538 **SECTION 1-24.**

539 Said title is further amended in Code Section 7-1-1005, relating to renewal of licenses and  
540 registrations and expiration, by revising subsections (a), (b), (c), and (d) as follows:

541 "(a) Except as otherwise specifically provided in this article, all licenses ~~and registrations~~  
542 issued pursuant to this article shall expire on December 31 of each year, and application  
543 for renewal shall be made annually on or before December 1 of each year.

544 (b) Any licensee ~~or registrant~~ making proper application on or before December 1 for the  
545 renewal of a license ~~or registration~~ for the following calendar year shall be permitted to  
546 continue to operate pending final approval or disapproval of the application if the  
547 application for the license ~~or registration~~ is not acted upon prior to January 1. For purposes  
548 of this subsection, a 'proper application' shall include a requirement that all documentation  
549 requesting a renewal has been completed, the requisite continuing education has been  
550 successfully obtained, and payment has been made of all outstanding fines and applicable  
551 fees required by this article.

552 (c) No investigation fee shall be payable in connection with the renewal application, but  
553 an annual license ~~or registration~~ fee established by regulation of the department to defray  
554 the cost of supervision shall be paid with each renewal application, which fee shall not be  
555 refunded.

556 (d) Any person holding a license ~~or registration~~ pursuant to this article who fails to file a  
557 proper application for a license ~~or registration~~ renewal for the following license year on or  
558 before December 1 and who files an application after December 1 may be required to pay,

559 in addition to the license ~~or registration~~ fees, a fine in an amount to be established by  
560 regulations promulgated by the department."

561 **SECTION 1-25.**

562 Said title is further amended in Code Section 7-1-1007, relating to licensee to give notice of  
563 certain actions brought against it by a creditor or borrower and notice to the department of  
564 cancellation of bond, by revising subsection (d) as follows:

565 "(d) A licensee ~~or registrant~~ shall, within ten days after knowledge of the event, report in  
566 writing to the department:

567 (1) Any knowledge or discovery of an act prohibited by Code Section 7-1-1013;

568 (2) The discharge of any employee for dishonest or fraudulent acts; and

569 (3) Any administrative, civil, or criminal action initiated against the licensee, ~~registrant~~,  
570 or any of its control persons by any government entity.

571 Any person reporting such an event shall be protected from civil liability as provided in  
572 Code Section 7-1-1009."

573 **SECTION 1-26.**

574 Said title is further amended by revising Code Section 7-1-1008, relating to acquisition of  
575 10 percent or more of the voting shares or of the ownership of any other entity licensed or  
576 registered to conduct business under this article, as follows:

577 "7-1-1008.

578 (a) Except as provided in this Code section, no person shall acquire directly or indirectly  
579 10 percent or more of the voting shares of a corporation or 10 percent or more of the  
580 ownership of any other entity licensed ~~or registered~~ to conduct business as a mortgage  
581 broker or mortgage lender under this article unless it first:

582 (1) Files an application with the department in such form as the department may  
583 prescribe from time to time;

584 (2) Delivers such other information to the department as the department may require  
585 concerning the financial responsibility, background, experience, and activities of the  
586 applicant, its directors and officers, if a corporation, and its members, if applicable, and  
587 of any proposed new directors, officers, or members of the licensee ~~or registrant~~; and

588 (3) Pays such application fee as the department may prescribe.

589 (b) Upon the filing and investigation of an application, the department shall permit the  
590 applicant to acquire the interest in the mortgage broker or mortgage lender licensee ~~or~~  
591 ~~registrant~~ if it finds that the applicant and its members, if applicable, its directors and  
592 officers, if a corporation, and any proposed new directors and officers have the financial  
593 responsibility, character, reputation, experience, and general fitness to warrant belief that  
594 the business will be operated efficiently and fairly, in the public interest, and in accordance  
595 with law. The department shall grant or deny the application within 60 days from the date  
596 a completed application accompanied by the required fee is filed unless the period is  
597 extended by order of the department reciting the reasons for the extension. If the  
598 application is denied, the department shall notify the applicant of the denial and the reasons  
599 for the denial.

600 (c) The provisions of this Code section shall not apply to:

601 (1) The acquisition of an interest in a licensee ~~or registrant~~ directly or indirectly,  
602 including an acquisition by merger or consolidation by or with a person licensed ~~or~~  
603 ~~registered~~ by this article or a person exempt from this article under Code Section  
604 7-1-1001;

605 (2) The acquisition of an interest in a mortgage broker or mortgage lender licensee ~~or~~  
606 ~~registrant~~ directly or indirectly, including an acquisition by merger or consolidation by  
607 or with a person affiliated through common ownership with the licensee ~~or registrant~~; or

608 (3) The acquisition of an interest in a mortgage broker or mortgage lender licensee ~~or~~  
609 ~~registrant~~ by a person by bequest, descent, or survivorship or by operation of law.

610 The person acquiring an interest in a mortgage broker or mortgage lender licensee ~~or~~  
611 ~~registrant~~ in a transaction which is exempt from filing an application by this subsection  
612 shall send written notice to the department of such acquisition within 30 days of the closing  
613 of such transaction."

614 **SECTION 1-27.**

615 Said title is further amended in Code Section 7-1-1009, relating to maintenance of books,  
616 accounts, and records, investigation and examination of licensees and registrants by  
617 department, confidentiality, and exemptions from civil liability, by revising subsections (a)  
618 and (b), paragraph (5) of subsection (d), and subsection (g) as follows:

619 "(a) Mortgage brokers and mortgage lenders required to be licensed ~~or registered~~ under this  
620 article shall maintain at their offices or such other location as the department shall permit  
621 such books, accounts, and records as the department may reasonably require in order to  
622 determine whether such mortgage brokers and mortgage lenders are complying with the  
623 provisions of this article and rules and regulations adopted in furtherance thereof. Such  
624 books, accounts, and records shall be maintained separately and distinctly from any other  
625 personal or unrelated business matters in which the mortgage brokers and mortgage lenders  
626 are involved.

627 (b) The department shall investigate and examine the affairs, business, premises, and  
628 records of any mortgage broker or mortgage lender required to be licensed ~~or registered~~  
629 under this article insofar as such affairs, business, premises, and records pertain to any  
630 business for which a license ~~or registration~~ is required by this article. The department may  
631 conduct such investigations and examinations as often as it deems necessary in order to  
632 carry out the purposes of this article, but shall conduct such investigations and  
633 examinations at least once every 60 months. In order to avoid unnecessary duplication of  
634 examinations, the department may accept examination reports performed and produced by  
635 other state or federal agencies, unless the department determines that the examinations are

636 not available or do not provide the information necessary to fulfill the responsibilities of  
637 the department under this article. Notwithstanding the provisions of this subsection, the  
638 department may alter the frequency or scope of investigations and examinations through  
639 rules and regulations prescribed by the department. If the department determines, based  
640 on the records submitted to the department and past history of operations of the licensee  
641 in the state, that such investigations or examinations are unnecessary, then the department  
642 may waive such investigations and examinations. ~~In the case of registrants, the department  
643 shall not be required to conduct such examinations if it determines that the registrant has  
644 been adequately examined by another bank regulatory agency."~~

645 "(5) Conduct an on-site examination without prior notice, with the licensee ~~or registrant~~  
646 to pay the reasonably incurred costs for such examination, including out-of-state travel  
647 expenses, and the department shall be authorized to net such out-of-state expenses against  
648 the payments from the licensee ~~or registrant.~~"

649 "(g) Examinations and investigations conducted under this article and information obtained  
650 by the department in the course of its duties under this article are confidential, except as  
651 provided in this subsection, pursuant to the provisions of Code Section 7-1-70. In addition  
652 to the exceptions set forth in subsection (b) of Code Section 7-1-70 and in paragraphs (3)  
653 and (4) of subsection (d) of this Code section, the department is authorized to share  
654 information obtained under this article with other state and federal regulatory agencies or  
655 law enforcement authorities. In the case of such sharing, the safeguards to confidentiality  
656 already in place within such agencies or authorities shall be deemed adequate. The  
657 commissioner or an examiner specifically designated may disclose such limited  
658 information as is necessary to conduct a civil or administrative investigation or proceeding.  
659 Information contained in the records of the department which is not confidential and may  
660 be made available to the public either on the department's website, upon receipt by the  
661 department of a written request, or in the Nationwide Multistate Licensing System and  
662 Registry shall include:

- 663 (1) For mortgage brokers and mortgage lenders, the name, business address, and  
664 telephone, ~~facsimile~~ designated email address, and unique identifier of a licensee ~~or~~  
665 registrant;
- 666 (2) For mortgage brokers and mortgage lenders, the names and titles of the principal  
667 officers;
- 668 (3) For mortgage brokers and mortgage lenders, the name of the owner or owners  
669 thereof;
- 670 (4) For mortgage brokers and mortgage lenders, the business address of a licensee's ~~or~~  
671 registrant's agent for service; and
- 672 (5) The terms of or a copy of any bond filed by a licensee ~~or registrant.~~"

673 **SECTION 1-28.**

674 Said title is further amended by revising Code Section 7-1-1010, relating to annual financial  
675 statements, as follows:

676 "7-1-1010.

677 (a) If a mortgage broker is a United States Department of Housing and Urban  
678 Development loan correspondent, such broker shall also submit to the department the audit  
679 that is required for the United States Department of Housing and Urban Development. The  
680 department may require the mortgage broker to have made an audit of the books and affairs  
681 of the licensed ~~or registered~~ business and submit to the department an audited financial  
682 statement if the department finds that such an audit is necessary to determine whether the  
683 mortgage broker is complying with the provisions of this article and the rules and  
684 regulations adopted in furtherance of this article.

685 (b) Each mortgage lender licensed ~~or registered~~ under this article shall at least once each  
686 year have made an audit of the books and affairs of the licensed ~~or registered~~ business and  
687 submit to the department at renewal an audited financial statement, except that a mortgage  
688 lender licensed ~~or registered~~ under this article which is a subsidiary shall comply with this

689 provision by annually providing a consolidated audited financial statement of its parent  
690 company and a financial statement, which may be unaudited, of the licensee ~~or registrant~~  
691 which is prepared in accordance with generally accepted accounting principles. A lender  
692 who utilizes a bond in lieu of an audit need not supply such audit, unless specially required  
693 by the department. An audit shall be less than 15 months old to be acceptable. The  
694 department may by regulation establish additional minimum standards for audits and  
695 reports under this Code section."

696 **SECTION 1-29.**

697 Said title is further amended by revising Code Section 7-1-1011, relating to annual fees, as  
698 follows:

699 "7-1-1011.

700 (a) The department may, by regulation, prescribe annual fees to be paid by licensees ~~and~~  
701 ~~registrants~~, which fees shall be set at levels necessary to defray costs and expenses incurred  
702 by the state in providing the examinations and supervision required by this article and its  
703 federally mandated participation in the Nationwide Multistate Licensing System and  
704 Registry, and which fees may vary according to whether a person is a licensee ~~or registrant~~  
705 or is a mortgage loan originator, mortgage broker, or a mortgage lender.

706 (b)(1) As used in this subsection, the term 'collecting agent' means the person listed as  
707 the secured party on a security deed or other loan document that establishes a lien on the  
708 residential real property taken as collateral at the time of the closing of the mortgage loan  
709 transaction.

710 (2) There shall be imposed on the closing of every mortgage loan subject to regulation  
711 under this article which, as defined in Code Section 7-1-1000, includes all mortgage  
712 loans, whether or not closed by a mortgage broker or mortgage lender licensee ~~or~~  
713 ~~registrant~~, a fee of \$10.00. The fee shall be paid by the borrower to the collecting agent  
714 at the time of closing of the mortgage loan transaction. The collecting agent shall remit

715 the fee to the department at the time and in the manner specified by regulation of the  
716 department. Revenue collected by the department pursuant to this subsection shall be  
717 deposited in the general fund of the state.

718 (3) The fee imposed by this subsection shall be a debt from the borrower to the collecting  
719 agent until such assessment is paid and shall be recoverable at law in the same manner  
720 as authorized for the recovery of other debts. Any collecting agent who neglects, fails,  
721 or refuses to collect the fee imposed by this subsection shall be liable for the payment of  
722 the fee."

723 **SECTION 1-30.**

724 Said title is further amended by revising Code Section 7-1-1013, relating to prohibition of  
725 certain acts, as follows:

726 "7-1-1013.

727 It shall be prohibited for any person transacting a mortgage business in or from this state,  
728 including any person required to be licensed or registered under this article and any person  
729 exempted from the licensing or registration requirements of this article under Code Section  
730 7-1-1001, to:

731 (1) Misrepresent the material facts, make false statements or promises, or submit false  
732 statements or documents likely to influence, persuade, or induce an applicant for a  
733 mortgage loan, a mortgagee, or a mortgagor to take a mortgage loan, or, through agents  
734 or otherwise, pursue a course of misrepresentation by use of fraudulent or unauthorized  
735 documents or other means to the department or anyone;

736 (2) Misrepresent or conceal or cause another to misrepresent or conceal material factors,  
737 terms, or conditions of a transaction to which a mortgage lender or broker is a party,  
738 pertinent to an applicant or application for a mortgage loan or a mortgagor;

739 (3) Fail to disburse funds in accordance with a written commitment or agreement to  
740 make a mortgage loan;

- 741 (4) Improperly refuse to issue a satisfaction of a mortgage loan;
- 742 (5) Fail to account for or deliver to any person any personal property obtained in  
743 connection with a mortgage loan such as money, funds, deposit, check, draft, mortgage,  
744 or other document or thing of value which has come into the possession of a licensee ~~or~~  
745 ~~registrant~~ and which is not the property of the licensee ~~or registrant~~, or which the  
746 mortgage lender or broker is not in law or at equity entitled to retain;
- 747 (6) Engage in any transaction, practice, or course of business which is not in good faith  
748 or fair dealing, or which operates a fraud upon any person, in connection with the  
749 attempted or actual making of, purchase of, transfer of, or sale of any mortgage loan;
- 750 (7) Engage in any fraudulent home mortgage underwriting practices;
- 751 (8) Induce, require, or otherwise permit the applicant for a mortgage loan or mortgagor  
752 to sign a security deed, note, loan application, or other pertinent financial disclosure  
753 documents with any blank spaces to be filled in after it has been signed, except blank  
754 spaces relating to recording or other incidental information not available at the time of  
755 signing;
- 756 (9) Make, directly or indirectly, any residential mortgage loan with the intent to foreclose  
757 on the borrower's property. For purposes of this paragraph, there shall be a presumption  
758 that a person has made a residential mortgage loan with the intent to foreclose on the  
759 borrower's property if the following circumstances can be demonstrated:
- 760 (A) Lack of substantial benefit to the borrower;
- 761 (B) Lack of probability of full payment of the loan by the borrower; and
- 762 (C) A significant proportion of similarly foreclosed loans by such person;
- 763 (10) Provide an extension of credit or collect a mortgage debt by extortionate means; or
- 764 (11) Purposely withhold, delete, destroy, or alter information requested by an examiner  
765 of the department or make false statements or material misrepresentations to the  
766 department or the Nationwide Multistate Licensing System and Registry or in connection  
767 with any investigation conducted by the department or another governmental agency."

768 **SECTION 1-31.**

769 Said title is further amended by revising Code Section 7-1-1014, relating to regulations  
770 governing disclosure required to applicants for mortgage loans, as follows:

771 "7-1-1014.

772 In addition to such other rules, regulations, and policies as the department may promulgate  
773 to effectuate the purposes of this article, the department shall promulgate regulations  
774 governing the disclosure required to be made to applicants for mortgage loans, including,  
775 without limitation, the following requirements:

776 (1) Any person required to be licensed ~~or registered~~ under this article shall provide to  
777 each applicant for a mortgage loan prior to accepting an application fee or any third-party  
778 fee such as a property appraisal fee, credit report fee, or any other similar fee a disclosure  
779 of the fees payable and the conditions under which such fees may be refundable;

780 (2) Any mortgage lender required to be licensed ~~or registered~~ under this article shall  
781 make available to each applicant for a mortgage loan at or before the time a commitment  
782 to make a mortgage loan is given a written disclosure of the fees to be paid in connection  
783 with the commitment and the loan, or the manner in which such fees shall be determined  
784 and the conditions under which such fees may be refundable; and

785 (3) Any mortgage lender required to be licensed ~~or registered~~ under this article shall  
786 disclose to each borrower of a mortgage loan that failure to meet every condition of the  
787 mortgage loan may result in the loss of the borrower's property through foreclosure. The  
788 borrower shall be required to sign the disclosure at or before the time of the closing of the  
789 mortgage loan.

790 The department may prescribe standards regarding the accuracy of required disclosures and  
791 may provide for applicable administrative or civil penalties or fines for failure to provide  
792 the disclosures or to meet the prescribed standards."

793 **SECTION 1-32.**

794 Said title is further amended by revising Code Section 7-1-1015, relating to rules relative to  
795 escrow accounts, as follows:

796 "7-1-1015.

797 The department may promulgate rules with respect to the placement in escrow accounts by  
798 any person required to be licensed ~~or registered~~ by this article of any money, fund, deposit,  
799 check, or draft entrusted to it by any persons dealing with it as a residential mortgage loan  
800 originator, mortgage broker, mortgage lender, or servicer."

801 **SECTION 1-33.**

802 Said title is further amended in Code Section 7-1-1016, relating to regulations relative to  
803 advertising, by revising paragraph (2) as follows:

804 "(2) All advertisements, including websites, disseminated by a licensee ~~or a registrant~~ in  
805 this state by any means shall contain the name, which shall conform to a name on record  
806 with the department, and unique identifier, which shall clearly indicate that the number  
807 was issued by the Nationwide Multistate Licensing System and Registry, of the licensee  
808 ~~or registrant.~~"

809 **SECTION 1-34.**

810 Said title is further amended in Code Section 7-1-1017, relating to suspension or revocation  
811 of licenses, registrations, or mortgage broker education approval, notice, judicial review, and  
812 effect on preexisting contract, by revising paragraph (1) of subsection (a) and subsections (b),  
813 (c), (d), (e), and (f) as follows:

814 "(a)(1) The department may suspend or revoke an original or renewal license;  
815 ~~registration~~, or mortgage broker education approval on any ground on which it might  
816 refuse to issue an original license, ~~registration~~, or approval or for a violation of any  
817 provision of this article or of Chapter 6A of this title or any rule or regulation issued

818 under this article or under Chapter 6A of this title, including failure to provide fees on a  
819 timely basis, or for failure of the licensee ~~or registrant~~ to pay, within 30 days after it  
820 becomes final, a judgment recovered in any court within this state by a claimant or  
821 creditor in an action arising out of the licensee's ~~or registrant's~~ business in this state as a  
822 mortgage loan originator, mortgage lender, or mortgage broker or for violation of a final  
823 order previously issued by the department."

824 "(b) Notice of the department's intention to enter an order denying an application for a  
825 license ~~or registration~~ under this article or of an order suspending or revoking a license ~~or~~  
826 ~~registration~~ under this article shall be given to the applicant; or licensee, ~~or registrant~~ in  
827 writing, sent by email to the email address of record for the applicant; or licensee, ~~or~~  
828 ~~registrant~~, or registered or certified mail or statutory overnight delivery addressed to the  
829 principal place of business of such applicant; or licensee, ~~or registrant~~. Within 20 days of  
830 the date of the notice of intention to enter an order of denial, suspension, or revocation  
831 under this article, the applicant; or licensee, ~~or registrant~~ may request in writing a hearing  
832 to contest the order. If a hearing is not requested in writing within 20 days of the date of  
833 such notice of intention, the department shall enter a final order regarding the denial,  
834 suspension, or revocation. If a person refuses to accept service of the notice or order by  
835 registered or certified mail or statutory overnight delivery and the notice sent by email to  
836 the email address of record has not been delivered to the person, the notice or order shall  
837 be served by the commissioner or the commissioner's authorized representative under any  
838 other method of lawful service; and the person shall be personally liable to the  
839 commissioner for a sum equal to the actual costs incurred to serve the notice or order. This  
840 liability shall be paid upon notice and demand by the commissioner or the commissioner's  
841 representative and shall be assessed and collected in the same manner as other fees or fines  
842 administered by the commissioner. Any final order of the department denying, suspending,  
843 or revoking a license ~~or registration~~ shall state the grounds upon which it is based and shall  
844 be effective on the date of issuance. The department shall promptly send a copy of such

845 order by mail addressed to the principal place of business of such applicant; or licensee; ~~or~~  
846 ~~registrant~~ and post a copy of such order on the Nationwide Multistate Licensing System  
847 and Registry. For purposes of this subsection, the term 'email address of record' means the  
848 email address that the applicant; or licensee; ~~or registrant~~ has designated as their email  
849 address for regulatory contact on file with the Nationwide Multistate Licensing System and  
850 Registry.

851 (c) A licensee ~~or registrant~~ may, at the discretion of and with the consent of the  
852 department, agree to a voluntary suspension of its license ~~or registration~~ for a period of  
853 time to be agreed upon by the parties. Such order of suspension shall be considered a final  
854 order and shall be forwarded to the licensee ~~or registrant~~ in the same manner as any other  
855 final order. Grounds for such a voluntary suspension shall be the same as provided in  
856 subsection (a) of this Code section, and the licensee ~~or registrant~~ may waive its right to an  
857 administrative hearing before issuance of the suspension. With the consent of the  
858 department, a licensee ~~or registrant~~ may voluntarily surrender its license ~~or registration~~.  
859 A voluntary surrender of a license ~~or registration~~ shall have the same effect as a revocation  
860 of said license ~~or registration~~. A voluntary surrender of a license shall be regarded as a  
861 final order of the department.

862 (d) A decision of the department denying a license ~~or registration~~ application, original or  
863 renewal, shall be conclusive, except that it may be subject to judicial review under Code  
864 Section 7-1-90. A decision of the department suspending or revoking a license ~~or~~  
865 ~~registration~~ shall be subject to judicial review in the same manner as a decision of the  
866 department to take possession of the assets and business of a bank under Code Section  
867 7-1-155.

868 (e) Except as otherwise provided by law, a revocation, suspension, or surrender of a  
869 license ~~or registration~~ shall not impair or affect the obligation of a preexisting contract  
870 between the licensee and another person.

871 (f) Nothing in this article shall preclude a mortgage broker or mortgage lender whose  
872 license ~~or registration~~ has been suspended or revoked from continuing to service mortgage  
873 loans pursuant to servicing contracts in existence at the time of the suspension or  
874 revocation for a period not to exceed six months after the date of the final order of the  
875 department suspending or revoking the license ~~or registration~~."

876 **SECTION 1-35.**

877 Said title is further amended in Code Section 7-1-1018, relating to cease and desist orders,  
878 enforcement procedure, civil penalties, and fines, by revising subsection (a) as follows:

879 "(a) Whenever it shall appear to the department that any person required to be licensed ~~or~~  
880 ~~registered~~ under this article or employed by a licensee or who would be covered by the  
881 prohibitions in Code Section 7-1-1013 has violated any law of this state or any order or  
882 regulation of the department, the department may issue an initial written order requiring  
883 such person to cease and desist immediately from such unauthorized practices. Such cease  
884 and desist order shall be final 20 days after it is issued unless the person to whom it is  
885 issued makes a written request within such 20 day period for a hearing. The hearing shall  
886 be conducted in accordance with Chapter 13 of Title 50, the 'Georgia Administrative  
887 Procedure Act.' A cease and desist order to an unlicensed person that orders such person  
888 to cease doing a mortgage business without the appropriate license shall be final 30 days  
889 from the date of issuance, and there shall be no opportunity for an administrative hearing.  
890 If the proper license or evidence of exemption or valid employment status during the time  
891 of the alleged offense is delivered to the department within the 30 day period, the order  
892 shall be rescinded by the department. If a cease and desist order is issued to a person who  
893 has been sent a notice of bond cancellation and if the bond is reinstated or replaced and  
894 such documentation is delivered to the department within the 20 day period following the  
895 date of issuance of the order, the order shall be rescinded. If the notice of reinstatement of  
896 the bond is not received within the 20 days, the license shall expire at the end of the 20 day

897 period, and the person shall be required to make a new application for license and pay the  
 898 applicable fees. In the case of an unlawful purchase of mortgage loans, such initial cease  
 899 and desist order to a purchaser shall constitute the knowledge required under subsection (b)  
 900 of Code Section 7-1-1002 for any subsequent violations. Any cease and desist order sent  
 901 to the person at both his or her personal and business addresses pursuant to this Code  
 902 section that is returned to the department as 'refused' or 'unclaimed' shall be deemed as  
 903 received and sufficiently served."

904 **SECTION 1-36.**

905 Said title is further amended in Code Section 7-1-1114, relating to certificate of authority,  
 906 notification of revocation of certificate of authority, and foreign corporation requirements,  
 907 by revising subsection (c) as follows:

908 "(c) Notwithstanding the definition of the term 'foreign corporation' in paragraph (13) of  
 909 Code Section 14-2-140, all of the provisions of Article 15 of Chapter 2 of Title 14, relating  
 910 to foreign corporations, shall apply to all foreign banks establishing and maintaining a  
 911 Georgia state branch or Georgia state agency in this state. Such foreign banks shall file an  
 912 annual registration with the Secretary of State as set forth in Code Section 14-2-1622."

913 **SECTION 1-37.**

914 Said title is further amended by revising Code Section 7-3-17, which is reserved, as follows:

915 "7-3-17.

916 Notwithstanding the provisions of subsection (b) of Code Section 13-1-14, when any  
 917 installment loan upon which a closing fee has been charged by a licensee is prepaid by any  
 918 means within 90 days of the date of the loan, the borrower shall be entitled to a refund or  
 919 credit of the closing fee, calculated as follows: the installment lender shall determine, on  
 920 a daily pro rata basis over the original term of the loan, the amount of the closing fee that  
 921 has accumulated prior to the prepayment. The installment lender shall refund or credit the

922 borrower with the pro rata amount that has not accumulated prior to the prepayment;  
 923 provided, however, that the installment lender may retain from the collected closing fee the  
 924 greater of the accumulated pro rata closing fee or \$25.00. Reserved."

925 **SECTION 1-38.**

926 Said title is further amended by revising Code Section 7-9-2, relating to definitions relative  
 927 to merchant acquirer limited purpose banks, as follows:

928 "7-9-2.

929 As used in this chapter, the term:

930 (1) 'Articles of incorporation' or 'articles' means the articles or certificate of incorporation  
 931 of a corporation and shall include, when used in reference to a limited liability company,  
 932 the articles or certificate of organization of a limited liability company.

933 (2) 'Bylaws' means the bylaws of a corporation and shall include, when used in reference  
 934 to a limited liability company, the operating agreement, regulations, or similar documents  
 935 regarding the governance and management of a limited liability company.

936 (3) 'Commissioner' means the commissioner of banking and finance.

937 ~~(1.1)~~(4) 'Control person' means any individual who directs the affairs or controls or  
 938 establishes policy for a merchant acquirer limited purpose bank.

939 ~~(2)~~(5) 'Corporation' means a corporation organized under the laws of this state, the  
 940 United States, or any other state, territory, or dependency of the United States or under  
 941 the laws of a foreign country. Such term shall include a similarly organized limited  
 942 liability company.

943 ~~(3)~~(6) 'Department' means the Department of Banking and Finance.

944 (7) 'Director' means a director of a corporation and shall include, when used in reference  
 945 to a limited liability company, a manager or managing member of a limited liability  
 946 company, as applicable.

947 ~~(4)~~(8) 'Eligible organization' means a corporation that at all times maintains an office in  
948 the State of Georgia at which it or its parent, affiliates, or subsidiaries employ at least 250  
949 persons residing in this state who are directly or indirectly engaged in merchant acquiring  
950 activities or settlement activities, including providing the following services related to  
951 merchant acquiring activities or settlement activities, either for the eligible organization  
952 or on behalf of others:

953 (A) Administrative support;

954 (B) Information technology support;

955 (C) Financial support; and

956 (D) Tax and finance support.

957 ~~(5)~~(9) 'Holding company' means any company that controls a merchant acquirer limited  
958 purpose bank. For purposes of this paragraph, the terms 'company' and 'control' shall  
959 have the meanings set forth in Code Section 7-1-605.

960 (10) 'Incorporator' means the incorporator or organizer of a corporation and shall include,  
961 when used in reference to a limited liability company, an organizer of a limited liability  
962 company.

963 ~~(6)~~(11) 'Merchant' means an individual or entity authorized by a payment card network  
964 to accept payments in exchange for goods or services.

965 ~~(7)~~(12) 'Merchant acquirer limited purpose bank' means a corporation organized under  
966 this chapter and the activities of which are limited to those permitted under Code Section  
967 7-9-12.

968 ~~(8)~~(13) 'Merchant acquiring activities' means the various activities associated with  
969 effecting transactions within payment card networks, including obtaining and maintaining  
970 membership in one or more payment card networks; signing up and underwriting  
971 merchants to accept payment card network branded payment cards; providing the means  
972 to authorize valid card transactions at client merchant locations; facilitating the clearing  
973 and settlement of the transactions through a payment card network; providing access to

974 one or more payment card networks to merchant acquirer limited purpose bank affiliates,  
975 customers, or customers of its affiliates; sponsoring the participation of merchant acquirer  
976 limited purpose bank affiliates, customers, or customers of its affiliates in one or more  
977 payment card networks; and conducting such other activities as may be necessary,  
978 convenient, or incidental to effecting transactions within payment card networks.

979 ~~(8.1)~~(14) 'Merchant funds' means funds received by a merchant acquirer limited purpose  
980 bank as a result of its performance of clearing, settlement, or any other authorized  
981 activities which are ultimately payable to a merchant.

982 ~~(9)~~(15) 'Payment card network' means any organization, group, system, or other  
983 collection of individuals or entities that is organized to allow participants to accept or  
984 make payments for goods or services using a credit card, debit card, or any other payment  
985 device.

986 ~~(10)~~(16) 'Self-acquiring activities' means the act of a merchant, for itself or through an  
987 affiliated entity, engaging in merchant acquiring or settlement activities on its own behalf  
988 for payments it, or its affiliated entity, receives for goods and services it, or its affiliated  
989 entity, provides to consumers.

990 ~~(11)~~(17) 'Settlement activities' means the processing of payment card transactions to send  
991 to a payment card network for processing, to make payments to a merchant, and,  
992 ultimately, for cardholder billing.

993 (18) 'Shareholder' means a person in whose name shares are registered in the records of  
994 a corporation and shall include, when used in reference to a limited liability company, a  
995 member of a limited liability company.

996 (19) 'Shares' means any class of shares of capital stock of a corporation and shall include,  
997 when used in reference to a limited liability company, the membership interests of a  
998 limited liability company."

999

**SECTION 1-39.**

1000 Said title is further amended in Code Section 7-9-4, relating to application, fees, and  
1001 minimum number of employees, by revising subsection (c) as follows:

1002 "(c) The merchant acquirer limited purpose bank shall have, within one year after the date  
1003 it ~~receives its charter~~ begins operations, no fewer than 50 employees located in this state  
1004 devoted to merchant acquiring activities; provided, however, that a merchant acquirer  
1005 limited purpose bank may contract with an eligible organization for the performance of  
1006 merchant acquiring activities, settlement activities, or any of the other services identified  
1007 in paragraph ~~(4)~~(8) of Code Section 7-9-2, and when a merchant acquirer limited purpose  
1008 bank enters into such contracts with an eligible organization for merchant acquiring  
1009 activities, settlement activities, or any other services identified in paragraph ~~(4)~~(8) of Code  
1010 Section 7-9-2, the minimum number of employees in this state shall be determined by the  
1011 commissioner at a level to assure the continued and substantive presence of the merchant  
1012 acquirer limited purpose bank in this state for the purpose of conducting its corporate  
1013 affairs and operations. If a merchant acquirer limited purpose bank contracts with an  
1014 eligible organization that is an affiliate of the merchant acquirer limited purpose bank, the  
1015 commissioner shall consider the eligible organization's or its parent's, affiliates', or  
1016 subsidiaries' employees engaged on behalf of the merchant acquirer limited purpose bank  
1017 as employees of the merchant acquirer limited purpose bank for purposes of complying  
1018 with this subsection."

1019

**SECTION 1-40.**

1020 Said title is further amended in Code Section 7-9-5, relating to articles of incorporation,  
1021 filing, publication, registered agent, and administration by board of directors, by revising  
1022 paragraph (5) of subsection (a), subsection (c), and subsection (e) as follows:

1023 "(5) A statement that 'This corporation is subject to the "Georgia Merchant Acquirer  
1024 Limited Purpose Bank Act'" or 'This limited liability company is subject to the "Georgia  
1025 Merchant Acquirer Limited Purpose Bank Act," as applicable;"

1026 "(c) The applicant shall file with the department the articles of incorporation, together with  
1027 any fee required by the department. Such filing shall constitute an application for a charter  
1028 and approval to operate as a merchant acquirer limited purpose bank. Immediately upon  
1029 the filing of the articles of incorporation, the department shall certify a copy of the articles  
1030 and return it to the applicant, who shall, in conformity with Code Section 7-1-7 and on the  
1031 next business day following the filing of the articles, transmit for publication in the  
1032 newspaper which is the official organ of the county where the merchant acquirer limited  
1033 purpose bank will be located a copy of the articles or, in lieu thereof, a statement that reads  
1034 substantially as follows:

1035 'An application for a charter to operate as a merchant acquirer limited purpose bank to be  
1036 known as the \_\_\_\_\_ and to be located at \_\_\_\_\_ in \_\_\_\_\_ County,  
1037 Georgia, will be made to the Secretary of State of Georgia in accordance with Chapter  
1038 9 of Title 7 of the Official Code of Georgia Annotated, the "Georgia Merchant Acquirer  
1039 Limited Purpose Bank Act." A copy of the ~~articles of incorporation~~ charter documents  
1040 of the proposed merchant acquirer limited purpose bank and the application have been  
1041 filed with the Department of Banking and Finance.'

1042 The articles of incorporation or the statement ~~must~~ shall be published once a week for two  
1043 consecutive weeks with the first publication occurring within ten days of receipt by the  
1044 newspaper of the articles of incorporation or statement."

1045 "(e) The administration of business and affairs of a merchant acquirer limited purpose bank  
1046 shall be the responsibility of a board of directors consisting of at least three directors, a  
1047 majority of whom shall be residents of this state. Upon request by a merchant acquirer  
1048 limited purpose bank, the department may waive or reduce the requirement that a majority  
1049 of the directors be residents of this state."

**SECTION 1-41.**

1050  
1051 Said title is further amended by revising Code Section 7-9-8, relating to issuance of  
1052 certificate of incorporation by the Secretary of State, as follows:

1053 "7-9-8.

1054 The Secretary of State shall immediately issue a certificate of incorporation or certificate  
1055 of organization to a proposed merchant acquirer limited purpose bank upon submission of:

1056 (1) Written approval of the articles of incorporation by the department with a copy  
1057 attached;

1058 (2) An affidavit executed by the duly authorized agent or publisher of a newspaper  
1059 swearing that the articles of incorporation or a summary statement publication as  
1060 provided for in Code Section 7-9-5 have been published; and

1061 (3) All required fees and charges required by law

1062 so long as name of the proposed merchant acquirer limited purpose bank continues to be  
1063 reserved or is available. The Secretary of State shall retain on file a copy of the certificate,  
1064 the articles of incorporation, the department's approval of the articles of incorporation, and  
1065 the publisher's certificate."

**SECTION 1-42.**

1066  
1067 Said title is further amended by revising Code Section 7-9-11.8, relating to rights and  
1068 remedies of shareholders, as follows:

1069 "7-9-11.8.

1070 (a) A shareholder of a merchant acquirer limited purpose bank which is a party to a plan  
1071 of proposed merger or consolidation under this chapter who objects to such plan shall be  
1072 entitled to the rights and remedies of a dissenting shareholder as determined under Chapter  
1073 2 of Title 14, known as the 'Georgia Business Corporation Code' or under Article 10 of  
1074 Chapter 11 of Title 14, as applicable.

1075 (b) A resulting merchant acquirer limited purpose bank into which other or others have  
1076 been merged or consolidated may require the return of original certificates ~~of stock~~  
1077 representing shares held by each shareholder in each or either of the merged or  
1078 consolidated institutions, or in lieu thereof may:

1079 (1) Issue to each shareholder new certificates for such number of shares of the resulting  
1080 acquirer limited purpose bank; or

1081 (2) Cause to be paid or delivered to each shareholder the amount of cash or securities of  
1082 any other corporation or combination of cash and such securities as, under the plan of  
1083 merger or consolidation, such shareholder is entitled to receive."

## 1084 PART II

### 1085 SECTION 2-1.

1086 Said title is further amended in Code Section 7-6A-2, relating to definitions relative to the  
1087 Georgia Fair Lending Act, by revising paragraph (4) as follows:

1088 "(4) 'Bona fide discount points' means loan discount points knowingly paid by the  
1089 borrower for the express purpose of reducing, and which in fact do result in a bona fide  
1090 reduction of, the interest rate applicable to the home loan; provided, however, that the  
1091 undiscounted interest rate for the home loan does not exceed by more than one percentage  
1092 point the ~~required net yield for a 90 day standard mandatory delivery commitment for a~~  
1093 ~~home loan with a reasonably comparable term from either the Federal National Mortgage~~  
1094 ~~Association or the Federal Home Loan Mortgage Corporation, whichever is greater~~  
1095 average prime offer rate as defined in 12 C.F.R. 1026.35 that applies to a comparable  
1096 transaction, as published by the United States Consumer Financial Protection Bureau as  
1097 of the last date the discounted interest rate for the transaction is set before  
1098 consummation."

1099

**PART III**

1100

**SECTION 3-1.**

1101 Title 10 of the Official Code of Georgia Annotated, relating to commerce and trade, is  
1102 amended in Code Section 10-1-439.1, relating to definitions relative to firearms industry  
1103 nondiscrimination, by revising paragraph (1) as follows:

1104 "(1) 'Financial services' means any service or product offered to the consumer or business  
1105 market by a bank, trust company, building and loan association, credit union as defined  
1106 by Code Section 7-1-4, any merchant acquirer limited purpose bank as defined in  
1107 paragraph ~~(7)~~(12) of Code Section 7-9-2, or a federally chartered banking institution that  
1108 accepts state deposits."

1109

**SECTION 3-2.**

1110 Title 53 of the Official Code of Georgia Annotated, relating to wills, trusts, and  
1111 administration of estates, is amended in Code Section 53-12-2, relating to definitions relative  
1112 to trusts, by revising subparagraph (B) of paragraph (4) as follows:

1113 "(B) Any other corporation or limited liability company organized or existing under the  
1114 laws of any state of the United States, other than Georgia, and chartered or licensed  
1115 under the laws of such state; and"

1116

**PART IV**

1117

**SECTION 4-1.**

1118 (a) Except as provided for in subsection (b), this Act shall become effective on July 1, 2024.

1119 (b) This part and Part II of this Act shall become effective on June 1, 2024.

1120

**SECTION 4-2.**

1121 All laws and parts of laws in conflict with this Act are repealed.