

VIRGINIA ACTS OF ASSEMBLY -- 2010 SESSION

CHAPTER 665

An Act to amend and reenact § 6.1-409 of the Code of Virginia, relating to the definition of a principal in the Mortgage Lender and Broker Act.

[S 294]

Approved April 12, 2010

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-409 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-409. Definitions.

As used in this chapter, the following words and terms shall have the following meanings unless the context requires a different meaning:

"Commissioner" means the Commissioner of the Bureau of Financial Institutions.

"Entity" means any corporation, partnership, association, cooperative, limited liability company, trust, joint venture, or other legal or commercial entity.

"Mortgage broker" means any person who directly or indirectly negotiates, places or finds mortgage loans for others, or offers to negotiate, place or find mortgage loans for others. Any licensed mortgage lender that, pursuant to an executed originating agreement with the Virginia Housing Development Authority, acts or offers to act as an originating agent of the Virginia Housing Development Authority in connection with a mortgage loan shall not be deemed to be acting as a mortgage broker with respect to such mortgage loan but shall be deemed to be acting as a mortgage lender with respect to such mortgage loan, notwithstanding that the Virginia Housing Development Authority is or would be the payee on the note evidencing such mortgage loan and that the Virginia Housing Development Authority provides or would provide the funding of such mortgage loan prior to or at the settlement thereof.

"Mortgage lender" means any person who directly or indirectly originates or makes mortgage loans.

"Mortgage loan" means a loan made to an individual, the proceeds of which are to be used primarily for personal, family or household purposes, which loan is secured by a mortgage or deed of trust upon any interest in one- to four-family residential property located in the Commonwealth, regardless of where made, including the renewal or refinancing of any such loan, but excluding (i) loans or extensions of credit to buyers of real property for any part of the purchase price of such property by persons selling such property owned by them, (ii) loans to persons related to the lender by blood or marriage, and (iii) loans to persons who are bona fide employees of the lender. "Mortgage loan" shall not include any loan secured by a mortgage or deed of trust upon any interest in a more than four-family residential property or property used for a commercial or agricultural purpose.

"Person" means any individual, ~~firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals however organized or entity.~~

"Principal" means any person who, directly or indirectly, owns or controls ~~(i) ten percent or more of the outstanding stock of a stock corporation or (ii) a ten 10 percent or greater interest in a nonstock corporation or a limited liability company any entity.~~

"Residential property" means improved real property used or occupied, or intended to be used or occupied, for residential purposes.