

VIRGINIA ACTS OF ASSEMBLY -- 1998 SESSION

CHAPTER 33

An Act to amend and reenact § 6.1-416.1 of the Code of Virginia, relating to mortgage lenders and brokers; acquisition of control.

[S 95]

Approved March 10, 1998

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-416.1 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-416.1. Acquisition of control; application.

A. Except as provided in this section, no person shall acquire directly or indirectly twenty-five percent or more of the voting shares of a corporation or twenty-five percent *or more* of the ownership of any other entity licensed to conduct business under this chapter unless such person first:

1. Files an application with the Commission in such form as the Commissioner may prescribe from time to time;

2. Delivers such other information to the Commissioner as the Commissioner may require concerning the financial responsibility, background, experience, and activities of the applicant, its directors, senior officers, principals and members, and of any proposed new directors, senior officers, principals or members of the licensee; and

3. Pays such application fee as the Commission may prescribe.

B. Upon the filing and investigation of an application, the Commission shall permit the applicant to acquire the interest in the licensee if it finds that the applicant, its members if applicable, its directors, senior officers and principals, and any proposed new directors, members, senior officers and principals have the financial responsibility, character, reputation, experience and general fitness to warrant belief that the business will be operated efficiently and fairly, in the public interest, and in accordance with law. The Commission shall grant or deny the application within sixty days from the date a completed application accompanied by the required fee is filed unless the period is extended by order of the Commissioner reciting the reasons for the extension. If the application is denied, the Commission shall notify the applicant of the denial and the reasons for the denial.

C. The provisions of this section shall not apply to (i) the acquisition of an interest in a licensee directly or indirectly including an acquisition by merger or consolidation by or with a person licensed by this chapter or a person exempt from this chapter under the provisions of subdivisions 2 through 11 of § 6.1-411, (ii) the acquisition of an interest in a licensee directly or indirectly including an acquisition by merger or consolidation by or with a person affiliated through common ownership with the licensee, or (iii) the acquisition of an interest in a licensee by a person by bequest, descent, or survivorship or by operation of law. The person acquiring an interest in a licensee in a transaction which is exempt from filing an application by this subsection shall send written notice to the Commissioner of such acquisition within thirty days of its closing.