

Division of Banks
Proposed Amendments to 209 CMR 42.00
The Licensing of Mortgage Lenders and Mortgage Brokers

209 CMR 42.00 is hereby amended by striking out Section 42.12A and inserting in place thereof, the following:-

42.12A: Prohibited Acts and Practices

(1) It is a prohibited act or practice for a Licensee to make or broker a high cost mortgage loan subject to 209 CMR 32.32, which has rates, fees, terms, or features that violate:

- (a) the disclosure requirements of 209 CMR 32.32(3);
- (b) the loan limitations set forth in 209 CMR 32.32(4);
- (c) the prohibited acts and practices provisions of 209 CMR 32.324(51); or
- (d) the unfair high cost loan practices provisions of 209 CMR 32.324(62).

(2) It is a prohibited act or practice for a person licensed as a mortgage lender to purchase or to make a high cost loan originated by a mortgage broker that violates the provisions of 209 CMR 32.32, 209 CMR 32.34, and/or 209 CMR 42.12A(1).

(3) A violation of 209 CMR 42.12A(1) or 209 CMR 42.12A(2) shall constitute grounds for the issuance of a cease and desist order under M.G.L. c. 255E, s. 7 and shall constitute grounds for license suspension or revocation under M.G.L. c. 255E, s. 7.