



Senate Bill No. 94 Senator Calderon

Business and Professions Code Changes: (The Real Estate Law, DRE Brokers)

- Amends 10085.5 – Expands definition of practices for which a real estate license is required to include loan modifications.
- Adds 10147.6 – Requires loan modification disclaimer from DRE Brokers, indicating same service can be obtained for free.
- Amends 10177 – Added reasons Commissioner may revoke **a license a violation** of Chapter 2 (commencing with section 2920) of Title 14 of Part 4 of Division 3 of the Civil Code. Chapter 2 contains civil law related to mortgages under the following headings:
 - Mortgages in General, Mortgage Foreclosure Consultants, Mortgage of Real Property, Disclosures on Purchase Money Liens on Residential Property, Home Equity Loan Disclosure Act, Automobile Sales Finance Act, Real Property Sales Contracts, Vehicle Leasing Act, and Controlled Escrows.

Civil Code Changes

- Adds section 2944.6 – Requires any person who solicits for loan modifications for a fee to provide the same loan modification disclaimer as required of DRE brokers above, indicating modification service can be obtained for free.
- Adds section 2944.7 – Outlaws anyone who solicits customers for loan modifications from collecting a fee or placing a lien on future earnings, for a loan modification until full performance of all offered services to be offered.
- Amends section 2945.1 (Mortgage Loan Foreclosure Consultants) to remove enumerated conditions under which a DRE broker or a CFFL broker is not considered a foreclosure consultant are removed. The code would be amended to exclude DRE and CFFL from the definition whenever they are acting under the authority of their license.

Financial Code Division 9 Changes (California Finance Lenders Law)

- Amends section 22161 to add “a. *no person shall make a false, deceptive, or misleading statement or representation in connection with a loan.*”
- Amends section 22301 to add a paragraph that appears to prohibit CFFL Brokers from collecting any fee for a loan modification “(c.) *No licensee shall directly or indirectly charge, contract for, or receive any interest or charge of any nature for performing services for a borrower in connection with the modification of the terms of a loan secured directly or collaterally by a lien on single-family residential real property. Nothing in this section precludes a licensee from collecting interest or other charges pursuant to the terms of a loan that has been modified.*”

Financial Code Division 20 Changes (California Residential Mortgage Lending Act)

- Adds section 50002.5 - adds a paragraph that appears to prohibit CRMLA brokers from collecting any fee for a loan modification “(c.) *No licensee shall directly or indirectly charge, contract for, or receive any interest or charge of any nature for performing services for a borrower in connection with the modification of the terms of a loan secured directly or collaterally by a lien on single-family residential real property. Nothing in this section precludes a licensee from collecting interest or other charges pursuant to the terms of a loan that has been modified.*”