

**HOUSE COMMITTEE AMENDMENTS**

2022 Regular Session

Amendments proposed by House Committee on Commerce to Reengrossed Senate Bill No. 446 by Senator Fred Mills

1 AMENDMENT NO. 1

2 On page 1, line 2, change "338(A), (B), and (C)" to "338"

3 AMENDMENT NO. 2

4 On page 1, line 5, after "borrower-payee;" insert "to provide relative to property inspections;  
5 to provide for applicability; to provide relative to rulemaking;"

6 AMENDMENT NO. 3

7 On page 1, line 8, change "338(A), (B), and (C)" to "338"

8 AMENDMENT NO. 4

9 On page 2, delete lines 1 and 2 in their entirety and insert the following:

10 **"All of the following provisions apply to a mortgagee or mortgage**  
11 **servicer servicing residential mortgage loans secured by a property that**  
12 **contains one to four residential dwelling units in this state:"**

13 AMENDMENT NO. 5

14 On page 2, line 20, after "**borrower-payee**" and before the period "." insert "**via traceable**  
15 **delivery or electronic transfer**"

16 AMENDMENT NO. 6

17 On page 2, line 23, after "**borrower-payee**" and before the period "." insert "**via traceable**  
18 **delivery or electronic transfer**"

19 AMENDMENT NO. 7

20 On page 3, line 11, change "**twentieth**" to "**tenth business**"

21 AMENDMENT NO. 8

22 On page 3, line 13, change "**twentieth**" to "**tenth business**"

23 AMENDMENT NO. 9

24 On page 3, delete lines 17 through 21 in their entirety and insert the following:

25 **"(a) Release to the borrower-payee, as requested, all or part of the**  
26 **insurance settlement proceeds, if the mortgagee or mortgage servicer has**  
27 **received sufficient evidence of the borrower-payee's compliance with the**  
28 **requirements specified by the mortgagee or mortgage servicer pursuant to**  
29 **Paragraph (1) of this Subsection for release of the proceeds."**

30 AMENDMENT NO. 10

31 On page 3, line 22, change "**specifically**" to "**with specificity**"

1 AMENDMENT NO. 11

2 On page 3, between lines 28 and 29, insert the following:

3 "E.(1) Property inspections related to residential mortgage loans covered  
 4 by this Section shall be conducted not later than the fifteenth business day after  
 5 receipt by the mortgagee or mortgage servicer of both a request by the  
 6 borrower-payee for a property inspection and receipt of sufficient evidence of  
 7 the borrower-payee's compliance with the requirements specified by the  
 8 mortgagee or mortgage servicer pursuant to Paragraph (D)(1) of this Section,  
 9 if the borrower-payee is cooperative and that the premises are accessible.

10 (2) A mortgagee or mortgage servicer may, at its discretion, allow  
 11 property inspections to be conducted in person, through photographic or video  
 12 evidence submitted by the borrower-payee, through a servicer-directed video  
 13 call with the borrower-payee, or by any other means to document the progress  
 14 or completion of repairs to the property.

15 (3) Photographic or video evidence shall also clearly identify the repairs  
 16 that are being documented and confirm the repairs were completed in  
 17 accordance with the repair plan. Any photographic or video evidence provided  
 18 to a mortgagee or mortgage servicer may not be accepted if it does not allow the  
 19 mortgagee or mortgage servicer to determine the repairs are from the location  
 20 of the property subject to the mortgage loan, does not authenticate when it was  
 21 taken, or if it is believed by the mortgagee or mortgage servicer to have been  
 22 altered in any way.

23 F.(1) The commissioner may impose civil money penalties of up to five  
 24 hundred dollars per day for each day that a mortgagee or mortgage servicer  
 25 fails to comply with the requirements of Paragraphs (1) or (2) of Subsection D  
 26 of this Section. The penalties prescribed by this Subsection shall not exceed five  
 27 thousand dollars per violation.

28 (2) Penalties shall be due and payable upon notice of their assessment  
 29 to the mortgagee or mortgage servicer, unless such penalties are set aside after  
 30 an administrative hearing pursuant to the provisions of the Administrative  
 31 Procedure Act. The assessment of monetary penalties shall be final and  
 32 definitive and subject to enforcement by the commissioner through judicial  
 33 proceedings."

34 AMENDMENT NO. 12

35 On page 3, at the beginning of line 29, change "E.(1)" to "G.(1)"

36 AMENDMENT NO. 13

37 On page 4, line 5, change "as provided in" to "in accordance with"

38 AMENDMENT NO. 14

39 On page 4, at the beginning line 20, change "F." to "H."

40 AMENDMENT NO. 15

41 On page 4, between lines 22 and 23, insert the following:

42 "I. The provisions of this Section apply only to residential mortgage  
 43 loans secured by a property that contains one to four residential dwelling units.  
 44 However, the provisions of this Section do not apply to a mortgagee or mortgage

1 servicer when the borrower-payee is in default on his mortgage loan, past due  
2 with payments on his mortgage loan, or in foreclosure related to his mortgage  
3 loan."

4 AMENDMENT NO. 16

5 On page 5, line 1, delete "thirty" and insert "fifteen business"

6 AMENDMENT NO. 17

7 On page 5, at the end of line 4, insert the following:

8 "The fifteen-business day timeline for releasing excess funds prescribed  
9 in this Subsection does not apply when the insurance proceeds check, draft, or  
10 other negotiable instrument requires the endorsement of multiple mortgagees  
11 or lien holders."

12 AMENDMENT NO. 18

13 On page 5, line 8, delete "shall mean" and insert "means"

14 AMENDMENT NO. 19

15 On page 5, line 12, delete "or draft" and insert a comma "," and "draft, or negotiable  
16 instrument"

17 AMENDMENT NO. 20

18 On page 5, line 16, delete "one" and insert "five"

19 AMENDMENT NO. 21

20 On page 5, line 17, delete "fifty"

21 AMENDMENT NO. 22

22 On page 5, at the end of line 19, insert "The penalties prescribed in this Paragraph shall  
23 not exceed five thousand dollars per violation."

24 AMENDMENT NO. 23

25 On page 5, delete line 25 in its entirety and insert the following:

26 ~~"D. The provisions of this Section shall be applicable to state-chartered~~  
27 ~~federally insured financial institutions and their affiliates to the same extent that such~~  
28 ~~provisions are applicable to federally chartered financial institutions apply only to~~  
29 ~~residential mortgage loans secured by a property that contains one to four~~  
30 ~~residential dwelling units. However, the provisions of this Section do not apply~~  
31 ~~to a mortgagee or mortgage servicer when the borrower-payee is in default on~~  
32 ~~his mortgage loan, past due with payments on his mortgage loan, or in~~  
33 ~~foreclosure related to his mortgage loan.~~

34 E. The commissioner shall have the power to enact and promulgate rules and  
35 regulations as may be necessary or appropriate to implement the provisions of this  
36 Section."