

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill clarifies the definition of a foreclosure consultant and applies the regulations in sections 325N.01 to 325N.06, 325N.08, and 325N.09 to mortgage originator's who are negotiating the terms of an existing residential mortgage.

#### Section

**1** Expands the application of a number of regulations on foreclosure consultants to licensed residential mortgage originators or services. The regulations previously applied were limited to only one provision, section 325N.04, clause (1). This bill would apply all of the following to licensed residential mortgage originators or servicers:

- 325N.01 - Provides definitions applying to foreclosure consulting contracts.
- 325N.02 - Provides rights and regulations for contract rescission.
- 325N.03 - Provides requirements for contracts with foreclosure consultants.
- 325N.04 - Defines violations by foreclosure consultants.
- 325N.05 - Prevents a waiver of the provisions 325N.01 to 325N.09.
- 325N.06 - Provides remedies including civil actions for violations of these provisions.
- 325N.08 - Preserves the statute if any one portion is found to be void or unconstitutional.
- 325N.09 - Allows a provision requiring arbitration in a contract governed by this section to be void, applies these provisions to contracts entered into on or after August 1, 2004.