



WEST VIRGINIA SECRETARY OF STATE

KRIS WARNER

ADMINISTRATIVE LAW DIVISION

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Office of West Virginia
Secretary Of State

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-
MAKING REVIEW COMMITTEE**

AGENCY: Financial Institutions Division of TITLE-SERIES: 106-05
RULE TYPE: Legislative Amendment to Existing Rule: Yes Repeal of existing rule: No
RULE NAME: 106-05 Rule Pertaining to Residential Mortgage Lenders, Brokers, and Loan Originators

PRIMARY CONTACT

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CITE STATUTORY AUTHORITY: W.Va. Code 31-17-3(a) and 31A-2-4(c)(11)

EXPLANATION OF THE STATUTORY AUTHORITY FOR THE LEGISLATIVE RULE, INCLUDING A DETAILED SUMMARY OF THE EFFECT OF EACH PROVISION OF THE LEGISLATIVE RULE WITH CITATION TO THE SPECIFIC STATUTORY PROVISION WHICH EMPOWERS THE AGENCY TO ENACT SUCH RULE PROVISION:

The mortgage law in 31-17-3(a) grants specific rulemaking authority to effect the provisions. 31A-2-4(c)(11) contains the Commissioner's general statutory authority for rulemaking.

IS THIS FILING SOLELY FOR THE SUNSET PROVISION REQUIREMENTS IN W. VA. CODE §29A-3-19(e)? No

IF YES, DO YOU CERTIFY THAT THE ONLY CHANGES TO THE RULE ARE THE FILING DATE, EFFECTIVE DATE AND AN EXTENSION OF THE SUNSET DATE? No

DATE eFiled FOR NOTICE OF HEARING OR PUBLIC COMMENT PERIOD: 6/19/2025

DATE OF PUBLIC HEARING(S) OR PUBLIC COMMENT PERIOD ENDED: 7/21/2025

COMMENTS RECEIVED: Yes

(IF YES, PLEASE UPLOAD IN THE COMMENTS RECEIVED FIELD COMMENTS RECEIVED AND RESPONSES TO COMMENTS)

PUBLIC HEARING: No

(IF YES, PLEASE UPLOAD IN THE PUBLIC HEARING FIELD PERSONS WHO APPEARED AT THE HEARING(S) AND TRANSCRIPTS)

RELEVANT FEDERAL STATUTES OR REGULATIONS: No

WHAT OTHER NOTICE, INCLUDING ADVERTISING, DID YOU GIVE OF THE HEARING?

The agency placed a link to the rule and notice of comment period on its website, responded to email inquiries asking for the link, and requested that the link be posted to the licensing website used by mortgage providers nationwide so that the link was widely disseminated.

SUMMARY OF THE CONTENT OF THE LEGISLATIVE RULE, AND A DETAILED DESCRIPTION OF THE RULE'S PURPOSE AND ALL PROPOSED CHANGES TO THE RULE:

The rule provides recordkeeping and other requirements for mortgage lenders, brokers, and servicers. It is intended to expand on statutory guidance for compliance with the mortgage law. The changes to the rule modernize provisions, update requirements for recordkeeping, provide additional guidance for marketing, clarify ability to repay documentation, and clarify temporary authority application timelines.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE:

The rule has not been updated in many years despite an evolving industry. The amendments seek to make the rule more modern and address issues that have arisen since its implementation.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED LEGISLATIVE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

No impact.

B. ECONOMIC IMPACT ON SPECIAL REVENUE ACCOUNTS:

No impact.

C. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

No impact.

D. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2025 Increase/Decrease (use "-")	2026 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	0	0	0
Personal Services	0	0	0
Current Expenses	0	0	0
Repairs and Alterations	0	0	0
Assets	0	0	0
Other	0	0	0
2. Estimated Total Revenues	0	0	0

E. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

The amendments to this rule will have no impact on the revenues or expenditures of state government.

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.

Yes

Dawn E Holstein -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.

TITLE 106
LEGISLATIVE RULE
~~COMMISSIONER~~ DIVISION OF FINANCIAL INSTITUTIONS

SERIES 5
RULE PERTAINING TO RESIDENTIAL MORTGAGE
LENDERS, BROKERS, AND LOAN ORIGINATORS

§106-5-1. General.

1.1. Scope. -- This rule establishes the general method for implementing W. Va. Code §31-17-1, *et seq.* and W. Va. Code §31-17A-1, *et seq.*; it applies to all licensees under those statutes.

1.2. Authority. -- W. Va. Code §31A-2-4(c)(11).

1.3. Filing Date. -- ~~April 23, 2012.~~

1.4. Effective Date. -- ~~May 1, 2012.~~

1.5. Sunset Provision. – This rule will terminate and have no further force or effect on August 1, 2031.

§106-5-2. Time Frames for Record Keeping by Licensees.

2.1. A residential mortgage lender who acts as the original lender providing the initial funding for a mortgage loan to a borrower must maintain records related to that loan for a period of 36 months from the date the loan closes. In cases where the loan does not close, for any reason, that residential mortgage lender must maintain records related to the proposed loan for a period of 36 months from the date of the borrower's loan application.

2.2. A residential mortgage lender that does not provide the initial funds for a loan but only purchases, takes assignment of, or services the loan, must maintain records related to that loan for a period of 36 months from the date of last entry on the books of that lender.

2.3. A residential mortgage broker must retain records related to mortgage loans for a period of 36 months from the date the loan closes. In cases where the loan does not close, for any reason, the residential mortgage broker must maintain records related to the loan proposed for a period of 36 months from the date of the latest application, credit document, required disclosure or request by consumer to terminate the transaction.

§106-5-3. Records That Must Be Maintained by Licensed Residential Mortgage Lenders Who Provide the Initial Funding for a Loan.

3.1. The lender that provides the initial funding for a loan must maintain the following records:

3.1.a. Loan application, ~~signed and dated by the borrower;~~

3.1.b. Initial ~~Good Faith~~ Loan Estimate provided, whether by broker or lender;

3.1.c. Subsequent ~~Good Faith~~ Loan Estimates provided, ~~whether by~~ broker or lender;

3.1.d. Required Provider List;

- 3.1.e. Verification of borrower income and employment as required by the lender;
- ~~3.1.f. Required early Truth in Lending Act disclosure;~~
- ~~3.1.g. Any early Truth in Lending Act disclosure provided;~~
- ~~3.1.h. Final Truth in Lending Act disclosure;~~
- 3.1.if. Credit report(s), if obtained;
- 3.1.jg. All written and electronic correspondence, including, but not limited to, e-mails and fax transmissions, between the lender and broker and between the lender and borrower;
- ~~3.1.kh. HUD-1 or HUD-1A Settlement Statement signed by borrowers and lender or settlement agent Closing Disclosure(s), including initial, final, and post-closing, if applicable;~~
- 3.1.i. Any other disclosure(s) required by applicable Federal regulations;
- 3.1.ij. Affiliated Business Arrangement Disclosure Statement, if applicable;
- 3.1.ik. Servicing Transfer Disclosure Statement;
- 3.1.il. Notice of Servicing Transfer provided by transferee, if applicable;
- 3.1.om. Right to Receive Appraisal Disclosure, if applicable;
- 3.1.pn. Right of Rescission Notice, if applicable;
- 3.1.qo. Tangible Net Benefit Worksheet, if applicable;
- 3.1.rp. Deed of Trust;
- 3.1.sq. Note or other instrument of indebtedness;
- 3.1.tr. Any appraisal of the property, if applicable;
- 3.1.us. Home Ownership Equity Protection Act disclosure required by 12 C.F.R. §226.32, if applicable;
- 3.1.vt. Adjustable Rate Mortgage Disclosure, if applicable;
- 3.1.wu. A written justification for using a non-local appraiser, if applicable;
- 3.1.xv. Any commitment or rate lock-in agreements, if applicable;
- 3.1.yw. Copies of all rate sheets used on specific dates and times for the prior three-year period;
- 3.1.zx. A record of all cash, checks, or other monetary instruments received in connection with each residential mortgage loan showing the identity of the payor, the date received, the amount, and purpose;
- 3.1.ay. A record of all monies disbursed relating to the licensee's business as a mortgage lender

including, but not limited to, refunds to borrowers and all disbursements of funds on behalf of borrowers, showing at least the payee, amount, date, and purpose of payment, including identification of the loan to which the payment relates, if any;

3.1.~~bbz~~. Copies of all written complaints received from customers and written records of the disposition of those complaints;

3.1.~~eeaa~~. A general ledger and subsidiary records sufficient to produce an accurate statement of assets and liabilities and profit and loss statement on a monthly basis;

3.1.~~ddb~~. A record of all charges or fees assessed to the borrower's account reflecting the amount of the charge or fee, the purpose, and the date imposed;

3.1.~~eecc~~. A copy of the escrow account detail provided to the borrower annually, if applicable;

3.1.~~ffdd~~. Copies of any written assessment of a borrower's ability to repay the loan according to its terms, if applicable; and

3.1.~~ggcc~~. Itemization of all fees and charges imposed on each loan and received by the lender and by any third-parties. The itemization must include the nature and amount of each fee or charge and the identity of the recipient.

3.2. All records required to be maintained by section 3.1 shall be kept in the specific loan file relating to the individual borrower or loan applicant except for those records listed in subsections 3.1.~~zx~~, 3.1.~~aaay~~, 3.1.~~bbz~~ and 3.1.~~eeaa~~.

§106-5-4. Records That Must be Maintained by Licensed Residential Mortgage Lenders That Purchase or Take Assignment of a Residential Mortgage Loan.

4.1. A lender that, after closing, subsequently purchases or takes assignment of a loan subject to the provisions of W. Va. Code §31-17-1, *et seq.* must maintain the following records:

4.1.~~a~~. ~~The Final Truth in Lending Act Disclosure;~~

4.1.~~ba~~. All written correspondence, including, but not limited to, e-mails and fax transmissions, between that lender and the previous lender that held or serviced the loan;

4.1.~~eb~~. ~~HUD-1 or HUD-1A Settlement Statement~~Closing Disclosures, including initial, final, and post-closing, if applicable;

4.1.~~ec~~. Notice of Servicing Transfer provided by transferee, if applicable;

4.1.~~ed~~. The Note or other instrument of indebtedness;

4.1.~~fe~~. All written and electronic correspondence between that purchaser or assignee and the borrower including, but not limited to, e-mails and facsimile transmissions;

4.1.~~gf~~. A ~~telephone~~ contact log reflecting the date and substance of all conversations with borrowers;

4.1.~~hg~~. A record of all cash, checks, or other monetary instruments received in connection with a residential mortgage loan showing the identity of the payor, the date received, the amount, and purpose and a description of how funds were applied;

4.1.ih. A record of all monies disbursed relating to the licensee's business as a mortgage lender including, but not limited to, refunds to borrowers and all disbursements of funds on behalf of borrowers, showing at least the payee, amount, date, and purpose of payment, including identification of the loan to which the payment relates, if any;

4.1.ji. Copies of all written complaints received from customers and written records of the disposition of those complaints;

4.1.kj. A general ledger and subsidiary records sufficient to produce an accurate statement of assets and liabilities and profit and loss statement on a monthly basis; and

4.1.ik. A record of all charges or fees assessed to the borrower's account reflecting the amount of the charge or fee, the purpose, and the date imposed.

4.2. All records required to be maintained by section 4.1 shall be kept in the specific loan file relating to the individual borrower or loan applicant except for those records listed in subsections 4.1.eg, 4.1.hg, 4.1.ih, 4.1.ji and 4.1.kj.

§106-5-5. Records That Must be Maintained by Licensed Residential Mortgage Servicers.

5.1. A lender that, after closing, subsequently services a loan subject to the provisions of W. Va. Code §31-17-1, *et seq.* must maintain the following records:

5.1.a. ~~The Final Truth in Lending Act Disclosure;~~ Force-placed insurance documents and letters;

5.1.b. All written correspondence, including fax transmissions and e-mails, between that lender and the previous lender that held or serviced the loan;

5.1.c. ~~HUD-1 or HUD-1A Settlement Statement~~ Closing Disclosure(s), including initial, final, and post-closing, if applicable;

5.1.d. A signed Servicing Transfer Disclosure statement;

5.1.e. The Deed of Trust;

5.1.f. Note or other instrument of indebtedness;

5.1.g. Legal instrument(s) assigning the note and deed of trust to purchaser or assignee;

5.1.h. Any appraisals of the property, if applicable;

5.1.i. All written and electronic correspondence between the servicer and the borrower including e-mails and facsimile transmissions;

5.1.j. A ~~telephone~~ contact log reflecting the date and substance of ~~telephone~~ all conversations with borrowers;

5.1.k. A record of all cash, checks, or other monetary instruments received in connection with a residential mortgage loan showing the identity of the payor, the date received, the amount, and purpose and description of how funds were applied;

5.1.l. A record of all monies disbursed relating to the licensee's business as a mortgage lender or

servicer including, but not limited to, refunds to borrowers and all disbursements of funds on behalf of borrowers or others, showing at least the payee, amount, date, and purpose of payment, including identification of the loan to which the payment relates, if any;

5.1.m. Copies of all written complaints received from customers and written records of the disposition of those complaints;

5.1.n. A general ledger and subsidiary records sufficient to produce an accurate statement of assets and liabilities and profit and loss statement on a monthly basis; and

5.1.o. A record of all charges or fees assessed to the borrower's account reflecting the amount of the charge or fee, the purpose, and the date imposed.

5.1.p. Any other disclosure(s) required by applicable Federal regulations.

5.1.q. All documentation of collection or legal action taken, by the lender or a third party contracted by the lender, including but not limited to right to cure default notices, loss mitigation packages, and foreclosure documents and letters (including trustee's report of sale), etc.

5.2. All records required to be maintained by section 5.1 shall be kept in the specific loan file relating to the individual borrower or loan applicant except for those records listed in subsections 5.1.j, 5.1.k, 5.1.l, 5.1.m and 5.1.n.

§106-5-6. Records That Must be Maintained by Licensed Residential Mortgage Brokers.

6.1. A licensed residential mortgage broker must maintain the following records:

6.1.a. Initial loan application, ~~signed and dated by the loan officer;~~

6.1.b. Contract or agreement between the broker and the borrower, specifically the credit service organization disclosure statement and contract;

6.1.c. ~~Initial and subsequent Good Faith Estimate~~ Loan Estimate(s) provided by the broker or lender;

6.1.d. Required Provider List;

6.1.e. Credit report(s), if obtained;

6.1.f. Verification of borrower income and employment as required by the initial lender;

~~6.1.g. Required early Truth in Lending Act disclosure;~~

~~6.1.h. Early Truth in Lending Act disclosure provided but not required;~~

6.1.i.g. All written and electronic correspondence, including, but not limited to, e-mails and fax transmissions, between the broker and the lender;

6.1.j.h. ~~HUD-1 or HUD-1A Settlement Statement~~ Closing Disclosure(s) including initial, final, and post-closing, if applicable;

6.1.k.i. Affiliated Business Arrangement Disclosure Statements provided to the borrower;

- 6.1.~~hj~~. Servicing Transfer Disclosure statement;
 - 6.1.~~mk~~. Right to Receive Appraisal Disclosure, if applicable;
 - 6.1.~~nl~~. Right of Rescission Notice, if applicable;
 - 6.1.~~om~~. Tangible Net Benefit Worksheet, if applicable;
 - 6.1.~~pn~~. Appraisal(s) of the property ~~obtained by the broker~~;
 - 6.1.~~qo~~. A written justification for using a non-local appraiser, if applicable;
 - 6.1.~~rp~~. Any commitment or rate lock-in agreements, if applicable;
 - 6.1.~~sq~~. Copies of all notes or electronic correspondence and communications, including, but not limited to, e-mails and fax transmissions with borrowers, third party settlement service providers including appraisers, title agents and credit reporting agencies;
 - 6.1.~~tr~~. A record of all cash, checks, or other monetary instruments received in connection with a loan application showing the identity of the payor, the date received, the amount, and purpose;
 - 6.1.~~us~~. A record of all monies disbursed relating to the licensee's business as a mortgage broker including, but not limited to, refunds to borrowers and all disbursements of funds on behalf of borrowers, showing at least the payee, amount, date, and purpose of payment, including identification of the loan to which the payment relates, if any;
 - 6.1.~~vt~~. Copies of all written complaints received from customers and written records of the disposition of those complaints;
 - 6.1.~~wu~~. A general ledger and subsidiary records sufficient to produce an accurate statement of assets and liabilities and profit and loss statement on a monthly basis;
 - 6.1.~~xv~~. A record of all charges or fees assessed to the borrower's account reflecting the amount of the charge or fee, the purpose, and the date imposed;
 - 6.1.~~yw~~. Copies of all rate sheets used on specific dates and times for the prior three-year period;
 - 6.1.~~zx~~. Copies of any written assessments of the borrower's ability to repay the loan according to its terms, if applicable;
 - 6.1.~~ay~~. ~~The Final Truth in Lending Act Disclosure~~; Any other disclosure(s) required by applicable Federal regulations;
 - 6.1.~~bz~~. Note or other instrument of indebtedness; and
 - 6.1.~~eeaa~~. Itemization of all fees and charges imposed on each loan and received by the broker and by any third-parties. The itemization must include the nature and amount of each fee or charge and the identity of the recipient.
- 6.2. All records required to be maintained by section 6.1 shall be kept in the specific loan file relating to the individual borrower or loan applicant except for those records listed in subsections 6.1.~~tr~~, 6.1.~~us~~, 6.1.~~vt~~, 6.1.~~wu~~ and 6.1.~~yw~~.

§106-5-7. Form and Location of Records.

7.1. All records that licensees must maintain under this rule or W. Va. Code §31-17-1, *et seq.* may be maintained in ~~the form of magnetic tape, magnetic disk or other form of computer,~~ electronic format but must be or microfilm media available for examination on the basis of computer printed reproduction, video display or other medium that is readily convertible by the licensee into legible, tangible documents available for review as required by the Commissioner of Financial Institutions. All records maintained under this subsection must be available to the Commissioner of Financial Institutions, or his or her delegates, in a manner that is organized by entire individual loan files. The files must be organized by a stacking order, properly labeled, and legible.

7.2. All records that licensees must maintain under this rule or W. Va. Code §31-17-1, *et seq.* shall be secured against unauthorized access or damage in a licensed location. However, if a licensee maintains a centralized out-of-state storage facility for such records ~~from multiple states~~, it shall notify the Commissioner to approve its storage of such records in that out-of-state location by designating the books and records location in the Nationwide Multistate Licensing System and Registry (NMLS). ~~The Commissioner shall grant approval provided that:~~

7.2.a. ~~The Commissioner determines~~ licensee must ensure that the proposed storage will ensure that the records are secured against unauthorized access or damage; and

7.2.b. The licensee ~~agrees, in writing, to~~ must make available at its expense for inspection and copying upon request of the Commissioner or his or her designees copies of all requested records in a form which satisfies the requirements of subsection 7.1 of this ~~section~~ rule.

7.3. A licensee shall notify the Commissioner promptly of any proposed change in the location of its books and records by updating the licensee's NMLS record.

§106-5-8. Advertising.

8.1. Every licensed lender and broker shall maintain and keep available for inspection by representatives of the West Virginia Division of Financial Institutions one copy of all advertising material used during the prior three years.

8.2. If the advertising media is a radio or television broadcast, then a licensee may comply with this requirement by maintaining a copy of the transcript of the advertising.

8.3. If the advertising includes sponsorship of schools or athletic teams, then a licensee may comply with this requirement by maintaining a copy of the print design or a sample of each item.

8.4. Advertising includes the use of social media and websites to promote the company or its products.

8.5. Team names are names other than the mortgage company's legal name that typically represent a distinct group of employees working for the mortgage company as a division or team within the larger organization. Use of team names must meet the following:

8.5.a. The team name must be properly registered as a dba with the West Virginia Secretary of State's Office and in NMLS for use in West Virginia.

8.5.b. Team names are permitted for advertising purposes only and may not be used to conduct residential mortgage loan origination business.

8.5.c. The mortgage company's legal name and NMLS identification number must be used with the team name or logo, in substantially equivalent prominence. It must be apparent to the viewer what mortgage company is making the advertisement.

§106-5-9. Use of Non-local Appraisers.

9.1. If a licensed broker or lender employs an appraiser whose main office is more than 75 miles from the property to be appraised, that lender or broker must document, in writing and maintain in accordance with the provisions of subsections ~~3.1.w.u.~~ or ~~6.1.q.o.~~ of this rule, the reason(s) why such an appraiser was used instead of an appraiser with a main office closer to the property being appraised.

9.2. The 75 mile distance used in subsection 9.1 of this rule refers to the driving distance between the main office of the appraiser and the property that is being appraised.

§106-5-10. Improper Influence of Appraisers.

10.1. Any threat, oral or written, direct or implied, by a lender or broker to withhold payment of an appraiser's fee constitutes an attempt to coerce or intimidate an appraiser for the purpose of influencing his or her independent judgment in violation of W. Va. Code §31-17-8(m)(2).

10.2. Any threat, oral or written, direct or implied, by a lender or broker to cease using the services of an appraiser in the future if that appraiser does not provide an appraisal amount in accordance with the expectations of that lender or broker constitutes an attempt to coerce or intimidate an appraiser for the purpose of influencing his or her independent judgment in violation of W. Va. Code §31-17-8(m)(2).

§106-5-11. Documentation of Ability to Repay.

11.1. No lender should make a loan unless the lender reasonably believes at the time the loan is closed that the borrower(s) will be able to make the scheduled payments to repay the loan. This reasonable belief must be based upon a consideration of the income of the borrower(s), current debt, employment status and history, and other financial resources other than equity in the dwelling that will secure the loan.

11.2. If a borrower's household debt-to-income ratio will exceed 50 percent upon the extension of new residential mortgage loan as determined from a credit report, credit application, financial statement, then the broker and initial lender must document, in writing and maintain in accordance with the provisions of subsections ~~3.1.f.f.d.d.~~ or ~~6.1.z.x.~~ of this rule, an assessment of the borrower's ability to repay the loan according to its terms. Such assessment must be provided to the borrower(s) be signed by the lender or the lender's representative and the borrower(s) and must consider the household's current debt obligations, the term of the loan, and the borrower(s) circumstances along with their current and projected income and assets, other than a security interest in the real estate taken to secure the loan.

11.3. The requirement of subsection ~~(2) of this section~~ 11.2 of this rule shall not apply if the loan obtained qualifies under guidelines established by the West Virginia Housing Development Fund, ~~the Veterans Administration~~ or a non-profit housing provider licensed under W. Va. Code §31-17-1, *et seq.*

11.4. The requirement of subsection 11.2 of this rule shall not apply if the loan originated is insured or guaranteed by an agency of the federal government and meets the qualifications established by the insuring or guaranteeing federal agency. This includes, but is not limited to, Federal Housing Administration within the Department of Housing and Urban Development, Veteran's Administration, and U.S. Department of Agriculture Rural Development loans.

~~§106-5-12. Notice of Changes in Loans That are in Process.~~

~~—12.1. If a lender or broker determines that a borrower does not qualify for the loan amount, terms, or program for which he or she applied and that another loan product is available that would materially differ from the terms requested by the borrower(s) in the initial application, the lender or broker shall decline the loan initially requested, providing the proper notice and disclosure, and then offer new terms and disclosures related to the alternative loan product.~~

~~§106-5-13. Criminal Background Checks.~~

~~—13.1. When evaluating a lender or broker license applicant for financial responsibility, character, reputation or general fitness, the Commissioner may elect to ignore criminal convictions that occurred more than twenty years prior to the filing date of the license application.~~

~~§106-5-1412. Payments to Unrelated Third Parties.~~

~~14.12.1.~~ Pursuant to W. Va. Code §31-17-8(m)(4), only payments of closing costs to unrelated third parties may not be included in the overall cap on fees, compensation, yield spread premium or points that a borrower is required to pay a licensee.

~~14.212.2.~~ In order to qualify as an “unrelated third party” the individual or entity providing services may not be an “affiliated business arrangement” as that term is defined by the Real Estate Settlement Procedures Act, 12 U.S.C. §2602, and attendant regulations.

~~§106-5-1513. Tangible Net Benefit Determinations.~~

~~15.13.1.~~ A broker and lender licensee must document tangible net benefit to the borrower before arranging or making any residential mortgage loan that refinances an existing residential mortgage loan that closed within 24 months of the proposed refinancing. This duty exists even if the broker or lender did not arrange or make the existing loan that will be refinanced.

~~§106-5-1614. Determining Financial Responsibility for Mortgage Loan Originators.~~

~~16.14.1.~~ The Division of Financial Institutions will initially review the credit report of an applicant for a mortgage loan originator license to determine whether the applicant meets the standards of financial responsibility set forth at W. Va. Code §31-17A-5(c). If the initial review of the credit report reveals information that prevents a determination of sufficient financial responsibility, before making a final decision, the Division will contact the applicant and seek an explanation for his or her financial condition, any supporting documentation, and a plan to improve.

~~16.214.2.~~ Additional factors that the Division may consider from the applicant include, but are not limited to:

~~16.2.a~~14.2.a. The existence of a repayment agreement for unpaid debts;

~~16.2.b~~14.2.b. Faithful performance of the applicant’s obligations under the repayment agreement;

~~16.2.e~~14.2.c. Active participation in a consumer credit counseling service;

~~16.2.d~~14.2.d. A pending appeal of a negative item on the credit report supported by documentation of the basis of the appeal;

~~16.2.e~~14.2.e. Proof of satisfaction of judgment(s);

~~16.2.f~~14.2.f. Proof of payment of charged off accounts; and

~~16.2.g~~14.2.g. Sudden, significant medical expenses for the applicant or the applicant's spouse or dependent.

§106-5-15. Temporary Authority for Mortgage Loan Originators

15.1. Mortgage Loan Originators seeking to avail themselves of temporary authority to operate while he or she seeks licensure by the Division of Financial Institutions may not engage in residential mortgage activity until an application has been filed and the individual has been assigned a status recognizing such temporary authority.

15.2. The maximum duration for temporary authority is 120 days. After 120 days have elapsed, the status conveying temporary authority to operate will be removed. An applicant for licensure who has previously received the benefit of the 120 days of temporary authority will not be conferred temporary authority status.