

**STATE OF VERMONT
DEPARTMENT OF BANKING, INSURANCE, SECURITIES
AND HEALTH CARE ADMINISTRATION**

In Re:)
)
 8 V.S.A. Chapter 73) **Docket No. 09-084-B**
 Licensed Lender Statute)
 Act No. 29 (H.171) 2009)
)

**ORDER REGARDING EFFECTIVE DATE OF DELETION OF
NONPROFIT INSTITUTIONS OF HIGHER EDUCATION EXEMPTION**

Background

1. Act 29 deleted the following exemption from the Licensed Lender Statute, which exemption was formerly found at 8 V.S.A. §2210(c)(11) (the "Nonprofit Institutions of Higher Education Exemption"):

(c) No license shall be required of:

. . .

(11) nonprofit institutions of higher education, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, that make residential mortgage loans to their employees from their own funds.

2. Pursuant to Act 29, Sec. 3 (b), the commissioner may extent the date for compliance with any provision of Act 29 provided the extension is permitted or approved by the federal Department of Housing and Urban Development ("HUD").

3. Act 29 modified the Licensed Lender Statute, 8 V.S.A. Chapter 73, to bring Chapter 73 into compliance with the federal Secure and Fair Enforcement for Mortgage Licensing Act (the "SAFE Act").

4. Under the SAFE Act HUD is responsible for determining whether a state has a law or regulatory system in place that meets the requirements of the SAFE Act. See, SAFE Act §1508.

5. Pursuant to HUD's Commentary on Model State Law, Section D, a state may delay the deadline for individual loan originator licensing until no later than July 31, 2010.

6. Delaying the effective date for the removal of an exemption from Chapter 73 would be consistent HUD guidelines, provided the delay did not extend the effective date beyond July 31, 2010.

Order

7. Based upon the foregoing and other factors deemed relevant to the commissioner, it is hereby ordered that:

a. The effective date for deletion of the Nonprofit Institutions of Higher Education Exemption is hereby delayed until January 1, 2010.

b. Prior to January 1, 2010 Nonprofit Institutions of Higher Education, as described in former 8 V.S.A. §2210(c)(11), do not need to obtain a lender license to make residential mortgage loans to their employees from the Institution's own funds.

c. Beginning January 1, 2010 Nonprofit Institutions of Higher Education must have obtained a lender license or otherwise qualify for an exemption from Chapter 73 in order to continue the practice of making residential mortgage loans to their employees.

Dated at Montpelier, Vermont this 8th day of July, 2009.

/s/ Christine Oliver, Acting Commissioner
Paulette Thabault
Commissioner of Banking, Insurance, Securities
and Health Care Administration