COMMONWEALTH OF KENTUCKY
DEPARTMENT OF FINANCIAL INSTITUTIONS
ORDER OF THE COMMISSIONER

WHEREAS, Congress passed and the President signed into law the Housing and Economic Recovery Act of 2008, and Title V of that Act contained the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 15 U.S.C. §§5101, *et seq.* (the "S.A.F.E. Act");

WHEREAS, the S.A.F.E. Act directed states to enact legislation to meet certain minimum requirements relating to the registration and supervision of mortgage loan originators and processors;

WHEREAS, for the purposes of complying with the requirements of the S.A.F.E. Act, the Kentucky General Assembly passed and the Governor signed into law amendments to the Mortgage Licensing and Regulation Act, KRS Chapter 286.8 (the "Act");

WHEREAS, KRS 286.8-285(1)(b) authorizes the Commissioner to waive or modify, in whole or in part, by rule or by order, any or all of the requirements of the Act and to establish new requirements as reasonably necessary to implement and comply with the minimum requirements of the S.A.F.E. Act;

WHEREAS, KRS 286.8-290(1) was amended effective June 8, 2011 to create an exemption from registration for mortgage loan originators who are exempted by an order of the commissioner, provided that the exemption is not contrary to the requirements of the S.A.F.E. Act and amendments thereto;

WHEREAS, on June 30, 2011, the Department of Housing and Urban Development ("HUD") published its Final Rule setting standards for state compliance with the S.A.F.E. Act, and identifying certain activities that it does not consider to constitute the business of mortgage loan origination;

WHEREAS, the Commissioner has determined it reasonably necessary to modify certain provisions of the Act in order to adopt certain aspects of the HUD Final Rule relating to activities constituting the business of mortgage loan origination;

NOW, THEREFORE, the Commissioner, pursuant to KRS 286.8-285(1)(b) and 286.8-290(1)(e), hereby **ORDERS** as follows:

In addition to the individuals currently exempted by KRS 286.8-290, KRS 286.8-290(1) is modified to exempt from the registration and regulatory requirements of KRS 286.8-255 a

natural person, or estate thereof, who originates no more than four (4) mortgage loans within a calendar year secured by residential real property owned by the natural person, unless the natural person or estate thereof is compensated in connection with that transaction by a mortgage loan company, mortgage loan broker, or other mortgage loan originator, or by an agent of such company, broker, or other originator, and unless the Commissioner determines that the natural person or estate thereof is engaged in the business of a mortgage loan originator.

All mortgage loan originators exempted by this Order shall nevertheless be subject to KRS 286.8-290(3) and (4).

It is so **ORDERED** as of the 5th day of JANUARY, 2012.

Charles A. Vice
Commissioner