

## **HF4041/SF4157 (KOTYZA-WITTHUHN / KLEIN) COMMERCE FINANCIAL INSTITUTIONS POLICY BILL**

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### **WHAT DOES THIS BILL DO?**

HF4041/SF4157 does the following:

Updates Minnesota banking statutes and rules by replacing the deputy commissioner as the final approver for detached facility applications with the financial institutions chief examiner, allowing banks who branch into non-adjointing states to utilize an already established lending limit, and limiting the time a bank can classify real estate as “held for future expansion” to up to 10 years where there is currently no limit.

Amends § 47.20 subdivisions 2 and 3 to replace the \$100,000 cap on loan amount for high interest rates with “Conforming loan limit as set by the Federal housing Finance Agency.” Referencing the federal standard as opposed to a fixed dollar amount will allow the bill to stay in line with increasing home values.

Adds a provision to § 58.13 requiring mortgage providers to provide a written analysis of the mortgage’s tangible net benefit for the borrower that is signed prior to closing.

Updates the Minnesota Residential Mortgage Originator and Servicer Licensing Act passed in 1998 to account for the growth in the mortgage industry since the introduction of the Mortgage SAFE Act in 2010.

### **WHY IS THIS BILL IMPORTANT?**

This bill modernizes key provisions in Minnesota statutes and rules that govern the banking and mortgage industries. The bill will remove red tape, protect consumers, and help ensure that the Minnesota banking and mortgage industries will continue to prosper and grow in the future.

### **HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?**

A mortgage is typically the single largest financial transaction that most consumers undertake, and access to mortgage products provides an opportunity for families to have home that it theirs and build generational wealth. As the state continues to try to close the wealth gap, Minnesotans will benefit from having statutes that relate to the state’s banking and mortgage industries that are modern and allow the department to ensure strong consumer protection and clear guidelines for industry.

### **CONTACT US**

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