This email is being sent to you from the Wisconsin Department of Financial Institutions (“WI DFI”). The purpose of this email is to inform you of the recent passage of 2013 Wisconsin Act 360 (“Act 360”). Act 360 makes some important changes to ch. 224, Stats. The main changes include:

EXEMPTIONS:
- Defines and exempts bona fide not for profit entities and their Mortgage Loan Originators (“MLOs”).
- Exempts federal, state, and local government agencies and their MLOs.
- Defines and exempts housing finance agencies and their MLOs.
- Exempts mortgage bankers that meet the described “di minimus” exemption.
- Defines “regularly engage” and exempts MLOs that are not regularly engaged in the business of a MLO.
- Expands the attorney exemption.
- Exempts real estate brokers in certain circumstances.

REGISTERED ENTITIES:
- Allows an otherwise exempt depository institution to become a registered entity for the purpose of sponsoring MLOs.
- Sets forth the requirements for obtaining and maintaining “registered entity status.”
- Holds the registered entity responsible for loan originators who are acting on behalf of the registered entity.

OTHER:
- Changes the annual financial statement requirement for mortgage brokers from audited to reviewed. This change does not affect mortgage bankers.
- Defines expungement and indicates that an expunged felony conviction will not result in an automatic denial.
- With very limited exceptions, prohibits a principal office from being located in another country or in a residence.
- Prohibits a branch office from being located in another country.
- Allows a branch office to be located in a residence.
- Requires an MLO’s residence to be licensed or be within 100 miles of a licensed location.
- With some exceptions, requires each branch to have at least one licensed MLO.
- With some exceptions, requires a branch manager to be licensed as a MLO.
- Eliminates the requirement that an initial application include sponsor information.

Act 360 is effective April 25, 2014. Regarding the change that will allow a mortgage broker to submit reviewed, instead of audited, financial statements, audited financial statements will still be required from any broker whose most recent annual report was due prior to the effective date of Act 360. Note that annual reports are due within 6 months after the end of the broker’s fiscal year end.

We ask that you review Act 360 closely and share any necessary information with your MLOs. The division will not be sending a separate mailing to MLOs. A copy of Act 360 is attached. You may also link to Act 360 from WI DFI’s website at [www.wdfi.org](http://www.wdfi.org). The "Mortgage Banking" tab is located under the "Banking" tab, which is on the home page.

Sincerely,

The Mortgage Banking Staff
Division of Banking