

## 2023 Kansas Statutes

**9-2203. License required to conduct mortgage business; mortgage business at remote locations, requirements; registration required for a loan originator; penalty; statute of limitations for prosecution.** (a) Mortgage business shall only be conducted in this state by a licensed mortgage company. A licensee shall be responsible for all mortgage business conducted on such licensee's behalf by any person, including loan originators, employees or independent contractors.

(b) Mortgage business involving loan origination shall only be conducted in this state by an individual who has first been registered with the commissioner as a loan originator as required by this act and maintains a valid unique identifier issued by the nationwide mortgage licensing system and registry, if operational at the time of registration.

(c) A registrant shall only engage in mortgage business on behalf of one licensed mortgage company.

(d) Mortgage business may be conducted at a remote location, if:

- (1) The licensed mortgage company's employees or independent contractors do not meet with the public at a personal residence;
- (2) no physical business records are maintained at the remote location;
- (3) the licensed mortgage company has written policies and procedures for working at a remote location and such company supervises and enforces such policies and procedures;
- (4) the licensed mortgage company maintains the computer system and customer information in accordance with the company's information technology security plan and all state and federal laws;
- (5) any device used to engage in mortgage business has appropriate security, encryption and device management controls to ensure the security and confidentiality of customer information as required by rules and regulations adopted by the commissioner;
- (6) the licensed mortgage company's employees or independent contractors take reasonable precautions to protect confidential information in accordance with state and federal laws; and
- (7) the licensed mortgage company annually reviews and certifies that the employees or independent contractors engaged in mortgage business at remote locations meet the requirements of this section. Upon request, a licensee shall provide written documentation of such licensee's review to the commissioner.

(e) Nothing under this act shall require a licensee to obtain any other license under any other act for the sole purpose of conducting non-depository mortgage business.

(f) Any person who willfully or knowingly violates any of the provisions of this act, any rule and regulation adopted or order issued under this act commits a severity level 7 nonperson felony. A second or subsequent conviction of this act, regardless of its location on the sentencing grid block, shall have a presumptive sentence of imprisonment.

(g) No prosecution for any crime under this act may be commenced more than five years after the alleged violation. A prosecution is commenced when a complaint or information is filed, or an indictment returned, and a warrant thereon is delivered to the sheriff or other officer for execution, except that no prosecution shall be deemed to have been commenced if the warrant so issued is not executed without unreasonable delay.

(h) Nothing in this act limits the power of the state to punish any person for any conduct which constitutes a crime by statute.

**History:** L. 1996, ch. 175, § 3; L. 1999, ch. 45, § 3; L. 2001, ch. 88, § 4; L. 2005, ch. 144, § 1; L. 2009, ch. 29, § 6; L. 2016, ch. 15, § 3; L. 2017, ch. 52, § 8; L. 2022, ch. 30, § 2; July 1.