

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **House Bill 4790**

By Delegate Criss

[Requested By the Division of Financial Institutions]

[Introduced January 23, 2026; referred to the Committee  
on Finance]

1 A BILL to amend and reenact §31-17-4 of the Code of West Virginia, 1931, as amended, relating to  
2 requirements for licensure as a mortgage lender or broker; and allowing other forms of  
3 financial statements from broker applicants to show tangible net worth.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 17. WEST VIRGINIA RESIDENTIAL MORTGAGE LENDER, BROKER AND**

**SERVICER**

**ACT.**

**§31-17-4. Applications for licenses; requirements; bonds; fees; renewals; waivers and  
reductions; per loan fee.**

1 (a) In connection with an application for licensing as a mortgage lender or mortgage broker,  
2 the applicant shall, at a minimum, furnish to the Nationwide Multistate Licensing System and  
3 Registry, information concerning the applicant's identity, including:

4 (1) Fingerprints for submission to the Federal Bureau of Investigation and any  
5 governmental agency or entity authorized to receive such information for a state, national and  
6 international criminal history background check; and

7 (2) Personal history and experience in a form prescribed by the Nationwide Multistate  
8 Licensing System and Registry and the commissioner, including the submission of authorization  
9 for the Nationwide Multistate Licensing System and Registry and the commissioner to obtain:

10 (A) An independent credit report obtained from a consumer reporting agency described in  
11 Section 603(p) of the Fair Credit Reporting Act; and

12 (B) Information related to any administrative, civil or criminal findings by any governmental  
13 jurisdiction.

14 (b) In order to reduce the points of contact which the Federal Bureau of Investigation may  
15 have to maintain for purposes of this article, the commissioner may use the Nationwide Multistate  
16 Licensing System and Registry or its designated vendor as a channeling agent for requesting  
17 information from, and distributing information to, the Department of Justice or any governmental

18 agency.

19 (c) In order to reduce the points of contact which the commissioner may have to maintain,  
20 for purposes of this article, the commissioner may use the Nationwide Multistate Licensing System  
21 and Registry as a channeling agent for requesting and distributing information to and from any  
22 source so directed by the commissioner.

23 (d) Application for a lender's or broker's license shall each year be submitted under oath, in  
24 the form prescribed by the commissioner. Background and credit checks shall be conducted in  
25 accordance with this article. Any application shall also disclose the location at which the business  
26 of lender or broker is to be conducted.

27 (e) At the time of making application for a lender's license, the applicant therefor shall:

28 (1) If a foreign corporation, submit a certificate from the Secretary of State certifying that  
29 the applicant is registered with the Secretary of State to transact business in this state;

30 (2) Submit proof that he or she has available for the operation of the business at the  
31 location specified in the application, tangible net worth of at least \$250,000 computed according to  
32 the United States generally accepted accounting principles as shown by the most recent audited  
33 financial statement;

34 (3) File an electronic surety bond through the Nationwide Multistate Licensing System and  
35 Registry in favor of the state for the benefit of consumers, or for a claim by the commissioner for an  
36 unpaid civil administrative penalty, or an unpaid examination invoice in the amount of \$100,000 for  
37 licensees with West Virginia annual loan originations of \$0 to \$3 million, \$150,000 for West Virginia  
38 annual loan originations greater than \$3 million and up to \$10 million, and \$250,000 for West  
39 Virginia annual loan originations over \$10 million, in a form and with conditions as the  
40 commissioner may prescribe, and executed by a surety company authorized to do business in this  
41 state: *Provided*, That lender licensees who service West Virginia mortgage loans shall file with the  
42 commissioner a bond under the same conditions listed above in the amount of \$200,000;

43 (4) Pay to the commissioner a license fee of \$1,250 plus the actual cost of fingerprint

44 processing and the processing fees assessed by the Nationwide Multistate Licensing System and  
45 Registry. If the commissioner shall determine that an investigation outside this state is required to  
46 ascertain facts or information relative to the applicant or information set forth in the application, the  
47 applicant may be required to advance sufficient funds to pay the estimated cost of the  
48 investigation. An itemized statement of the actual cost of the investigation outside this state shall  
49 be furnished to the applicant by the commissioner and the applicant shall pay, or shall have  
50 returned to him or her, as the case may be, the difference between his or her payment in advance  
51 of the estimated cost and the actual cost of the investigation; and

52 (5) Submit a full and complete disclosure of any litigation or unresolved complaint filed by a  
53 governmental authority or class action lawsuit on behalf of consumers relating to the operation of  
54 the license applicant.

55 (f) At the time of making application for a broker's license, the applicant therefor shall:

56 (1) If a foreign corporation, submit a certificate from the Secretary of State certifying that  
57 the applicant is registered with the Secretary of State to transact business in this state;

58 (2) Submit proof that he or she has available for the operation of the business at the  
59 location specified in the application, tangible net worth of at least \$10,000 computed according to  
60 the United States generally accepted accounting principles as shown by the most recent  
61 compiled, reviewed, or audited financial statement;

62 (3) File an electronic surety bond through the Nationwide Multistate Licensing System and  
63 Registry in favor of the state for the benefit of consumers, or for a claim by the commissioner for an  
64 unpaid civil administrative penalty or an unpaid examination invoice in the amount of \$50,000 for  
65 licensees with West Virginia loan originations of \$0 to \$3 million, \$75,000 for West Virginia loan  
66 originations greater than \$3 million and up to \$10 million, and \$100,000 for West Virginia loan  
67 originations over \$10 million in a form and with conditions as the commissioner may prescribe, and  
68 executed by a surety company authorized to do business in this state: *Provided*, That the bond  
69 must be in the amount of \$150,000 before a broker may participate in a table-funded residential

70 mortgage loan;

71 (4) Pay to the commissioner a license fee of \$350 plus the actual cost of fingerprint  
72 processing and the processing fees assessed by the Nationwide Multistate Licensing System and  
73 Registry; and

74 (5) Submit a full and complete disclosure of any litigation or unresolved complaint filed by a  
75 governmental authority or class action lawsuit on behalf of consumers relating to the operation of  
76 the license applicant.

77 (g) The aggregate liability of the surety on any bond given pursuant to the provisions of this  
78 section shall in no event exceed the amount of the bond.

79 (h) Nonresident lenders and brokers licensed under this article by their acceptance of the  
80 license acknowledge that they are subject to the jurisdiction of the courts of West Virginia and the  
81 service of process pursuant to §46A-2-137 of this code and §56-3-33 of this code.

82 (i) The commissioner may elect to reduce or waive the application fees, bond amounts and  
83 net worth requirements imposed by this section for bona fide nonprofit corporations or other bona  
84 fide nonprofit business entities, including community housing development organizations, whose  
85 residential mortgage lending or brokering activities provide housing primarily to households or  
86 persons below the HUD-established median income for their area of residence. Any waiver of fees  
87 or other costs under this paragraph shall not be construed as a waiver of the duty to comply with all  
88 other provisions of this article.

89 (j) Every broker and lender licensee shall pay a fee of \$5 for each residential mortgage loan  
90 originated, made or brokered in a calendar year. This fee shall be paid annually for the benefit of  
91 the Division of Financial Institutions and remitted promptly through the Nationwide Multistate  
92 Licensing System and Registry when the invoice is received. If a licensee ceases operation, it  
93 shall complete the Statistical Activity Report and remit any fees due since the last reporting period  
94 when it relinquishes its license when invoiced by the Division through the Nationwide Multistate  
95 Licensing System and Registry.

96 (k) If a claim for a consumer restitution is pending on a bond required pursuant to this  
97 section when the commissioner makes a claim for a civil administrative penalty or an unpaid  
98 examination invoice, the consumer claim shall be resolved before any payments may be made for  
99 an unpaid penalty or examination invoice.

NOTE: The purpose of this bill is to allow another acceptable form of financial statement from mortgage brokers to show adequate net worth in compliance with the licensing statute.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.