



May 22, 2017

The Honorable Rick Scott  
Governor of the State of Florida  
The Capitol  
400 S. Monroe St.  
Tallahassee, FL 32399-0001

**Re: Securities Industry Support for House Bill 747 – Mortgage Brokering**

Dear Governor Scott:

On behalf of the Securities Industry and Financial Markets Association (“SIFMA”),\* I am writing you today to convey our strong support of House Bill 747 on behalf of our members, which include hundreds of securities firms, banks, and asset managers operating in Florida, and the over 373,000 employees who work in the finance and insurance industry in your state. As described in more detail below, HB 747 would provide a limited but important exemption from Florida mortgage brokering regulation for securities dealers and investment advisers as they work to help clients achieve their financial goals. In particular, this legislation would spare the already highly regulated securities industry from unnecessary ancillary regulation as residential mortgage “originators” or “brokers” under Florida law.

HB 747 would restore a previous exemption that permitted licensed securities dealers and investment advisers to discuss information regarding residential real property financing with their clients, which is an important element of almost every client’s financial situation. Unfortunately, this exemption was removed from Florida’s mortgage brokering law (Chapter 494) back in 2009 in the rush to adopt new state regulations to parallel the federal Secure and Fair Enforcement of Mortgage Licensing Act of 2008 (the “SAFE Act”).

As confirmed by a recent declaratory statement from the Florida Office of Financial Regulation, these changes to Florida law could inadvertently require all securities dealers and investment advisers to obtain a license as a mortgage originator in order to simply discuss the terms of a client’s residential real estate financing and refer them to a licensed mortgage lender, broker, or originator to discuss refinancing options, even though the dealer or advisor would be doing nothing the average person would readily identify as “originating” or “brokering” a mortgage.

From a consumer protection perspective, it is important to note that securities broker-dealers and financial advisors are already subject to significant regulatory oversight by the Securities and Exchange Commission, NASDAQ Stock Market, New York Stock Exchange, Financial Industry Regulatory Authority (“FINRA”), and state securities regulators. Financial advisors are required to complete testing and continuing education requirements administered by FINRA. Information regarding the professional backgrounds and conduct of financial advisors is publicly available on FINRA’s website. This information is similar to the type of information that would be provided in connection with obtaining a Florida residential mortgage loan “originator” license.

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\* SIFMA is the national voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raise over \$2.4 trillion for businesses and municipalities in the U.S., serve retail clients with over \$16 trillion in assets, and manage more than \$62 trillion in assets for individual and institutional clients, including mutual funds and retirement plans. For more information, please visit <http://www.sifma.org>.

As you know, HB 747 passed both the House and the Senate with only a single “no” vote, and we are aware of no opposition being voiced to the bill prior to its passage. Late in the session, the substance of another bill – SB 1298 by Senator Rene Garcia – was added to HB 747. While SIFMA was not involved with that bill, we note that its companion measure passed unanimously through all of its House committees and the full House, and SB 1298 passed unanimously through all of its prior Senate committees before running out of time in the Senate Rules Committee. It appears that those additions to HB 747 would serve to resolve ambiguity in some of the terms currently used in chapter 494, providing greater clarity to regulated parties and greater protection to consumers in the context of activities that would readily be understood as residential mortgage “origination” and “brokering.”

Given the broad-based support for HB 747 from the financial services industry, we respectfully request that you sign this legislation into law upon receipt. Thank you for time and attention to this issue. As always, we are available to further discuss this legislation or any matters related to the securities industry and can be reached at 212-.313-1233 or [nlancia@sifma.org](mailto:nlancia@sifma.org).

Sincerely,

A handwritten signature in black ink that reads "Nancy Donohoe Lancia". The signature is written in a cursive, flowing style.

Nancy Donohoe Lancia  
Managing Director, State Government Affairs

cc: Traci A. Ray  
Governor's Office of Policy & Budget  
General Government Unit