

## Notice from the Commissioner

**Effective June 1, 2004**, there are three new rules going into effect:

[New Disclosure on Recovery Fund Access](#)

[Discount Points Prohibition](#)

[Advertising Requirements](#)

### **New Disclosure on Recovery Fund Access:**

All of these new rules are attached. You should discard the old disclosure forms relating to the Recovery Fund information and substitute this new form **effective 6/1/04** in all loan transactions. This form also can be downloaded from the “Required Forms” section under Mortgage Broker Licensing on the website.

### **Discount Point Prohibition:**

Read the new rule very carefully as it is self-explanatory and simply stated. **Enforcement will begin on 6/1/04** for all loan applications taken on and after that date.

### **Advertising Requirements:**

Enforcement will begin on any and all advertisements published or distributed **on and after 6/1/04**. An example of an incorrect and correct format is attached to this notice and also may be found under the Mortgage Broker Licensing section (“Correct Advertising Example”). For other examples, most of the loan ads you see from FDIC insured institutions (i.e. banks) are substantially in compliance with Regulation Z, however, this state rule has additional

requirements you must incorporate (i.e. license number, name, physical address, etc.). The first violation will result in a notice to correct with confirmation required; the second will result in a monetary penalty; and subsequent violations will result in a more severe action.