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March 12, 2025

The Honorable Joseph J. Solomon, Jr.
Chair, House Corporations Committee
State House
Providence, RI 02903

Re: H 5811 – An Act Adopting the Federal Secure and Fair Enforcement For Mortgage Licensing Act Of 2009

Dear Chair Solomon:

We are writing on behalf of the Rhode Island Mortgage Bankers Association ("RIMBA") to support the above-referenced bill.

Proposed in H-5811 is an amendment to R.I. Gen. Laws § 19-14.10-17. This amendment would add one additional category to the existing statutory list of specific prohibited acts and practices: acting in the capacity of and being compensated as both a real estate agent and a mortgage loan originator in the same transaction.

This common-sense prohibition codifies what had been longstanding practice in the mortgage industry of separating those functions entirely. This amendment would prohibit "double dipping" and the associated potential for conflicts of interest and consumer confusion raised by dual-licensed individuals performing several different roles in the same transaction. It also alleviates the potential for steering and disclosure risks to lenders that are implicated by any such dual-role activity. Any elimination of the separation of licensed employees' real estate activities from their loan officer activities creates potential for confusion and conflict when working directly with consumer borrowers, and memorializing the bright-line rule that one person cannot perform both functions in the same transaction benefits lenders, borrowers, and the real estate marketplace overall.

For the foregoing reasons, RIMBA supports adoption of H 5811.

Sincerely,

Rhode Island Mortgage Bankers Association

MBA
MORTGAGE BANKERS ASSOCIATION
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