

*** DRAFT - NOT YET FILED ***

TO BE RESCINDED

1301:8-7-24

Restrictions on promises of future refinancing.

- (A) Any promise to refinance a loan in the future at a lower interest rate or with more favorable terms may only be conditioned upon the property's appraised value, the prompt and timely payment of debt, and the borrower's income and credit score at the time of the refinance application remaining stable or increasing. The promise of future refinancing shall set forth the interest rate with specificity, the type of loan, and the term of the loan.
- (B) Any promise to refinance not authorized and signed by the registrant's operations manager or appropriate corporate officer, or which is made in nonconformity with this rule, shall constitute a dishonest and improper business practice.
- (C) A "promise" for purposes of this section shall mean any representation or communication that is reasonably understood by an ordinary buyer to commit the mortgage broker to assist the buyer in obtaining a loan with a lower interest rate or with more favorable terms at a latter time and states or infers that such a loan will be available.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	119.03
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