

**AGENDA
FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION**

<http://www.flofr.com/StaticPages/NoticesOfPublicMeetingsHearingsAndWorkshops.htm>

June 13, 2018

MEMBERS

Governor Rick Scott Attorney
General Pam Bondi
Chief Financial Officer Jimmy Patronis
Commissioner Adam Putnam

Contact: Jamie Mongiovi
Director of Communications & Governmental Relations (OFR)
(850) 410-9601

9:00 A.M.
LL-03, The Capitol
Tallahassee, Florida

Courtney Larkin
Deputy Director of Governmental Relations (OFR)
(850) 410-9789

ITEM	SUBJECT	RECOMMENDATION
1.	The OFR respectfully requests approval of the meeting minutes of the meeting of February 8, 2018. (ATTACHMENT 1)	FOR APPROVAL
2.	The OFR respectfully requests approval to publish Notices of Proposed Rule to amend rules under Division 69U, Florida Administrative Code. (Refer to the attached CD for materials incorporated by reference.) (ATTACHMENT 2)	FOR APPROVAL
3.	The OFR respectfully requests approval to publish a Notice of Proposed Rule to amend rules in Chapter 69V-40 and 69W-600, Florida Administrative Code. (ATTACHMENT 3)	FOR APPROVAL

ATTACHMENT 1

STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND CABINET

CABINET MEMBERS: Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer
Jimmy Patronis
Commissioner of Agriculture
Adam Putnam

DATE AND TIME: February 8, 2018 at 9:00 A.M.

LOCATION: Florida State Fairgrounds
Bob Thomas Equestrian
Center Pavilion
4800 U.S. Highway 301 North
Tampa, Florida

REPORTED BY: Melinda McKenna
Integra Reporting Group
Court Reporter

INTEGRA REPORTING GROUP, LLC
Tampa, FL (813) 868-5130

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1 OFFICE OF FINANCIAL REGULATION

2 GOVERNOR SCOTT: Next I would like to
3 introduce Drew Breakspear with the Office of
4 Financial Regulation.

5 Hi, Drew.

6 COMMISSIONER BREAKSPEAR: Thank you. Good
7 morning, Governor Scott, Attorney General Bondi,
8 CFO Patronis and Commissioner Putnam.

9 We have two items on the agenda today. Our
10 first agenda item is I respectfully request approval
11 of the minutes of the meetings of November 7th and
12 December 13th, 2017.

13 GOVERNOR SCOTT: Is there a motion?

14 ATTORNEY GENERAL BONDI: So moved.

15 GOVERNOR SCOTT: Second?

16 CFO PATRONIS: Second.

17 GOVERNOR SCOTT: Comments or objections?

18 (NO RESPONSE).

19 GOVERNOR SCOTT: Hearing none, the motion
20 carries.

21 COMMISSIONER BREAKSPEAR: Our second agenda
22 item which I respectfully request approval of is the
23 Agency's quarterly report covering the period of
24 October 1st through December the 31st, 2017.

25 GOVERNOR SCOTT: Is there a motion to accept

1 the report?

2 CFO PATRONIS: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 COMMISSIONER PUTNAM: Second.

5 GOVERNOR SCOTT: Comments or objections?

6 (NO RESPONSE).

7 Hearing none, the motion carries.

8 COMMISSIONER BREAKSPEAR: And our rating was
9 3.25, meeting expectations for the quarter.

10 ATTORNEY GENERAL BONDI: Great.

11 COMMISSIONER BREAKSPEAR: And I just have one
12 other thing, which I want to thank Attorney General
13 Bondi's statewide prosecution of, because we've had
14 some great cases in the 30 to 60 days onboard, and
15 there's a lot of people the State is giving free
16 board and lodging to for an extended period of time.
17 I want to thank you very much for your team's help
18 with our team in getting that done. Thank you.

19 ATTORNEY GENERAL BONDI: Thank you.

20 GOVERNOR SCOTT: Thank you, Drew.

21 COMMISSIONER BREAKSPEAR: With that, it
22 concludes my report. Thank you very much.

23 GOVERNOR SCOTT: Thanks, Drew.

24

25

ERRATA SHEET

Meeting of the Governor and Cabinet

Meeting Date: February 8, 2018

Page	Line	Error or Change	Reason for Change
11	13	Delete "of" and insert "office"	Transcription error
11	14	Insert "last" after "the" and before "30"	Inadvertent misstatement
11	14	Delete "onboard"	Inadvertent misstatement
11	17	Delete "help" and insert "work"	Inadvertent misstatement

ATTACHMENT 2

**FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION**

AGENDA ITEM # 2 : REQUEST APPROVAL TO PUBLISH NOTICES OF PROPOSED RULE

Action Requested:

The Office of Financial Regulation (“OFR”) respectfully requests approval to publish Notices of Proposed Rule to amend rules under Division 69U, Florida Administrative Code (“F.A.C.”).

Summary and Justification of Rules:

Rule 69U-100.005, F.A.C.: The OFR proposes to substantially amend Rule 69U-100.005, F.A.C., to conform to and implement recent legislative amendments to Section 655.50, Florida Statutes (“F.S.”), the Florida Control of Money Laundering and Terrorist Financing in Financial Institutions Act. The proposed rule also updates the currency transaction reporting process and forms, adds a new subsection regarding requirements and forms for reporting suspicious activity, and updates citations to federal regulations.

Rule 69U-100.03852, F.A.C.: The OFR proposes to amend Rule 69U-100.03852, F.A.C., to conform to recent legislative changes to Sections 658.21 and 658.33, F.S., which governs the qualification requirements for officers and directors of banks and trust companies. The proposed amendment also clarifies the OFR’s requirements for approving the appointment/employment of an individual as officer or director and makes other non-substantive changes for clarity.

Rule 69U-100.045, F.A.C.: The OFR proposes to amend Rule 69U-100.045, F.A.C., to incorporate the most recent Federal examination manuals, which have been updated since they were last incorporated.

Rule 69U-100.948, F.A.C.: The OFR proposes to amend Rule 69U-100.948, F.A.C., which governs Reporting of Significant Events or Conditions, to delete references to, and requirements of, Section 658.68, F.S., and Rule 69U-120.680, F.A.C., as this statute and rule no longer exist. The proposed amendment also makes non-substantive changes for consistency and clarity.

Rule 69U-110.008(3), F.A.C.: The OFR proposes to amend Rule 69U-110.008(3), F.A.C., to delete reference to Rule 69U-110.031(2)(a)2., F.A.C., which will be repealed as set forth below.

Rule 69U-110.0211, F.A.C.: The OFR proposes to amend Rule 69U-110.0211, F.A.C., which governs Liability and Bond Insurance, to correct a citation to a National Credit Union Administration (“NCUA”) rule.

Rule 69U-110.031(2)(a)(2), F.A.C.: The OFR proposes to amend Rule 69U-110.031(2)(a)2., F.A.C., which governs Powers of Credit Unions, to delete language relating to the NCUA Regulatory Flexibility Program as it no longer exists.

Proposed Texts of Rules:

69U-100.005 Florida Control of Money Laundering and Terrorist Financing in Financial Institutions.

(1) Refer to Section 655.50(3), F.S., for the meaning of the following terms used in this rule: “currency,” “financial institution,” “financial transaction,” “monetary instruments,” “report,” “specified unlawful activity,” “suspicious activity,” and “transaction.”

(2)(4) Requirement to Report Currency Transactions:

(a) As required by Section 655.50, F.S., Every financial institution shall keep a record and file a report with the Office of Financial Regulation (OFR) of each financial transaction occurring in this state known to the financial institution it which to involves involve currency or other monetary instrument that: of a value in excess of \$10,000 or to involve the proceeds of specified unlawful activity.

(i) has a value greater than \$10,000;

(ii) involves the proceeds of racketeering activity as that term is defined in Section 895.02, F.S.; or

(iii) is designed to evade the reporting requirements of Section 655.50, F.S., Chapter 896, F.S., or similar state or federal law.

(b) The report shall be filed on Form OFR-U-CTR Currency Transaction Report (/2018), which is incorporated herein by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>. Multiple currency transactions shall be treated as a single transaction if the financial institution has knowledge that they are made by or on behalf of any person, and result in either cash in or cash out totalling more than \$10,000 during any one banking day as defined in Section 658.70, F.S.

(c) Any financial institution may keep a record and file a report with OFR of any financial transaction, regardless of the value of the property involved, if it suspects the transaction to involve the proceeds of specified unlawful activity. The report shall also be filed on Form OFR-U-CTR and include as much of the information that is reasonably available at the time the report is made.

(d) Reports of currency transactions shall be filed with OFR no later than the 15th day after the date of the transaction. The reports required by paragraphs (1)(a) and (b) above, shall include all the information listed below. The reports referenced to in paragraph (1)(c), shall include as much of the following information which is reasonably available at the time the report is made.

1. Conductor—The identity of the individual who conducted the transaction, including first and last name, and middle initial; number and street address; city, state and zip code, or country, if not U.S.; social security number; business, occupation or profession; date of birth and method of verification of identity; or indicate reason if not complete, if applicable.

2. Beneficiary—The identity of the individual(s) or organization(s) for whom the transaction was completed, if different from the individual(s) who conducted the transaction, including first and last name and middle initial of the individual(s), or the organization's name if a business; social security number or employer identification number; number and street address; city, state and zip code or country, if not U.S.; and date of birth, if an individual(s).

3. Account Information—The customer's account number(s) and type(s) of account(s) affected by the transaction.

4. Description of Transaction:

a. Nature of transaction—deposit, withdrawal, check cashed, check purchased, currency exchange, for or from wire transfer, security purchased or redeemed, CD/money market purchased or redeemed, shipped to or received from abroad, mail/night deposit, or other; and,

b. Whether U.S. currency involved or currency of another nation (and name of nation); and,

c. Amount of cash in and amount of cash out; amount of cash in and cash out in U.S. \$100 bills or higher; date of transaction; and,

d. Number of negotiable instruments involved and number of wire transfers involved; the total amount of all negotiable instruments and all wire transfers in U.S. dollar equivalent.

5. The identity of the financial institution reporting the financial transaction; including the name of the financial institution, the street address, city, state, and zip code where the transaction occurred; and employer identifying number.

6. The preparer's name, approval date and telephone number.

(2) Requirements for Filing Reports:

(a) Paper Filing—The information listed in paragraph (1)(d) above, or a legible paper duplicate of a completed Internal Revenue Service Form 4789, Currency Transaction Report, shall be received by OFR no later than the 15th day after the date of the reportable transaction.

(b) Electronic Filing—Reportable transactions may be filed with OFR on magnetic media in the same format as required by the Specifications for Magnetic Media Filing of Currency Transaction Reports (Form 4789) published by the Internal Revenue Service, U.S. Department of the Treasury, or as otherwise required by OFR.

(c) To be accepted into the OFR's CTR Electronic Filing Program, a copy of Form OFR U-69, Application for Magnetic Media Reporting of Cash Transactions, which is hereby incorporated by reference, may be obtained from OFR. The completed application and test tape must be submitted to OFR.

When the application has been approved by OFR, an initial receipt date for electronic submissions shall be established. All electronic reports of currency transactions shall be received by OFR within 45 days from the date of the transaction and not more than 20 days after receipt of the information by the Internal Revenue Service. Form OFR U-70, Transmittal of Currency Transaction Reports on Magnetic Media, which is hereby incorporated by reference, must be submitted with each electronic filing to OFR. For multiple filers, Form OFR U-71, Transmittal of Currency Transaction Reports on Magnetic Media for Multiple Filers, which is hereby incorporated by reference, must also be submitted with Form OFR U-70. A copy of the forms may be obtained from OFR.

(3) Exemptions Allowed for Currency Transactions; and Records Required to be Maintained:

(a) Financial institutions are not required to file reports on transactions with exempt persons as provided in 31 C.F.R. § 1020.315. Federal Reserve Banks, with Federal Home Loan Banks, or with other domestic financial institutions as allowed by 31 C.F.R., s. 103.22(b)(1)(i) and (ii). However, financial institutions shall maintain the name and address of each financial institution providing correspondent services to the financial institution.

(b) Except for any of the twelve Federal Reserve Banks or any exempt person as described in 31 C.F.R. § 1020.315(b)(1) to (3), a financial institution shall designate an exempt person by filing a completed Form OFR-U-EP Designation of Exempt Person (/2018), which is incorporated herein by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>. Such designation must occur by the close of the 30-calendar day period beginning after the day of the first reportable transaction in currency with that person sought to be exempted. Every financial institution may exempt from the reporting requirements of Section 655.50, F.S., those transactions which are exempted from the reporting requirements of 31 U.S.C., s. 5313 and 31 C.F.R., s. 103.22(b)(2). The transactions exempted must be in amounts which the financial institution may reasonably

conclude do not exceed amounts commensurate with the customary conduct of the lawful, domestic business of that customer, as required by 31 C.F.R., s. 103.22(e).

(e) A financial institution may not place a customer on its exempt list without first preparing a written statement, signed by the customer, describing the customary conduct of the lawful domestic business of that customer and a detailed statement of reasons why such person is qualified for an exemption, as required by 31 C.F.R., s. 103.22(d), (e), and (f).

(d) All records maintained pursuant to this section shall be made available to OFR for inspection and copying and shall be submitted to OFR within 15 days of request.

(4) Requirement to Report Suspicious Activity:

(a) Every financial institution shall file a report with OFR of any suspicious activity. The report shall be filed on Form OFR-U-SAR Suspicious Activity Report (/2018), which is incorporated herein by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>.

(b) Any financial institution may file a report of suspicious activity for any transaction that it believes is relevant to the possible violation of any law or regulation. The report shall also be filed on Form OFR-U-SAR and include as much of the information that is reasonably available at the time the report is made.

(c) A report of suspicious activity shall be filed with OFR no later than 30 calendar days after the date the financial institution initially detects facts that may constitute a basis for filing the report. If no suspect was identified on the date of the detection of the incident requiring the filing, a financial institution may delay filing a Form OFR-U-SAR for an additional 30 calendar days to identify a suspect. In no case shall reporting be delayed more than 60 calendar days after the date of initial detection of a reportable transaction. In situations involving violations that require immediate attention, such as, for example, ongoing money laundering schemes, the financial institution shall immediately notify, by telephone, an appropriate law enforcement authority in addition to filing timely a Form OFR-U-SAR.

(5) All reports and designations filed pursuant to this rule shall be submitted electronically to the Director of the Division of Financial Institutions, Office of Financial Regulation at OFRFinancialInstitutions@flofr.com. The filing shall be deemed received on the date the OFR issues a confirmation of submission to the filer.

(6) The timely filing of the reports required by 31 U.S.C. § 5313 and 31 C.F.R. Part 1020 with the appropriate federal agency is deemed compliance with the reporting requirements of this rule.

Rulemaking Authority 655.012(2)(3), 655.50(5)(3), (4) FS. Law Implemented 655.50 FS. History—New 1-22-85, Formerly 3C-1.22, Amended 10-18-90, Formerly 3C-1.022, 3C-100.005, Amended _____.

69U-100.03852 Disapproval of Directors or Executive Officers.

(1) through (4) No change.

(5) Regulatory Standards for Evaluating Requests for Proposed Directors or Executive Officers, or Equivalent Positions.

(a) through (b) No change.

(c) Unless OFR finds, in writing, that the proposed individual has shown rehabilitation, the proposed director or executive officer, or equivalent position, shall not be eligible for ~~appointment or for permanent appointment~~ or ~~interim~~ employment, if the individual:

1. through 3. No change.

4. Has been convicted or found guilty, regardless of adjudication, of a violation of Section 655.50, F.S., relating to the Florida Control of Money Laundering and Terrorist Financing in Financial Institutions Act; Chapter 896, F.S., relating to offenses related to financial transactions; or any similar state or federal law,

5. through 6. No change.

(d) No change.

(e) If an individual is proposed for the position of chief executive officer, president, or equivalent position, he or she shall have had at least 1 year of direct experience as an executive officer, financial institution regulator, or director of a financial institution within the last 5 ~~3~~ years. A financial institution may request a waiver of this

requirement by writing to the ~~Deputy~~ Director of the Division of Financial Institutions, Office of Financial Regulation detailing why the proposed officer's overall experience and expertise compensates for the lack of recent, direct financial institution or financial institution regulator experience. OFR shall grant a request for a waiver only when it is clear that the proposed officer's overall experience and expertise suggests he or she will perform satisfactorily in office.

(f) No change.

Rulemaking Authority 655.012(2) ~~655.012(3)~~, 655.0385(4) FS. Law Implemented 655.0385, 658.21, 658.33, 665.013 FS. History—New 12-14-93, Amended 3-20-00, 12-28-00, 2-3-02, Formerly 3C-100.03852, Amended.

69U-100.045 Examination Manuals and Referenced Standards.

The OFR uses the examination manuals referenced by this rule in the implementation of its examination responsibilities. The OFR examiners use these manuals as reference guidelines when conducting safety and soundness examinations of financial institutions. The material incorporated by reference in this rule may also be obtained from the Florida Office of Financial Regulation, Division of Financial Institution's website at <http://www.flofr.com/StaticPages/DivisionOfFinancialInstitutions.htm>. The following manuals are hereby incorporated by reference into the body of printed materials that the OFR uses for the purposes of conducting examinations of financial institutions to assess the performance and condition of such institutions:

(1) No change.

(2) Federal Deposit Insurance Corporation, ~~DSC~~ Risk Management Manual of Examination Policies (4/2018 4/2015), accessible at <https://www.flrules.org/XXXXX>. ~~<https://www.flrules.org/gateway/reference.asp?No=Ref-06103>~~.

(3) Federal Deposit Insurance Corporation, Trust Examination Manual (2018 2008), accessible at <https://www.flrules.org/XXXXX>. ~~<https://www.flrules.org/gateway/reference.asp?No=Ref-05583>~~.

(4) National Credit Union Administration Examiner's Guide (4/2018 6/2002), accessible at <https://www.flrules.org/XXXXX>. ~~<https://www.flrules.org/Gateway/reference.asp?No=Ref-05584>~~.

(5) through (6) No change.

Rulemaking Authority 655.012(2) FS. Law Implemented 655.045 FS. History—New 10-24-93, Amended 1-2-95, 6-4-95, 5-22-96, Formerly 3C-100.045, Amended 9-2-10, 7-27-15, 12-9-15, _____.

69U-100.948 Reporting of Significant Events or Conditions.

(1) No change.

(2)(a) No change.

(b) Other financial institutions may request a determination that they are operating in a safe and sound manner by writing to the ~~Deputy~~ Director of the Division of Financial Institutions, Office of Financial Regulation ~~OFR~~ detailing why the institution believes it is operating in a safe and sound manner. Any such request must include supporting documentation of improvements in the institution and its operations. The request shall be approved only when OFR concludes that, because of the documented improvements, the institution would be rated "1", "2" or "3", with a management rating of "1" or "2" were a safety and soundness examination conducted on the date of the institution's request. For example, the ~~Deputy~~ Director of the Division of Financial Institutions, Office of Financial Regulation ~~OFR~~ may approve a request from an institution that was poorly rated in its last safety and soundness examination because of inadequate capital if the institution documents that it increased capital sufficiently to address the inadequacy.

(3) No change.

(4) All non-exempt state financial institutions shall disclose to OFR, within the timeframes specified in subsection (1), the following events or conditions:

(a) No change.

~~(b) The failure to meet the minimum daily liquidity requirement specified in Section 658.68, F.S., and Rule 69U-120.680, F.A.C., on any business day;~~

~~(b)(e)~~ Any suspected criminal act perpetrated against the state financial institution, or any of its subsidiaries or service corporations. For purposes of this section, "suspected criminal act" shall mean that there is a reasonable basis for believing that a crime has occurred, is occurring, or may occur;

~~(c)(d)~~ The addition, resignation or termination of a director, executive officer, independent internal auditor, or independent credit review officer;

~~(d)(e)~~ The acquisition or divestiture of an asset or related or similar assets, which in the aggregate on any single

business day totals 20 percent or more of the state financial institution's capital reported in the most recent Consolidated Report of Condition, quarterly Thrift Financial Report, or Call Report. Assets listed in Section 657.042(1) or 658.67(1), F.S., are exempted from this requirement;

~~(e)(f)~~ Any change in the state financial institution's outside general counsel or outside independent auditor;

~~(f)(g)~~ Any extension of credit to an executive officer or his related interests that, when aggregated with other extensions of credit to that executive officer or his related interests, exceeds 15 percent of the state financial institution's capital accounts as reported in the most recent Consolidated Report of Condition, quarterly Thrift Financial Report, or Call Report.

~~(g)(h)~~ The acquisition or reclassification of any earning asset to "non-accrual" status which, when combined with other non-accrual assets, in the aggregate totals 15% or more of the state financial institution's assets as reported in the most recent Consolidated Report of Condition, quarterly Thrift Financial Report, or Call Report; or

~~(h)(i)~~ The acquisition or divestiture of a wholly owned or majority-owned subsidiary or service corporation.

(5) All reportable conditions or events must be disclosed on official letterhead. However, an institution is in compliance with paragraph ~~(4)(b)~~ ~~(4)(c)~~, if it provides OFR with a copy of the federal "Suspicious Activity Report" filed with the appropriate federal regulatory or law enforcement agency. Such report shall constitute proper notice of any suspected criminal act perpetrated against a financial institution.

(6) No change.

Rulemaking Authority 655.012 FS. Law Implemented 655.948 FS. History-New 11-2-92, Amended 6-20-00, 12-28-00, Formerly 3C-100.948, Amended _____.

69U-110.008 Branches.

(1) through (2) No change.

(3) Any additional investment in fixed assets related to a change in location or opening of a branch office may not exceed the statutory limits of investments in real estate and equipment without prior written approval of OFR, ~~unless the credit union meets the criteria of subparagraph 69U-110.031(2)(a)2., F.A.C.~~

(4) No change.

Rulemaking Authority 655.012(2) FS. Law Implemented 657.008, 657.042 FS. History-New 6-16-78, Amended 10-13-81, Formerly 3C-30.29, Amended 7-2-87, Formerly 3C-30.029, Amended 10-8-95, Formerly 3C-110.008, Amended 3-6-07, _____.

69U-110.0211 Liability and Bond Insurance.

The credit union shall maintain officer and director liability insurance and blanket bond insurance in such amounts and terms as required to maintain insurance of accounts by the National Credit Union Share Insurance Fund, as provided in National Credit Union Administration Rules 741.3(c) and 741.201(a) (codified at 12 C.F.R. §§ ~~741.3(d)~~ ~~741.3(e)~~ and 741.201(a), respectively (2018 ~~2006~~)), which are hereby incorporated by reference. The liability and bond insurance shall provide, at a minimum, coverage for errors, omissions, negligence, fraud, and dishonesty by all employees, directors, officers, supervisory or audit committee members, and credit committee members. The credit union shall also maintain applicable insurance coverage with respect to all operations and activities.

Rulemaking Authority 655.012(2) FS. Law Implemented 657.021 FS. History-New 10-13-81, Formerly 3C-30.33, 3C-30.033, Amended 10-8-95, Formerly 3C-110.0211, Amended 3-6-07, _____.

69U-110.031 Powers.

(1) No change.

(2) General Powers Activities. Credit unions are authorized to engage in those general powers activities to provide financial services and benefits to their members without prior approval of the OFR, unless such approval is otherwise specifically required by law or is necessary to achieve competitive equality per Section 655.061, F.S. The following general powers activities are so authorized for competitive equality:

~~(a) Credit unions exempted from significant events reporting per Section 655.948(4)(a), F.S., and meeting the net worth and Capital, Asset, Management, Earnings and Liquidity (CAMEL) rating eligibility criteria for the National Credit Union Administration's Regulatory Flexibility Program, as specified in 12 C.F.R Part 742 (2006), which is hereby incorporated by reference, may:~~

~~1. Establish and maintain Federal public unit and nonmember accounts in accordance with National Credit~~

~~Union Administration (NCUA) Rule 701.32 (codified at 12 C.F.R. § 701.32 (2006)), which is hereby incorporated by reference, and the exemption of NCUA Rule 742.4(a) (codified at 12 C.F.R. § 742.4(a)(2006)), which is incorporated by reference in paragraph (a), consistent with the limitations of Chapter 280, F.S.;~~

~~2. Invest in real estate and equipment for the credit union as provided in Section 657.042(5), F.S., that may exceed five percent of the capital of the credit union, without prior notice or approval of the OFR; and~~

~~3. Invest in commercial mortgage related securities as may be permitted by NCUA Rule 703.16 (codified at 12 C.F.R. § 703.16 (2006)), which is hereby incorporated by reference, and the exemption, limitations and restrictions of NCUA Rule 742.4(b) (codified at 12 C.F.R. § 742.4(b) (2006)), which is incorporated by reference in paragraph (a).~~

~~(a)(b) Credit unions may serve as a United States Treasury Department tax and loan depository, a depository of Federal taxes, and a financial agent of the United States Government, in accordance with NCUA Rule 701.37 (codified at 12 C.F.R. § 701.37 (2006)), which is hereby incorporated by reference.~~

~~(3) No change.~~

Rulemaking Authority 655.012(2) FS. Law Implemented 655.061, 657.031, 657.042, FS. History-New 3-6-07, Amended_____.

Material Incorporated by Reference: (Begins on next page.)

ATTACHMENT 3

**FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION**

AGENDA ITEM # 3 : REQUEST APPROVAL TO PUBLISH NOTICE OF PROPOSED RULE

Action Requested:

The Office of Financial Regulation (“OFR”) respectfully requests approval to publish a Notice of Proposed Rule to amend rules in Rule Chapter 69V-40, Florida Administrative Code (“F.A.C.”), relating to applications for licensure and renewals of licensure for mortgage loan originators and to amend rules in Rule Chapter 69W-600, F.A.C., relating to applications for registration and renewals of registration for associated persons.

Summary and Justification of Rules:

Rule 69V-40.002, F.A.C.: The OFR proposes to amend Rule 69V-40.002, F.A.C., to conform to and implement recent legislative changes to Sections 494.00312 and 494.00313, F.S., which serves as a single rule incorporating all forms adopted pursuant to Rule Chapter 69V-40, F.A.C. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active duty military members, veterans, spouses of active duty military members and veterans, and surviving spouses of such members who were serving on active duty at the time of death to apply for reimbursement of initial application fees. As well as, allow active duty military members and their spouses, current or former military members serving on active duty within the years preceding the license expiration date, and surviving spouses of military members who were serving on active duty at the time of death and died within the two years preceding the surviving spouse’s license expiration date to apply for reimbursement of renewal fees.

Rule 69V-40.0312, F.A.C.: The OFR proposes to amend Rule 69V-40.0312, F.A.C., to conform to and implement recent legislative changes to Section 494.00312, F.S., which governs the application process for loan originators. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active duty military members, veterans, spouses of active duty military members and veterans, and surviving spouses of such members who were serving on active duty at the time of death to apply for reimbursement of

application fees. Additionally, the proposed amendment will specify a time frame for submission of the OFR-MIL form and specify that a loan originator application must be deemed received prior to the complete processing of Form OFR-MIL.

Rule 69V-40.0313, F.A.C.: The OFR proposes to amend Rule 69V-40.0313, F.A.C., to conform to and implement recent legislative changes to Section 494.00313, F.S., which governs the renewal process for loan originators. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active duty military members and their spouses, current or former military members serving on active duty within the two years preceding the license expiration date, and surviving spouses of military members who were serving on active duty at the time of death and died within the two years preceding the surviving spouse’s license expiration date to apply for reimbursement of renewal fees. Additionally, the proposed amendment will specify a time frame for submission of the OFR-MIL form.

Rule 69W-600.002, F.A.C.: The OFR proposes to amend Rule 69W-600.002, F.A.C., to conform to and implement recent legislative changes to Sections 517.12(10) and (11), F.S., which concerns the registration of dealers, associated persons, intermediaries, and investment advisers. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active military members, veterans, spouses of active military members and veterans, and surviving spouses of such members who were serving on active duty at the time of death to apply for reimbursement of initial application fees. As well as, allow active duty military members and their spouses, current or former military members serving on active duty within the two years preceding the registration expiration date, and surviving spouses of military members who were serving on active duty at the time of death and died within the two years preceding the surviving spouse’s registration expiration date to apply for reimbursement of renewal fees. Additionally, the proposed amendment will specify a time frame for submission of the OFR-MIL form. The proposed amendment will also set out that an application for initial registration as a principal or associated person of dealers who are members of the Financial Industry Regulatory Authority (FINRA) must be deemed received or renewal fees must be deemed received before the Office will process the OFR-MIL form.

Rule 69W-600.0022, F.A.C.: The OFR proposes to amend Rule 69W-600.0022, F.A.C., to conform to and implement recent legislative changes to Sections 517.12(10) and (11), F.S., which concerns the registration of dealers, associated persons, intermediaries, and investment advisers. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active military members, veterans, spouses of active military members and veterans, and surviving spouses of such members who were serving on active duty at the time of death to apply for reimbursement of initial application fees. As well as, allow active duty military members and their spouses, current or former military members serving on active duty within the two years preceding the registration expiration date, and surviving spouses of military members who were serving on active duty at the time of death and died within the two years preceding the surviving spouse’s registration expiration date to apply for reimbursement of renewal fees. Additionally, the proposed amendment will specify a time frame for submission of the OFR-MIL form. The proposed amendment will also set out that an application for initial registration as a principal or associated person of dealers who are not members of the Financial Industry Regulatory Authority (FINRA) must be deemed received or renewal fees must be deemed received before the Office will process the OFR-MIL form.

Rule 69W-600.0023, F.A.C.: The OFR proposes to amend Rule 69W-600.0023, F.A.C., to conform to and implement recent legislative changes to Sections 517.12(10) and (11), F.S., which concerns the registration of dealers, associated persons, intermediaries, and investment advisers. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active military members, veterans, spouses of active military members and veterans, and surviving spouses of such members who were serving on active duty at the time of death to apply for reimbursement of initial application fees. As well as, allow active duty military members and their spouses, current or former military members serving on active duty within the two years preceding the registration expiration date, and surviving spouses of military members who were serving on active duty at the time of death and died within the two years preceding the surviving spouse’s registration expiration date to apply for reimbursement of renewal fees. Additionally, the proposed amendment will specify a time frame for submission of the OFR-MIL form. The proposed amendment will also set out that an application for initial registration as a principal or associated person of an issuer/dealer must be

deemed received or renewal fees must be deemed received before the Office will process the OFR-MIL form.

Rule 69W-600.0024, F.A.C.: The OFR proposes to amend Rule 69W-600.0024, F.A.C., to conform to and implement recent legislative changes to Sections 517.12(10) and (11), F.S., which concerns the registration of dealers, associated persons, intermediaries, and investment advisers. The proposed amendment will adopt and incorporate by reference into the rule, the “OFR-MIL” form. This form will allow active military members, veterans, spouses of active military members and veterans, and surviving spouses of such members who were serving on active duty at the time of death to apply for reimbursement of initial application fees. As well as, allow active duty military members and their spouses, current or former military members serving on active duty within the two years preceding the registration expiration date, and surviving spouses of military members who were serving on active duty at the time of death and died within the two years preceding the surviving spouse’s registration expiration date to apply for reimbursement of renewal fees. Additionally, the proposed amendment will specify a time frame for submission of the OFR-MIL form. The proposed amendment will also set out that an application for initial registration as investment advisers and federal covered advisers must be deemed received or renewal fees must be deemed received before the Office will process the OFR-MIL form.

Proposed Text of Rules:

69V-40.002 Adoption of Forms.

(1)(a) 1.-4. No change.

(b) Florida Forms:

1. Mortgage Brokerage Deposit Account Form, Form OFR-494-09, effective March 23, 2008,
2. Mortgage Brokerage Transaction and Lending Journal, Form OFR-494-10, effective March 23, 2008,
3. Calculation of Aggregate Value of Mortgage Loans Serviced, Form OFR-494-11, effective March 23, 2008,
4. Noninstitutional Investor's Funds Account Form, Form OFR-494-12, effective March 23, 2008.
5. Declaration of Intent to Engage Solely in Loan Processing, Form OFR-494-13, effective October 1, 2010.
6. Form OFR-MIL, effective XX-XXXX, and incorporated by reference in Rules 69V-40.0312 and 69V-

40.0313, F.A.C., and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXX>;

(2) No change

Rulemaking Authority 494.0011(2)(a), 494.001(1), (2)(b), 494.0016(4), 494.00312(2), 494.00312(8), 494.00313(1), 494.00313(4), 494.00321(2), 494.00322(1), 494.00331(2), 494.0036(2), 494.00611(2), 494.00612(1), 494.0066(2) FS. Law Implemented 494.0016, 494.00312, 494.00313, 494.00321, 494.00322, 494.00331, 494.0036, 494.00611, 494.00612, 494.0066 FS. History—New 3-23-08, Amended 12-25-08, 10-1-10, 11-30-15, Amended _____.

69V-40.0312 Application Procedure for Loan Originator License.

(1) through (6) No change.

(7) Persons wishing to obtain a waiver of licensure fees as set forth in s. 494.00312(8), F.S., shall submit to the Office of Financial Regulation, via electronic filing through the Registry, a completed Form OFR-MIL, effective XX-XXXX, which is hereby incorporated by reference, and also incorporated by reference in Rule 69V-40.002, F.A.C., and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Such form must be submitted within one hundred eighty (180) days after payment of licensure fees. For the complete processing of Form OFR-MIL, a loan originator application must be deemed received pursuant to the provisions of s. 494.00312(3), F.S.

Rulemaking Authority 494.0011(2), 494.00312(2), 494.00312(8), 494.00313(4) FS. Law Implemented 494.0011(2), 494.00312, 494.00313 FS. History—New 10-1-10, Amended 11-9-15, 11-24-16, Amended _____.

69V-40.0313 Loan Originator License Renewal and Reactivation.

(1) through (5) No change.

(6) Persons wishing to obtain a waiver of licensure fees as set forth in s. 494.00313(4), F.S., shall submit to the Office of Financial Regulation, via electronic filing through the Registry, a completed Form OFR-MIL, effective XX-XXXX, which is hereby incorporated by reference, and also incorporated by reference in Rule 69V-40.002, F.A.C., and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. For complete processing, Form OFR-MIL must be submitted within one hundred eighty (180) days after payment of renewal fees.

Rulemaking Authority 494.0011(2), 494.00312(8), 494.00313, 494.00313(4) FS. Law Implemented 494.0011(2), 494.00312(8), 494.00313 FS. History—New 10-1-10, Amended 11-30-15, 11-24-16, Amended _____.

69W-600.002 Application for Registration as Associated Person (FINRA Dealer).

(1)(a) No Change.

(b) An application shall include the following:

1. Form U-4 (05/2009). A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-06089>.

2. Statutory fee, for each application, in the amount as required by Section 517.12(10), F.S.

3. Persons requesting a fee waiver as set forth in s. 517.12(10), F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the application.

~~3-4.~~ Evidence of examinations/qualifications set forth in subsection (6) of this rule.

~~4-5.~~ Fingerprints shall be submitted in accordance with Section 517.12(7), F.S., and subsection (7) of this rule.

(2) through (7) No change.

(8)(a) and (b) No change.

(c) Persons requesting a fee waiver as set forth in s. 517.12(11) F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the renewal fees.

(9) through (11) No change.

Rulemaking Authority 517.03(1), 517.12 FS. Law Implemented 517.12 FS. History—New 9-20-82, Formerly 3E-301.02, Amended 10-15-86, 10-4-88, 6-24-90, 7-29-90, 10-14-90, 8-1-91, 6-16-92, 6-28-93, 11-14-93, 3-13-94, 4-30-96, 12-29-96, 6-22-98, 5-10-00, 9-19-00, 7-31-02, 12-11-03, Formerly 3E-600.002, Amended 3-16-06, 5-15-07, 12-24-07, 12-25-08, 11-22-10, 5-29-12, 11-11-13, 12-29-15, Amended _____.

69W-600.0022 Application for Registration as Associated Person (Non-FINRA Dealer).

(1)(a) No Change.

(b) An application shall include the following:

1. Form U-4 (05/2009), which is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-06089>.

2. Statutory fee, for each application, in the amount as required by Section 517.12(10), F.S.

3. Persons requesting a fee waiver as set forth in s. 517.12(10), F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the application.

~~3-4.~~ Evidence of examinations/qualifications set forth in subsection (6) of this rule.

~~4-5.~~ Fingerprints shall be submitted in accordance with Section 517.12(7), F.S., and subsection (7) of this rule.

(2) through (7) No change.

(8)(a) and (b) No change.

(c) Persons requesting a fee waiver as set forth in s. 517.12(11) F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the renewal fees.

(9) through (10) No change.

Rulemaking Authority 517.03(1), 517.12 FS. Law Implemented 517.12 FS. History—New 12-29-15, Amended _____.

69W-600.0023 Application for Registration as Associated Person (Issuer/Dealer).

(1)(a) No Change.

(b) An application shall include the following:

1. Form U-4 (05/2009), which is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-06089>.

2. Statutory fee, for each application, in the amount as required by Section 517.12(10), F.S.

3. Persons requesting a fee waiver as set forth in s. 517.12(10), F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the application.

~~3.4.~~ Evidence of examinations/qualifications set forth in subsection (6) of this rule.

~~4.5.~~ Fingerprints shall be submitted in accordance with Section 517.12(7), F.S., and subsection (7) of this rule.

(2) through (7) No change.

(8)(a) and (b) No change.

(c) Persons requesting a fee waiver as set forth in s. 517.12(11) F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the renewal fees.

(9) through (10) No change.

Rulemaking Authority 517.03(1), 517.12 FS. Law Implemented 517.12 FS. History–New 12-29-15, Amended _____.

69W-600.0024 Application for Registration as Associated Person (Investment Adviser and Federal Covered Adviser).

(1)(a) No Change.

(b) An application shall include the following:

1. Form U-4 (05/2009). A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-06089>.

2. Statutory fee, for each application, in the amount as required by Section 517.12(10), F.S.

3. Persons requesting a fee waiver as set forth in s. 517.12(10), F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the application.

~~3.4.~~ Evidence of examinations/qualifications set forth in subsection (6) of this rule.

~~4.5.~~ Fingerprints shall be submitted in accordance with Section 517.12(7), F.S., and subsection (7) of this rule.

(2) through (7) No change.

(8)(a) and (b) No change.

(c) Persons requesting a fee waiver as set forth in s. 517.12(11) F.S., shall submit Form OFR-MIL. A sample form is hereby incorporated by reference and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-XXXXXX>. Form OFR-MIL shall be submitted within one hundred eighty (180) days after receipt of the renewal fees.

(9) through (10) No change.

Rulemaking Authority 517.03(1), 517.12 FS. Law Implemented 517.12 FS. History–New 12-29-15, Amended _____.

Material Incorporated by Reference: A copy of the incorporated material is provided as an attachment.

**Office of Financial Regulation
Active Military Member/Veteran/Spouse Fee Waiver and Military Service Verification
Form OFR-MIL**

Active Military Member/Veteran/Spouse Application and Renewal Fee Waiver Request

This form may be used by any individual who currently serving, or has formerly served, as an active duty member of the United States Armed Forces, including National Guard and Coast Guard units, or a spouse of such member who was married to the member during a period of active duty, or surviving spouse of such member who was serving on active duty at the time of death to request a waiver of the initial application and renewal fee. **Please note all fees must be paid during the application and renewal process; waiver requests are subject to approval by the Office of Financial Regulation.**

Requests shall be submitted as follows:

- For loan originators, upload scanned images of the complete and signed request form and all supporting documentation to the Verification of Experience section via Document Uploads section of the Individual Form MU4 filed via the Nationwide Multistate Licensing System (NMLS).
- For associated persons of an issuer/dealer and associated persons of dealers not registered with the Financial Industry Regulatory Authority (Non-FINRA), upload scanned images of the completed and signed request form, and all supporting documentation to your Office of Financial Regulation Regulatory Enforcement and Licensing (REAL) System account.
- For associated persons of dealers registered with the Financial Industry Regulatory Authority (FINRA) and associated persons of an investment adviser or federal covered adviser, send the completed, originally signed request form and copies of supporting documentation to:

Office of Financial Regulation
Division of Securities
200 East Gaines Street
Tallahassee, FL 32399-0375

Instructions

If you have any questions or need assistance in completing this waiver request, please contact the Office of Financial Regulation at (850) 487-9687.

Complete each section of the form in its entirety.

Type of Fee Waiver Requested - Indicate if you are requesting a waiver for an application or renewal fee.

Section I – Requestor Information

- Identify the type of license for which you are requesting a waiver (i.e. Broker Dealer Agents, Loan Originator, etc.).
- System registration number (i.e. FINRA, NMLS, etc.). Leave blank if this is for a new issuer/dealer agent application.
- Under Personal Information, requestors must use the name as it appears on the requestor's Social Security card. Do not use nicknames or initials.
- Under Mailing Address, provide your mailing address and e-mail. This information will be used for sending correspondence regarding your waiver request.
- Contact information is often used to quickly resolve questions by telephone call or e-mail. If telephone and e-mail information is not provided, questions regarding waiver requests will be mailed to the requestor's mailing address and may take longer to resolve.

Section II – Fee Waiver Requirements

- Select one option that correctly indicates your eligibility for the fee waiver. Submit the supporting documentation requested in the option selected.
- **NOTE:** If both the military member/veteran and spouse are applying for a waiver, each must submit a separate fee waiver request form.

Section III – Affirmation by Written Declaration

- The Affirmation by Written Declaration must be signed using the name that appears on the requestor's Social Security card. Do not use nicknames or initials.
- If the person requesting the waiver fails to sign the affirmation statement, the Office of Financial Regulation will not process the request.

Office of Financial Regulation
Active Military Member/Veteran/Spouse Fee Waiver and Military Service Verification
Form OFR-MIL

Type of Fee Waiver Requested: Application Fee Renewal Fee

Note: All fees must be paid during the application and renewal process; fees will be refunded if approved by the Office of Financial Regulation.

Section I – Requestor Information

PERSONAL INFORMATION			
License Type	System Registration Number		
Last/Surname	First	Middle	Suffix
Birth Date (MM/DD/YYYY)			
E-mail Address		Phone Number	
MAILING ADDRESS			
Street Address or P.O. Box			
City	State	Zip Code	
Country			

Section II – Fee Waiver Requirements

FEE WAIVER REQUIREMENTS FOR INITIAL APPLICANTS (Select one option below.)
<input type="checkbox"/> I am currently serving on active duty in a branch of the United States Armed Forces, including National Guard and Coast Guard units. <i>Submit a copy of your military orders.</i>
<input type="checkbox"/> I have served on active duty in a branch of the United States Armed Forces, including National Guard and Coast Guard units, and have been honorably discharged prior to the date of application. <i>Submit a copy of your DD-214, NGB-22, or USCG DD-214.</i>
<input type="checkbox"/> I am the spouse of a member of the United States Armed Forces, including National Guard and Coast Guard units, who is currently serving on active duty. <i>Submit a copy of your marriage certificate to the military service member and a copy of your spouse’s military orders.</i>
<input type="checkbox"/> I am the spouse of a former member of the United States Armed Forces who was married to the member during a period of active duty. <i>Submit a copy of your marriage certificate to the military service member and a copy of your spouse’s DD-214, NGB-22, or USCG DD-214.</i>
<input type="checkbox"/> I am the surviving spouse of a member of the United States Armed Forces, including National Guard and Coast Guard units, who was serving on active duty at the time of death. <i>Submit a copy of your marriage certificate to the military service member, a copy of your spouse’s military orders, and a copy of your spouse’s DD-1300.</i>

FEE WAIVER REQUIREMENTS FOR RENEWALS (Select one option below.)

- I am currently serving on active duty in a branch of the United States Armed Forces, including National Guard and Coast Guard units. *Submit a copy of your military orders.*
- I am a current member of the United States Armed Forces, including National Guard and Coast Guard units, and served on active duty within the 2 years preceding my license or registration expiration date. *Submit a copy of your DD-214, NGB-22, or USCG DD-214.*
- I am a former member of the United States Armed Forces, including National Guard and Coast Guard units, who served on active duty within the 2 years preceding my license or registration expiration date, and I received an honorable discharge upon separation or discharge. *Submit a copy of your DD-214, NGB-22, or USCG DD-214.*
- I am the spouse of a member of the United States Armed Forces, including National Guard and Coast Guard units, who is currently serving on active duty. *Submit a copy of your marriage certificate to the military service member and a copy of your spouse's military orders.*
- I am the surviving spouse of a member of the United States Armed Forces, including National Guard and Coast Guard units, who was serving on active duty at the time of death and died within the 2 years preceding the surviving spouse's license or registration expiration date. *Submit a copy of your marriage certificate to the military service member, a copy of your spouse's military orders, and a copy of your spouse's DD-1300.*

Section III – Affirmation by Written Declaration

AFFIRMATION BY WRITTEN DECLARATION

I represent that all information submitted in connection herewith, is complete and accurate and contains no misstatements, misrepresentations, or omissions of material facts. I further acknowledge that any misstatement, misrepresentation, or omission of material facts may cause the Office to reject the waiver request.

Signature:

Date:

Print Name: