

Greatest Hardship Out of State Brokers

"It will be interesting to see if bank related funders (or their subsidiaries) will continue relying upon the past exemption or, like their broker customers pursue a license. Given the low opinion many bankers have of the "broker game", I can't imagine a bank risk officer reading SB 197 and NOT telling his charges to require all of their sources to be licensed. The phrase, "responsible for the actions of any unlicensed..." will be too much to swallow.

"The great hardship will fall on the out-of-state broker whose quandary will be whether or not to suffer the time and expense to acquire a license, or lose the revenue they will sorely miss and ability to support their vendors that sell into the state. I doubt having a license, purportedly an attempt to protect the good business folks of California, will reduce the number of ignorant or deceitful lenders any more than a license will ensure good drivers. On the contrary, some of the latter will surely flock to the license, and wear it proudly, as a badge of legitimacy.

"If I weren't so old, I would try to find an easier way to make a living."

(Name Withheld)

(You made me laugh with that last line...smart getting the license, as the risk is not worth it. Maybe if you only did one or two deals in California... but that is a management decision. Several of the companies that did not have a license when Leasing News had a complaint about not return deposits are now licensed. The problem then was you could not, at that time, take action against an unlicensed broker by the Department of Oversight. Now that they are licensed, you can. Gets confusing the way government works....or doesn't! Editor)