

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 30, 2015

Agency Submitting: Business and Industry, Mortgage Lending Division

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
3315-Regulatory Assessment (Revenue)		\$362,413	\$362,413	\$724,826
3700-Renewal Fees (Revenue)		\$250,040	\$250,040	\$500,080
3705-Change Fees (Revenue)		\$35,320	\$35,320	\$70,640
3717-Application Fees (Revenue)		\$21,920	\$21,920	\$43,840
3730-Examination Fees (Revenue)		(\$191,757)	(\$332,457)	
3601-License fees (Revenue)		(\$81,120)	(\$81,120)	
(Expense)				
Total	0	\$396,816	\$256,116	\$1,339,386

Explanation

(Use Additional Sheets of Attachments, if required)

This impact of this BDR is reflected within this fiscal note, with the exception of the impact associated with the Loan Servicing section, which has been identified within the Governor's recommended budget.

The provisions of this bill seek to separate and reorganize the existing supervision of residential, commercial, and private money mortgage lending into separate statutes. The provisions of this bill also sets forth a fee structure that requires the Division to annually review and set fees, within statutorily set ceilings, that are sufficient to cover, but not to exceed, the reasonably anticipated costs of administering and enforcing the residential chapter.

The amounts in this fiscal note forecast the fees set at an adjusted amount in accordance with Section 84 based upon the Division's projected budget being legislatively approved.

Revenues and expenditures relating to the establishment and administration of loan servicers in Sections 50-144 and 152-161 of the bill draft request are included in Decision Unit E226 of the Governor's Recommended budget.

Name Vicki Leigh

Title ASO 1

DEPARTMENT OF ADMINISTRATION'S COMMENTS

The agency's response appears reasonable.

Date Saturday, March 28, 2015

Name James R. Wells

Title Director

RGL	Description	Current	Proposed	Difference	Year 1 Count	Year 1 Total	Year 2 Count	Year 2 Total
3315	*Annual assessment per loan broker/banker (up to \$25 per loan)	NEW	\$ 1	\$ 1	49,272	\$ 49,272	49,272	\$ 49,272
3315	*Annual assessment per loan serviced by a loan servicer (up to \$25 per loan)	NEW	\$ 1	\$ 1	313,141	\$ 313,141	313,141	\$ 313,141
3601	Repeal license fee Mortgage Broker/Banker Company	\$ 1,500	\$ -	\$ (1,500)	50	\$ (75,000)	50	\$ (75,000)
3601	Repeal license fee Mortgage Broker/Banker Company Branch	\$ 60	\$ -	\$ (60)	102	\$ (6,120)	102	\$ (6,120)
3700	Renewal fee for a Mortgage Broker/Banker branch	\$ 200	\$ 500	\$ 300	828	\$ 248,400	828	\$ 248,400
3700	Private money endorsement	0	\$ 40	\$ 40	41	\$ 1,640	41	\$ 1,640
3705	Change of sponsorship for a mortgage agent	\$ 10	\$ 50	\$ 40	791	\$ 31,640	791	\$ 31,640
3705	Fee for duplicate or license amendments	\$ 10	\$ 50	\$ 40	92	\$ 3,680	92	\$ 3,680
3717	*Initial application fee for Mortgage Broker/Banker Company (up to \$2,500)	\$ 1,000	\$ 500	\$ (500)	50	\$ (25,000)	50	\$ (25,000)
3717	Initial application fee for Mortgage Broker/Banker Branch	\$ 40	\$ 500	\$ 460	102	\$ 46,920	102	\$ 46,920
3730	Repeal examination fees (amount from G01)					\$ (191,757)		\$ (332,457)
						<u>\$ 396,816</u>		<u>\$ 256,116</u>

*This BDR provides for fees up to the amounts indicated in brackets. This amount will be adjusted from year to year to accommodate fiscal needs of the agency. This initial proposal will help stabilize the division's reserves. Because the renewal and assessment fees will not become due until December 31 of each year, it is imperative the division maintain a 6 month reserve to cover operating expenses until those revenues are received. The December 31st date is established by the federal SAFE Mortgage Licensing Act.

Row Labels	Sum of Year 1 Total	Sum of Year 2 Total
3315	\$ 362,413	\$ 362,413
3700	\$ 250,040	\$ 250,040
3705	\$ 35,320	\$ 35,320
3717	\$ 21,920	\$ 21,920
3730	\$ (191,757)	\$ (332,457)
3601	\$ (81,120)	\$ (81,120)
Grand Total	\$ 396,816	\$ 256,116