

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 354** HLS 15RS 1074

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2015	4:14 PM	Author: PONTI
Dept./Agy.: Financial Institutions		Analyst: Travis McIlwain
Subject: Mortgage Lenders		

FINANCIAL INSTITUTIONS EG +\$635,000 SG RV See Note Page 1 of 1
Provides relative to licensing fees for mortgage lenders, mortgage brokers, mortgage servicers, and mortgage originators

Proposed bill increases the mortgage lender application license fee from not to exceed \$400 to not to exceed \$500. Proposed bill increases the mortgage originator application license fee from not to exceed \$100 to not to exceed \$200. Proposed bill increases the mortgage lender annual license renewal fee from not to exceed \$300 to not to exceed \$400. Proposed bill increases the mortgage originator annual license renewal fee from not to exceed \$100 to not to exceed \$200.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$635,000	\$658,000	\$675,000	\$657,000	\$644,000	\$3,269,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$635,000	\$658,000	\$675,000	\$657,000	\$644,000	\$3,269,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed bill is anticipated to result in a projected revenue increase. Depending upon the license renewal rate of mortgage lenders/originators, the projected revenue increase will fluctuate from \$635,000 to \$675,000. This legislation impacts licensed mortgage lenders/mortgage originators and increases the mortgage lender application license fee \$100 (from \$400 to \$500), mortgage originator application license fee \$100 (from \$100 to \$200), the mortgage lender renewal fee \$100 (from \$300 to \$400) and the mortgage originator renewal fee \$100 (from \$100 to \$200).

The revenue projection is based upon the average number of new mortgage lender applications per year (49), average number of mortgage originator applications per year (1,695), current number of mortgage lenders (435), current number of mortgage originators, a typical 90% license renewal rate for mortgage lenders and a typical 70% to 75% license renewal rate for mortgage originators.

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|----------------------------------------------------------------------------------------|----------------------------|-------|--------------------------------------------------------------------------------------------|
| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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