

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6661

BILL NUMBER: SB 334

NOTE PREPARED: Feb 3, 2014

BILL AMENDED: Feb 3, 2014

SUBJECT: Mortgage Lending.

FIRST AUTHOR: Sen. Walker

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

**FUNDS AFFECTED: GENERAL
 X DEDICATED
 FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) The bill provides that a federal savings bank that is exempt from the Indiana statute concerning the licensing of creditors in first lien mortgage transactions may voluntarily register with the Department of Financial Institutions (DFI) for the purpose of sponsoring, under an exclusive written agreement, licensed mortgage loan originators as independent agents if the federal savings bank does the following:

- (1) Assumes responsibility for and reasonably supervises the activities of the licensed mortgage loan originators.
- (2) Complies with certain requirements under the statute concerning: (A) registering with the Nationwide Mortgage Licensing System and Registry (NMLSR); (B) maintaining a surety bond; (C) submitting reports to the NMLSR; and (D) filing financial statements with the DFI.
- (3) Cooperates with the DFI, and provides access to records and documents, as required by the DFI to examine the activities of the licensed mortgage loan originators.
- (4) Agrees to comply as the DFI determines necessary to ensure that the activities of the licensed mortgage loan originators comply with specified federal law and with Indiana law.

The bill makes conforming amendments to similar provisions in the Uniform Consumer Credit Code concerning the licensing of creditors in subordinate lien mortgage transactions.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *Department of Financial Institutions (DFI):* The bill could lead to additional administrative responsibilities for the DFI. The DFI is funded through money deposited into the Financial Institutions Fund, which is a dedicated fund that receives fees and penalties collected under I.C. 28-1. The money from the fund is appropriated to the DFI. The FY 2015 appropriation to the DFI is \$7.44 M.

Mortgage Loan Originator License Fees: The bill could result in an increase in the number of mortgage loan originator licenses issued by the DFI, starting in FY 2015. The increase would depend on the number of mortgage loan originators sponsored by the federal savings bank. The initial and renewal license fees are \$50. The fee is deposited in the Financial Institutions Fund. Any impact is estimated to be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Financial Institution.

Local Agencies Affected:

Information Sources:

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