

BILL ANALYSIS

C.S.H.B. 2586
By: Flynn
Financial Institutions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law requires the savings and loan commissioner (“the commissioner”) to obtain criminal history information from the Texas Department of Public Safety (DPS) and the Federal Bureau of Investigation (FBI) for applicants for a mortgage broker or loan officer license. However, this authorization does not meet the stringent federal requirements for obtaining FBI data. Relying solely on DPS background checks is not sufficient because applicants may have moved here from another state, and their criminal history from other states will not be included in a DPS background check. C.S.H.B. 2586 enables the use of FBI background checks in determining a person’s eligibility for a mortgage broker or loan officer license.

RULEMAKING AUTHORITY

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2586 reenacts and amends Section 156.206, Finance Code, as amended, to require all mortgage broker or loan officer license applicants to submit fingerprint and other necessary information as part of their application. The bill permits the commissioner to submit the fingerprint and other information to DPS and the FBI. The bill designates DPS as the recipient of criminal history record information from the FBI, and it stipulates that such information may be released or disclosed only to a governmental entity or as authorized by federal law. The bill provides that the commissioner is entitled to receive criminal history information from DPS on license applicants.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute adds language relating to the disclosure of criminal history information and entitling the commissioner to such information.