

BILL ANALYSIS

C.S.S.B. 1578
By: Carona
Financial Institutions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law does not require applicants for mortgage broker or loan officer licenses to demonstrate their knowledge of the mortgage lending industry or the responsibilities of their proposed profession. C.S.S.B. 1578 will ensure that such individuals possess a basic understanding of the laws and duties of their profession by requiring applicants to pass a pre-licensing test.

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.S.B. 1578 amends Section 156.204, Finance Code to require applicants for a mortgage broker or loan officer license to provide the savings and loan commissioner with evidence of having taken and passed a pre-licensing test offered by a service or company approved by the commissioner. This requirement applies only to applications made on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute extends the pre-licensing test requirement to applicants for a loan officer license and adds the provision limiting the bill's applicability to applications filed on or after the effective date.