

## **BILL ANALYSIS**

C.S.S.B. 1667  
By: Averitt  
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.S.B. 1667 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.S.B. 1667 reenacts and amends Section 156.206(b), 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 adds Section 411.1385 to the Government Code to provide that the commissioner is entitled to receive criminal history information from DPS relating to applicants or holders of a mortgage broker or loan officer license. The bill permits criminal history information obtained by the commissioner to be released or disclosed only as provided by Section 156.206, Finance Code.

### **EFFECTIVE DATE**

September 1, 2003

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute clarifies that the commissioner is entitled to obtain criminal history information from DPS and clarifies that the commissioner may release or disclose criminal history information as provided by Section 156.206, Finance Code.