

By: Carona

S.B. No. 1578

A BILL TO BE ENTITLED

AN ACT

relating to a prelicense test requirement for mortgage broker applicants.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (a), Section 156.204, Finance Code, is amended to read as follows:

(a) To be eligible to be licensed as a mortgage broker a person must:

(1) be an individual who is at least 18 years of age;

(2) be a citizen of the United States or a lawfully admitted alien;

(3) maintain a physical office in this state and designate that office in the application;

(4) provide the commissioner with satisfactory evidence that the applicant satisfies one of the following:

(A) the person has received a bachelor's degree in an area relating to finance, banking, or business administration from an accredited college or university and has 18 months of experience in the mortgage or lending field as evidenced by documentary proof of full-time employment as a mortgage broker or loan officer with a mortgage broker or a person exempt under Section 156.202;

(B) the person is licensed in this state as:

(i) an active real estate broker under The

1 Real Estate License Act (Article 6573a, Vernon's Texas Civil
2 Statutes);

3 (ii) an active attorney; or

4 (iii) a local recording agent or insurance
5 solicitor or agent for a legal reserve life insurance company under
6 Chapter 21, Insurance Code, or holds an equivalent license under
7 Chapter 21, Insurance Code; or

8 (C) the person has three years of experience in
9 the mortgage lending field as evidenced by documentary proof of
10 full-time employment as a loan officer with a mortgage broker or a
11 person exempt under Section 156.202;

12 (5) provide the commissioner with satisfactory
13 [~~demonstrate~~] evidence of:

14 (A) having taken and passed a prelicensing test
15 offered by the American Association of Residential Mortgage
16 Regulators to demonstrate knowledge of the mortgage industry and
17 the role and responsibilities of a mortgage broker, or another
18 comparable test as is approved by the commissioner; and

19 (B) compliance with the financial requirements
20 of this chapter; and

21 (6) not have been convicted of a criminal offense that
22 the commissioner determines directly relates to the occupation of a
23 mortgage broker under Chapter 53, Occupations Code.

24 SECTION 2. This Act takes effect September 1, 2003.