

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 7, 2003

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB252 by Staples (Relating to certain exemptions from the regulation of mortgage brokers.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB252, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	\$495,019	(\$495,019)	9.9
2005	\$742,528	(\$742,528)	14.9
2006	\$742,528	(\$742,528)	14.9
2007	\$742,528	(\$742,528)	14.9
2008	\$742,528	(\$742,528)	14.9

Fiscal Analysis

The bill would remove the exemption for mortgage bankers from being licensed as mortgage brokers by the Savings and Loan Department.

The bill would take effect September 1, 2003.

Methodology

The Savings and Loan Department estimates that inclusion of mortgage bankers as mortgage brokers would increase the license population by approximately 10,000 in fiscal year 2004 and a total of

15,000 each year thereafter. This would be almost double the approximately 18,000 mortgage brokers currently licensed by the agency.

It is assumed the agency's costs and FTE needs would double along with the population. The agency would require \$495,019 and 9.9 FTEs in fiscal year 2004 and \$742,528 and 14.9 FTEs in fiscal years 2005-8 in order to perform background checks, license, inspect, and investigate complaints related to mortgage bankers.

Technology

The Savings and Loan Department would require additional computers and related equipment for 9.9 FTEs in fiscal year 2004 and 14.9 FTEs in fiscal years 2005-08.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 450 Savings and Loan Department, 451 Department of Banking

LBB Staff: JK, RB, JRO, RT