

BILL ANALYSIS

Senate Research Center

S.B. 988
By: Carona
Business & Commerce
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Enrolled

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, there is no required course curriculum for loan officer licensee applicants. It is estimated that the failure rate of first time loan officer licensee applicants is 40 percent. Because there is no required course curriculum, an inexperienced loan officer can take any course approved for continuing education, regardless of its content, to fulfill the 15 hour requirement. Increasing the required hours for inexperienced loan officers and designating minimum course content will improve the quality of loan officers who deal with consumers and also give license applicants a better chance of passing the test.

S.B. 988 increases the required curriculum hours for inexperienced loan officers to 30 hours and designates minimum course content.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Finance Commission of Texas is modified in SECTION 2 (Section 156.208, Finance Code) of this bill.

Rulemaking authority is expressly granted to the Finance Commission of Texas in SECTION 2 (Section 156.208, Finance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 156.204, Finance Code, by reenacting and amending Subsection (c), as amended by Chapters 170 and 171, Acts of the 78th Legislature, Regular Session, 2003, and adding Subsection (e), as follows:

(c) Amends existing eligibility requirements for a person to be licensed as a loan officer to include that the person has successfully completed 30, rather than 15, hours of education courses approved by the savings and loan commissioner (commissioner) under this section. Makes nonsubstantive changes.

(e) Sets forth specific content requirements for the education courses required by Subsection (c)(4)(B), including ethics and certain federal and state laws.

SECTION 2. Amends Section 156.208, Finance Code, by amending Subsection (g) and adding Subsection (i), as follows:

(g) Requires the Finance Commission of Texas (commission) to adopt rules for the approval of continuing education courses that are related to topics that are relevant to mortgage brokers and that are acceptable as continuing education courses to other professional licensing agencies or related trade associations. Authorizes the commission to approve any education course approved by the Texas Real Estate Commission, the Mortgage Bankers Association of America, or the National Association of Mortgage Brokers.

(i) Requires the commission to adopt a rule that requires a mortgage broker or loan officer to attend, during the term of the current license, not less than eight hours of continuing education courses related to residential mortgage lending before renewing a license under this section.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2005.