

## **BILL ANALYSIS**

C.S.S.B. 988  
By: Carona  
Financial Institutions  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It is estimated that the failure rate of first time loan officer licensee applicants is forty percent. Currently, there is no required course curriculum for loan officers that address the situations loan officers will encounter in the mortgage industry. Thus, an inexperienced loan officer can take any course approved for continuing education, regardless of content, to fulfill the continuing education requirement.

The purpose of the bill is to increase the required hours for inexperienced loan officers to thirty hours and to designate minimum course content.

C.S.S.B. 988 provides for education courses required 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. 988 amends Chapter 156, Finance Code, as follows:

The substitute provides for the increase of the number of hours of education courses approved by the commissioner from 15 to 30.

The substitute provides for the expansion of the types of courses approved by the Finance Commission, including ethics, the Real Estate Settlement Procedures Act of 1974, the Truth in Lending Act, and the Equal Credit Opportunity Act. It also provides that the finance commission may approve any education courses approved by the Texas Real Estate Commission, the Mortgage bankers Association of America, or the National Association of Mortgage Brokers so long as the courses specifically promotes this chapter and relates to residential mortgage lending.

### **EFFECTIVE DATE**

September 1, 2005

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

C.S.S.B. 988 modifies the original by conforming to Legislative Council style and format.