

By: Raymond

H.B. No. 2349

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to registration of a loan officer employed by a mortgage  
3 banker.

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

5 SECTION 1. Section 157.003(c), Finance Code, is amended to  
6 read as follows:

7 (c) Except as provided by Section 157.012, an [An] employee  
8 of a mortgage banker is not required to register under this chapter.

9 SECTION 2. Chapter 157, Finance Code, is amended by adding  
10 Section 157.012 to read as follows:

11 Sec. 157.012. REGISTRATION OF LOAN OFFICERS. (a) In this  
12 section, "loan officer" means an employee of a mortgage banker who  
13 takes an application to originate a mortgage loan.

14 (b) A person must be registered under this section to act or  
15 attempt to act as a loan officer. To register, the person must file  
16 with the commissioner a statement containing the person's name,  
17 each mortgage banker for which the person will act as a loan  
18 officer, and any other information the commissioner requires. The  
19 commissioner shall register the applicant if the commissioner  
20 determines the applicant is eligible for registration. The  
21 registration is valid until withdrawn or revoked. A loan officer  
22 registered under this section shall update any information in the  
23 registration statement not later than the 30th day after the date  
24 the information changes. The commissioner may charge a loan

1 officer a reasonable fee to cover the costs of filing the  
2 registration statement and administering this section.

3 (c) A person is not eligible to register as a loan officer if  
4 the person:

5 (1) has been convicted of a criminal offense that the  
6 commissioner determines directly relates to the occupation of a  
7 loan officer as provided by Chapter 53, Occupations Code; or

8 (2) has had a license under Chapter 156 or a  
9 registration under this chapter revoked.

10 (d) On receipt of a statement under Subsection (a), the  
11 commissioner shall conduct a criminal background check of the  
12 applicant in the same manner and subject to the same powers and  
13 requirements as provided under Section 156.206 for an applicant for  
14 a loan officer license under Chapter 156.

15 (e) A loan officer may withdraw the loan officer's  
16 registration at any time. The commissioner may revoke the  
17 registration of a loan officer if the loan officer fails to pay a  
18 fee required by this section or if the commissioner concludes that  
19 the loan officer has engaged in an intentional course of conduct to  
20 violate federal or state law or has engaged in an intentional course  
21 of conduct that constitutes improper, fraudulent, or dishonest  
22 dealings. Revocation of a loan officer's registration is subject  
23 to the same procedures applicable to revocation of registration of  
24 a mortgage banker under Section 157.009.

25 SECTION 3. This Act takes effect January 1, 2006.