

1-1 By: Carona S.B. No. 988  
1-2 (In the Senate - Filed March 4, 2005; March 14, 2005, read  
1-3 first time and referred to Committee on Business and Commerce;  
1-4 March 31, 2005, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 31, 2005,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 988 By: Carona

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to education courses required for a mortgage broker or  
1-11 loan officer license.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 156.204, Finance Code, is amended by  
1-14 reenacting and amending Subsection (c), as amended by Chapters 170  
1-15 and 171, Acts of the 78th Legislature, Regular Session, 2003, and  
1-16 adding Subsection (e) to read as follows:

1-17 (c) To be eligible to be licensed as a loan officer a person  
1-18 must:

1-19 (1) be an individual who is at least 18 years of age;

1-20 (2) be a citizen of the United States or a lawfully  
1-21 admitted alien;

1-22 (3) designate in the application the name of the  
1-23 mortgage broker sponsoring the loan officer;

1-24 (4) provide the commissioner with satisfactory  
1-25 evidence that the applicant satisfies one of the following:

1-26 (A) the person meets one of the requirements  
1-27 described by Subsection (a)(4);

1-28 (B) the person has successfully completed 30 [~~15~~]  
1-29 hours of education courses approved by the commissioner under this  
1-30 section;

1-31 (C) the person has 18 months of experience as a  
1-32 loan officer as evidenced by documentary proof of full-time  
1-33 employment as a loan officer with a mortgage broker or a person  
1-34 exempt under Section 156.202; or

1-35 (D) for applications received prior to January 1,  
1-36 2000, the mortgage broker that will sponsor the applicant provides  
1-37 a certification under oath that the applicant has been provided  
1-38 necessary and appropriate education and training regarding all  
1-39 applicable state and federal law and regulations relating to  
1-40 mortgage loans;

1-41 (5) not have been convicted of a criminal offense that  
1-42 the commissioner determines directly relates to the occupation of a  
1-43 loan officer as provided by Chapter 53, Occupations Code;

1-44 (6) satisfy the commissioner as to the individual's  
1-45 good moral character, including the individual's honesty,  
1-46 trustworthiness, and integrity; ~~and~~

1-47 (7) [~~(6)~~] provide the commissioner with satisfactory  
1-48 evidence of having passed an examination, offered by a testing  
1-49 service or company approved by the finance commission, that  
1-50 demonstrates knowledge of:

1-51 (A) the mortgage industry; and

1-52 (B) the role and responsibilities of a loan  
1-53 officer; and [~~-~~]

1-54 (8) [~~(7)~~] not be in violation of this chapter, a rule  
1-55 adopted under this chapter, or any order previously issued to the  
1-56 individual by the commissioner.

1-57 (e) The education courses required for a loan officer  
1-58 license under Subsection (c)(4)(B) must cover ethics, the Real  
1-59 Estate Settlement Procedures Act of 1974 (12 U.S.C. Section 2601 et  
1-60 seq.), the Truth in Lending Act (15 U.S.C. Section 1601 et seq.),  
1-61 the Equal Credit Opportunity Act (15 U.S.C. Section 1691 et seq.),  
1-62 and the provisions of this chapter.

1-63 SECTION 2. Subsection (g), Section 156.208, Finance Code,

2-1 is amended to read as follows:

2-2 (g) The finance commission shall adopt rules related to the  
2-3 approval of courses for continuing education credit under this  
2-4 section that provide for the acceptance of continuing education  
2-5 courses that are related to finance, financial consulting, lending,  
2-6 real estate contracts, discrimination laws, deceptive trade  
2-7 practices, real property conveyances, and other topics that are  
2-8 relevant to mortgage brokers and that are acceptable as continuing  
2-9 education courses to other professional licensing agencies or  
2-10 related trade associations. The finance commission may approve any  
2-11 education course approved by the Texas Real Estate Commission, the  
2-12 Mortgage Bankers Association of America, or the National  
2-13 Association of Mortgage Brokers so long as the subject matter of  
2-14 such courses specifically promotes or furthers the purposes of this  
2-15 chapter and relates to residential mortgage lending.

2-16 SECTION 3. (a) The changes in law made by this Act to  
2-17 Section 156.204, Finance Code, apply only to an individual who  
2-18 applies for a license as a loan officer on or after September 1,  
2-19 2005. An individual who applies for a license before September 1,  
2-20 2005, must comply with the requirements in effect on the date the  
2-21 application was submitted, and the former law is continued in  
2-22 effect for that purpose.

2-23 (b) The changes in law made by this Act to Section 156.208,  
2-24 Finance Code, apply only to an individual who applies to renew the  
2-25 individual's license on or after September 1, 2005. An individual  
2-26 who applies to renew a license before September 1, 2005, must  
2-27 comply with the requirements in effect on the date the application  
2-28 was submitted, and the former law is continued in effect for that  
2-29 purpose.

2-30 SECTION 4. This Act takes effect September 1, 2005.

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