

By: Flynn

H.B. No. 3144

Substitute the following for H.B. No. 3144:

By: Orr

C.S.H.B. No. 3144

A BILL TO BE ENTITLED

AN ACT

relating to requirements for obtaining a mortgage broker or loan officer license.

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

SECTION 1. Subchapter C, Chapter 156, Finance Code, is amended by adding Section 156.2011 to read as follows:

Sec. 156.2011. PROVISIONAL LOAN OFFICER LICENSE. (a) An applicant for a loan officer license may be issued a provisional loan officer license as provided by this section only if the applicant:

(1) during the 20 months immediately preceding the application, has at least 18 months of experience as a loan officer employed by a person exempt from this chapter under Section 156.202; and

(2) meets the qualifications for a loan officer license, other than the educational and examination requirements.

(b) The commissioner shall use best efforts to issue the provisional loan officer license on or before the later of:

(1) the 10th business day after the date of receipt of a completed application; or

(2) the second business day after the date of receipt of the criminal background information required under Section 156.206 demonstrating that the applicant has no pending criminal charges and has not been convicted of a criminal offense.

1 (c) For purposes of Subsection (b)(2), a person is
2 considered convicted as provided by Section 156.204(d).

3 (d) A provisional loan officer license is valid for 90 days
4 after the date the license is issued, except as provided by
5 Subsection (e).

6 (e) The commissioner may revoke a provisional loan officer
7 license if the commissioner discovers that the applicant has made a
8 misrepresentation relating to the applicant's qualifications for a
9 loan officer license, has violated this chapter, or does not meet
10 the qualifications for a provisional loan officer license. The
11 revocation of a provisional loan officer license is not subject to
12 appeal.

13 (f) The finance commission by rule may impose a fee not to
14 exceed \$100 for an expedited issuance of a provisional loan officer
15 license. The fee is nonrefundable and is in addition to the fee for
16 the application for a regular loan officer license.

17 SECTION 2. Sections 156.204(a), (c), and (e), Finance Code,
18 are amended to read as follows:

19 (a) To be eligible to be licensed as a mortgage broker a
20 person must:

21 (1) be an individual who is at least 18 years of age;
22 (2) be a citizen of the United States or a lawfully
23 admitted alien;

24 (3) maintain a physical office in this state and
25 designate that office in the application;

26 (4) provide the commissioner with satisfactory
27 evidence that the applicant satisfies one of the following:

1 (A) the person has received a bachelor's degree
2 in an area relating to finance, banking, or business administration
3 from an accredited college or university and has 18 months of
4 experience in the mortgage or lending field as evidenced by
5 documentary proof of full-time employment as a mortgage broker or
6 loan officer with a mortgage broker or a person exempt under Section
7 156.202;

8 (B) the person is licensed in this state as:

9 (i) an active real estate broker under
10 Chapter 1101, Occupations Code;

11 (ii) an active attorney; or

12 (iii) a local recording agent or insurance
13 solicitor or agent for a legal reserve life insurance company under
14 Chapter 21, Insurance Code, or holds an equivalent license under
15 Chapter 21, Insurance Code; or

16 (C) the person has three years of experience in
17 the mortgage lending field as evidenced by documentary proof of
18 full-time employment as a loan officer with a mortgage broker or a
19 person exempt under Section 156.202;

20 (5) provide the commissioner with satisfactory
21 evidence of:

22 (A) having passed an examination, offered by a
23 testing service or company approved by the finance commission, that
24 demonstrates knowledge of:

25 (i) the mortgage industry; and

26 (ii) the role and responsibilities of a
27 mortgage broker; and

1 (B) compliance with the financial requirements
2 of this chapter;

3 (6) not have been convicted of a criminal offense that
4 the commissioner determines directly relates to the occupation of a
5 mortgage broker as provided by Chapter 53, Occupations Code;

6 (7) satisfy the commissioner as to the individual's
7 good moral character, including the individual's honesty,
8 trustworthiness, and integrity; ~~and~~

9 (8) not be in violation of this chapter, a rule adopted
10 under this chapter, or any order previously issued to the
11 individual by the commissioner; and

12 (9) provide the commissioner with satisfactory
13 evidence that:

14 (A) if the person has not been previously
15 licensed as a mortgage broker or a loan officer under this
16 subchapter, the person has completed 90 classroom hours of
17 education courses approved by the commissioner under this section;
18 or

19 (B) if the person has not been previously
20 licensed as a mortgage broker under this subchapter but has been
21 licensed as a loan officer under this subchapter, the person has
22 successfully completed an additional 30 classroom hours of
23 education courses approved by the commissioner under this section.

24 (c) To be eligible to be licensed as a loan officer a person
25 must:

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

27 (2) be a citizen of the United States or a lawfully

1 admitted alien;

2 (3) designate in the application the name of the
3 mortgage broker sponsoring the loan officer;

4 (4) provide the commissioner with satisfactory
5 evidence that the applicant satisfies one of the following:

6 (A) the person meets one of the requirements
7 described by Subsection (a)(4) and has [→

8 [~~(B) the person has~~] successfully completed 60
9 classroom [~~30~~] hours of education courses approved by the
10 commissioner under this section;

11 (B) [~~(C)~~] the person has 18 months of experience
12 as a loan officer as evidenced by documentary proof of full-time
13 employment as a loan officer with [~~a mortgage broker or~~] a person
14 exempt under Section 156.202 and has successfully completed 30
15 classroom hours of education courses approved by the commissioner
16 under this section; or

17 (C) [~~(D)~~] for applications received prior to
18 January 1, 2000, the mortgage broker that will sponsor the
19 applicant provides a certification under oath that the applicant
20 has been provided necessary and appropriate education and training
21 regarding all applicable state and federal law and regulations
22 relating to mortgage loans;

23 (5) not have been convicted of a criminal offense that
24 the commissioner determines directly relates to the occupation of a
25 loan officer as provided by Chapter 53, Occupations Code;

26 (6) satisfy the commissioner as to the individual's
27 good moral character, including the individual's honesty,

1 trustworthiness, and integrity;

2 (7) provide the commissioner with satisfactory
3 evidence of having passed an examination, offered by a testing
4 service or company approved by the finance commission, that
5 demonstrates knowledge of:

6 (A) the mortgage industry; and

7 (B) the role and responsibilities of a loan
8 officer; and

9 (8) not be in violation of this chapter, a rule adopted
10 under this chapter, or any order previously issued to the
11 individual by the commissioner.

12 (e) The education courses required for a mortgage broker or
13 loan officer license under Subsection (a)(9) or (c)(4) [~~(c)(4)(B)~~]
14 must cover ethics, the Real Estate Settlement Procedures Act of
15 1974 (12 U.S.C. Section 2601 et seq.), the Truth in Lending Act (15
16 U.S.C. Section 1601 et seq.), the Equal Credit Opportunity Act (15
17 U.S.C. Section 1691 et seq.), and the provisions of this chapter.

18 SECTION 3. The changes in law made by this Act apply only to
19 a loan officer or mortgage broker license for which any part of an
20 application is submitted on or after September 1, 2007.

21 SECTION 4. This Act takes effect September 1, 2007.