

BILL ANALYSIS

S.B. 1008
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Finance Commission of Texas, which oversees the Department of Banking, the Department of Savings and Mortgage Lending, and the Office of Consumer Credit Commissioner, is composed of nine members, one of whom must be a mortgage broker. The number of mortgage brokers licensed in Texas has dropped precipitously over the last few years and is expected to continue its decline as a result of recent changes at the federal level. However, there are substantially more mortgage bank loan originators licensed in Texas than there are mortgage brokers and it is anticipated that the number of these license holders will remain stable or expand in the coming years, yet mortgage bank loan originators do not have representation on the finance commission.

S.B. 1008 seeks to address this issue by allowing the governor to appoint to the Finance Commission of Texas a residential mortgage loan originator who is licensed as either a mortgage banker or a mortgage broker under the applicable provisions of law.

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

S.B. 1008 amends the Finance Code to remove the requirement that one member of the Finance Commission of Texas be a mortgage broker and to require one member of the finance commission to be a residential mortgage loan originator licensed under the Mortgage Broker License Act or the Mortgage Banker Registration and Residential Mortgage Loan Originator License Act. The bill defines "residential mortgage loan originator" for purposes of provisions of law relating to the qualification of members of the finance commission and makes a conforming change by removing the definition of "mortgage broker" from such provisions.

S.B. 1008 establishes that a member of the finance commission who is a mortgage broker and who is serving on the bill's effective date continues to serve until the expiration of the term for which the member was appointed. The bill requires the governor, as soon as practicable following the expiration of the term of such a member or following any vacancy in that position that occurs before the expiration of the term, to make an appointment to the finance commission to achieve the composition of the finance commission prescribed by the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.