

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable Tan Parker, Chair, House Committee on Investments & Financial Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3088 by Ortega (Relating to the licensing and other regulation of wrap lenders.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Finance Code relating to the licensing and other regulation of wrap lenders. The bill would define "wrap lenders" and "wrap mortgage loans" and would require the Department of Savings and Mortgage Lending to regulate wrap lenders.

The State Office of Administrative Hearings, Department of Banking, Office of Consumer Credit Commission, and the Credit Union Department anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

Department of Savings and Mortgage Lending is a self-directed, semi-independent agency; therefore, any agency costs associated with implementing the provisions of the bill are not considered in this analysis. Additionally, as a self-funding, self-leveling agency, the Department of Savings and Mortgage Lending is required to collect revenues sufficient to cover their costs, so that any additional costs incurred in implementing the provisions of this bill would be offset by an equal amount of revenue.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 450 Department of Savings and Mortgage Lending, 451 Department of Banking, 466 Office of Consumer Credit Commissioner, 469 Credit Union Department

LBB Staff: UP, CL, EH, EK