

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 3, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3367 by Burrows (Relating to savings and loan associations, savings banks, residential mortgage loan originators and servicers, and other persons or entities under the regulatory jurisdiction of the Department of Savings and Mortgage Lending and the savings and mortgage lending commissioner; creating an offense.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Finance Code relating to savings and loan associations, savings banks, residential mortgage loan originators and servicers, and other persons or entities under the regulatory jurisdiction of the Department of Savings and Mortgage Lending and the savings and mortgage lending commissioner; creates an offense. The bill would permit the commissioner to approve an application to incorporate if certain conditions are met. The bill would require the commissioner to file a resolution in the commissioner's office if certain conditions are met. The bill would permit the Finance Commission to adopt rules in accordance with the provisions of the bill.

The bill would create an offense for an individual who is not exempt to act as a residential mortgage loan servicer without obtaining a registration as required under the provisions of the bill. Under the provisions of the bill, the offense would be a Class A or a Class B misdemeanor depending on prior convictions.

The Office of Court Administration, Department of Banking, Consumer Credit Commission, Credit Union Department, Department of Criminal Justice, Comptroller of Public Accounts, and Department of Savings and Mortgage Lending anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. A Class B misdemeanor is punishable by a fine of not more than \$2,000, confinement in jail for a term not to exceed 180 days, or both. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal implication.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 450 Department of Savings and Mortgage Lending, 451 Department of Banking, 466 Office of Consumer Credit Commissioner, 469 Credit Union Department, 696 Department of Criminal Justice

LBB Staff: UP, CL, EH, EK, JGA