

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 27, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3472 by Deshotel (relating to the investment and use of excess residential mortgage loan originator recovery fund fees and to the creation of the mortgage grant fund; changing a fee.),
Committee Report 1st House, Substituted

No fiscal implication to the State is anticipated.

The bill would amend Chapters 156 and 157 of the Finance Code as they relate to the maintenance of and expenditures from the Mortgage License Recovery Fund.

The bill would remove the Department of Savings and Mortgage Lending (DSML) Commissioner's discretion to establish the mortgage license recovery fee amount and would instead set the fee at \$20.

The bill would establish a Mortgage Grant Fund, its funding sources, its management, and the appropriate use and disbursement of associated money. The bill would require the commissioner, at the end of a calendar year, to transfer any money in excess of \$3.5 million from the Mortgage License Recovery Fund to the fund.

It is assumed that any costs associated with the bill's provisions relating to the investment and use of excess residential mortgage loan originator recovery fund fees could be absorbed using existing resources. DSML estimates that transfers will depend on the amount of claims paid out of the fund as well as on the investment earnings of the fund. The Department is a self-directed, semi-independent state entity and does not receive appropriated funds. No portion of Department's operations is funded from the Recovery fund so no impact to the agency's operations is expected.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 450 Dept Savings and Mortgage Lending, 466 Consumer Credit Comm

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