

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 28, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1900 by Zaffirini (relating to the regulatory authority of the savings and mortgage lending commissioner; authorizing fees.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend subsections of Sections 92, 96, 97 and 156 of the Finance Code as they relate to the regulatory authority of the Department of Savings and Mortgage Lending (DSML).

The bill would expand the authority of the DSML to allow it to regulate, examine, and collect examination fees from state savings bank affiliates and certain contracted third-party service providers. The bill would allow DSML to examine holding companies that control a state savings bank and to take enforcement action against these holding companies. State savings banks that are not controlled by a Texas holding company would be subject to all applicable state laws.

The bill would remove the licensure requirement for certain applicants to maintain a physical business location in Texas, allow the DSML Commissioner to post certain notices in general circulation newspapers, and amend how amounts within the Recovery Fund are to be invested.

DSML is a self-directed, semi-independent state entity and does not receive appropriated funds. The agency is responsible for funding all direct and indirect operational costs and sets the amount of fees, penalties, charges, and revenues required to cover these costs. The agency indicates that any costs incurred in performing examinations would be recovered through the fees authorized within the bill. It is assumed that any additional costs associated with the bill's provisions could be absorbed using existing resources.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 450 Dept Savings and Mortgage Lending

LBB Staff: JMc, AAL, MB, EJ, SZ