

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2189 **STATUS:** B-Engrossed
SUBJECT: Relating to the Nationwide Mortgage Licensing System and Registry
GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services
PREPARED BY: Robin LaMonte
REVIEWED BY: Susie Jordan
DATE: June 12, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Personal Services	\$ 385,439	\$ 385,439
Services & Supplies	\$ 37,516	\$ 42,284
	\$ 422,955	\$ 427,723
	<u>2009-2011</u>	<u>2011-2013</u>
REVENUES:		
Other Funds Examination Fees	\$ 422,955	\$ 427,723
POSITIONS / FTE:	3/3.00	3/3.00

EFFECTIVE DATE: On passage

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2189 authorizes the Director of the Department of Consumer and Business Services (DCBS) to license mortgage brokers and bankers in cooperation with the Nationwide Mortgage Licensing System Registry, and establishes requirements under which mortgage brokers and bankers may obtain licenses. This bill implements the requirements of Title V of the 2008 Housing and Economic Recovery Act. This Act requires all states to have a system of licensing for residential mortgage loan originators by August 1, 2009. Failure to comply could result in the Federal government taking over the licensing system. The Act also requires annual, rather than biennial, licensing. The bill exempts manufactured structure dealer employees from loan originator licensing requirements if they perform only administrative or clerical functions.

The fiscal impact of this bill relates to the new requirements for licensing and background checks that DCBS must conduct under the provisions of this bill, and from annual licensing requirements. The budget bill for DCBS (SB 5513) includes 3 positions (3.00 FTE) and \$422,955 Other Funds to implement the requirements of this bill.

Revenue for this program is from examination fees. DCBS indicates that it will require licensees to pay the licensing fees and any service fees directly to the Nationwide Mortgage Licensing System and Registry (NMLSR). NMLSR will then forward the licensing fees to DCBS to pay the cost of the program.