

**Proposed 2009 Session Legislation**

**Agency Name & No:** Administration 6101

**Priority Number:** 007 **Filename:** \6101\14-007

**Short Title:** Revise Residential Mortgage Lender Licensing Act

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**1. Purpose:**

Revise the Residential Mortgage Lender Licensing Act, 32-10-101, MCA, in response to the national mortgage crisis. The amendments will require individual loan originator licensing, pre-licensing education and testing, criminal and civil background checks, and continuing education to conform to federal legislation. The bill will also provide authority to the department to participate in the National Mortgage Licensing System. Participation in the licensing system is contingent upon passage of federal legislation.

**2. Background:**

Pending federal legislation will require state regulatory agencies to conform with specific provisions if the state wishes to maintain its regulatory authority over mortgage licensees. Banking and Financial Institutions Division (BFID) will propose individual licensure of mortgage loan originators to ensure they possess the education and experience to comply with applicable state and federal regulations. The National Mortgage Licensing System allows the division access to critical information from a central database of mortgage licensees nationwide.

**3. Fiscal Impact by Fund Type:** *This impact should be as specific as possible.*

The National Mortgage Licensing System charges licensees a small processing fee for use of its licensing system. The licensing of individual loan originators will increase BFID revenue and expenses.

**4. Summary Checklist [Check & complete all that apply]--**

- Housekeeping Only       Federal Requirement       Audit Recommendation (Audit No.)        Major Legislation
- Anticipated to be Controversial Legislation       Bill Draft has been included in Legislation Submittal (if available)
- Supports Submitted EPP Item Number        Local Government Fiscal Impact
- Increases FTE, or       Decreases FTE by      List FTE amount and program
- Increases Existing Revenue       Tax       Fee       Penalty [amount in #3]
- Decreases Existing Revenue       Tax       Fee       Penalty [amount in #3]
- Establishes New Revenue       Tax       Fee       Penalty [amount in #3]
- Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):
- Legislation would affect other state agencies (list):
- Special Interest Groups Affected (list):
- Other: