

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING ADDITIONAL CONSUMER PROTECTIONS IN RESIDENTIAL MORTGAGE LOAN TRANSACTIONS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Prime Sponsors:     Senator Veiga  
                              Representative Marshall

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**Summary of Amendments Made to the Bill After the 04/23/07 Legislative Council Staff Revised Fiscal Note was Prepared (Amended by the Senate Committee of the Whole 04/24/07)**

The Senate Committee of the Whole Amendment

- Allows the Director of the Division of Real Estate to adopt rules that define "a reasonable, tangible net benefit to the borrower."
- Alters one of the prohibited acts in Section 38-40-105, C.R.S., tying it to abuse of residential mortgage loans as opposed to abuse of consumer credit transactions.

**The Committee of the Whole amendment does not alter the fiscal impact of the bill as delineated in the April 23, 2007, Legislative Council Staff Fiscal Note.** Legislative Council Staff agrees with this assessment.

**JBC Staff Concurrence with Legislative Council Staff Fiscal Note**

**Concurs**                       **Does Not Concur**                       **Updated Analysis**

**Amendments/Appropriation Status**

The reengrossed bill contains an appropriation that is not consistent with the Legislative Council Staff Revised Fiscal Note dated April 23, 2007. Staff has prepared amendment **J.005** (attached), which amends the appropriation in order to make it consistent. As amended, J.005 makes the following FY 2007-08 appropriations:

<b>Recipient of Appropriation and Funding Source under J.002</b>	<b>Amount</b>	<b>FTE</b>
<b>(1) Department of Regulatory Agencies - Total</b>	<b>\$392,242</b>	<b>1.5</b>
Executive Director's Office (From the Mortgage Broker Registration Cash Fund)	48,456 CF	0.0

<b>Recipient of Appropriation and Funding Source under J.002</b>	<b>Amount</b>	<b>FTE</b>
Division of Real Estate (From the Mortgage Broker Registration Cash Fund)	343,786 CF	1.5
<b>(2) Department of Law - Total</b>	<b>313,541</b>	<b>3.4</b>
Legal Services to State Agencies (Out of the appropriation to the Executive Director's Office in (1) above)	48,456 CFE	0.4
Consumer Protection Section (Out of the appropriation to the Division of Real Estate in (1) above)	265,085 CFE	3.0
<b>Total, All Departments</b>	<b>\$705,783</b>	<b>4.9</b>
Cash Funds	392,242	0.4
Cash Funds Exempt	313,541	4.5

**Sponsor Amendments**

Staff is not aware of any sponsor amendments to be offered.

**Points to Consider**

Four related bills are currently being considered by the General Assembly: H.B. 07-1322, S.B. 07-085, S.B. 07-216, and S.B. 07-203. As a broad generalization, H.B. 07-1322 deals with fraud, prohibited acts, and the relationship of mortgage brokers to their customers; S.B. 07-085 deals with the relationship between mortgage brokers and real estate appraisers; S.B. 07-203 changes the current mortgage broker registration system to a licensing system; and S.B. 07-216 deals with the marketing of nontraditional mortgage products to people for whom those products may be unsuitable.

There are economies of scale involved in implementing these bills, but the Fiscal Notes for the bills do not reflect the savings that would arise if more than one becomes law. For example, the appropriation to the Department of Regulatory Agencies contained in S.B. 07-085 will not be necessary if H.B. 07-1322, S.B. 07-206 or S.B. 07-216 become law in their current form. These economies will need to be addressed through a supplemental FY 2007-08 appropriation bill that would be introduced by the Joint Budget Committee during the 2008 legislative session.