HB10-1141

Colorado Legislative Council Staff Fiscal Note

STATE FISCAL IMPACT

Drafting Number:	LLS 10-0413	**Date:**	January 25, 2010
Prime Sponsor(s):	Rep. Carroll T. Sen. Tochtrop	**Bill Status:**	House Business Affairs and Labor
		Fiscal Analyst:	Josh Abram (303-866-3561)

TITLE: CONCERNING A REQUIREMENT FOR MORTGAGE COMPANIES TO BE REGISTERED BY THE DIVISION OF REAL ESTATE.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue Cash Funds Mortgage Company Loan Originator Licensing Fund	< $5,000	< $5,000
State Expenditures		
FTE Position Change		
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill allows the regulation of mortgage companies. Mortgage companies take residential loan applications or offer to negotiate the terms of a residential mortgage loans. Mortgage companies may be distinct from the lender of residential mortgage loans.

Mortgage companies are required to register with the nationwide mortgage licensing system and registry (NMLS&R), a national tracking system established by the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Nationally registered mortgage companies will obtain a unique identifying number that must appear on all residential mortgage loan application forms.

The director of the Division of Real Estate in the Department of Regulatory Agencies (DORA) is responsible for ensuring that mortgage companies are registered and for adopting rules to implement the new provision. The director may also impose fines, among other disciplinary actions, for companies that fail to meet the adopted rules. All fines are deposited in the Mortgage Company and Loan Originator Fund.

Finally, the bill extends the date for repeal of mortgage company regulations from July 1, 2011, until July 1, 2014.

State Revenue

The bill adds the authority to impose fines on mortgage companies in addition to existing disciplinary actions. This may increase state revenue from fines, although less than $5,000 in new state revenue is expected per year. Fine revenue will be credited to the Mortgage Company Loan Originator Licensing Fund.

State Expenditures

The Division of Real Estate in the Department of Regulatory agencies will have administrative costs to verify that mortgage companies are registered with the NMLS&R. These costs are expected to be minimal and can be met within existing appropriations.

Departments Contacted

Regulatory Agencies