



Legislative
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FISCAL NOTE

Drafting Number:	LLS 18-0389	Date:	February 9, 2018
Prime Sponsors:	Rep. Arndt; Gray Sen. Priola	Bill Status:	House Business
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Bill Topic: SUNSET CONTINUE BOARD OF MORTGAGE LOAN ORIGINATORS

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>continuation</i>)	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>continuation, new</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Sunset bill. This bill continues the Mortgage Loan Originator Licensing and Mortgage Company Registration Act for 11 years. State fiscal impacts include both new workload for the Board of Mortgage Loan Originators to implement the changes under the bill, as recommended by the sunset review, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2029.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 18-1174***

New Impacts		FY 2018-19	FY 2019-20
<i>Revenue</i>		-	-
<i>Expenditures</i>		-	-
Continuing Program Impacts		FY 2018-19	FY 2019-20
<i>Revenue</i>	Cash Funds	-	\$808,000
<i>Expenditures</i>	Cash Funds	-	\$558,000
	FTE	-	2.3 FTE

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

This bill continues the Mortgage Loan Originator Licensing and Mortgage Company Registration Act in the Department of Regulatory Agencies (DORA) — which is scheduled to repeal September 1, 2018 — for 11 years through September 1, 2029.

The bill also implements the recommendations from DORA's sunset review. These recommendations include:

- modify the 60-day limit that the Board of Mortgage Loan Originators has to issue a license so that the clock starts after the board receives all documentation, including supplementary information;
- clarify education standards for licensees by adopting Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) educational requirements as approved by the Nationwide Mortgage Licensing System;
- conform the state statutes with SAFE Act standards related to felony convictions; and
- modify board membership to include a representative from a small, Colorado-based mortgage loan origination operation.

Continuing Program Impacts

Based on its FY 2016-17 budget, DORA is expected to have about \$970,000 in revenue and \$670,000 and 2.7 FTE in expenditures to administer the Board of Mortgage Loan Originators. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2019-20. If this bill is not enacted, the program will end on September 1, 2019, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2019-20 by the amounts shown in Table 1. Table 1 amounts are prorated to reflect the September 1, 2018, repeal date. The changes to the program that drive additional workload are discussed in the State Expenditure section below.

State Expenditures

In FY 2018-19, the Board of Mortgage Loan Originators in DORA will have a minimal workload impact to promulgate rules to implement the changes under the bill. This work is expected to occur during the board's regular rulemaking schedule. No change in appropriations is required.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed. It applies to applications received on or after the effective date.

State and Local Government Contacts

Law	Regulatory Agencies
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