

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB JEC 08-06 Mortgage Broker's License
SPONSOR(S): Jobs & Entrepreneurship Council
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Jobs & Entrepreneurship Council		Holt/Topp	Thorn
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The proposed council bill (PCB) reduces fees related to a mortgage broker's license. Applicants currently submit a nonrefundable application fee of \$200; the bill reduces the fee to \$190. Applicants shall bear the actual cost for the electronic version of a mortgage broker's test; however, the applicant's cost of the test may not exceed \$75, a reduction from the current \$100 maximum. Any applicants who wish to review their completed and graded mortgage broker's test(s) shall only bear the actual review cost which may not exceed \$35, a reduction from the current \$50 maximum.

The PCB also requires the Office of Financial Regulation to make an electronic version of the mortgage broker's test available by December 31, 2008.

This act shall take effect July 1, 2008.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes: The bill reduces several fees related to a mortgage broker's license.

B. EFFECT OF PROPOSED CHANGES:

Background:

Currently, s. 494.0033, F.S., Mortgage broker's license, reads in part:

(2) Each initial application for a mortgage broker's license must be in the form prescribed by rule of the commission. The commission may require each applicant to provide any information reasonably necessary to make a determination of the applicant's eligibility for licensure. The office shall issue an initial license to any natural person who:

(b) Has passed a written test adopted and administered by the office, or has passed an electronic test adopted and administered by the office or a third party approved by the office, which is designed to determine competency in primary and subordinate mortgage financing transactions as well as to test knowledge of ss. 494.001-494.0077 and the rules adopted pursuant thereto. The commission may prescribe by rule an additional fee that may not exceed \$100 for the electronic version of the mortgage broker test. . . The commission may adopt rules prescribing an additional fee that may not exceed \$50 for an applicant to review his or her completed and graded mortgage broker test.

(c) Has submitted a completed application and a nonrefundable application fee of \$200. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$200, and any other fee prescribed by law.

There is presently no electronic version of the mortgage broker's test.

Effect of Proposed Changes:

Section 1: The PCB amends paragraphs (b) and (c) of subsection (2) of s. 494.0033, F.S. The bill requires the Office of Financial Regulation to make an electronic version of the mortgage broker's test available by December 31, 2008. Applicants shall only bear the actual cost for the electronic version of the test which may not exceed \$75, a reduction from the \$100 maximum.

Another fee reduction in the bill requires applicants who wish to review their completed and graded mortgage broker's test(s) to incur the actual review cost which may not exceed \$35, a reduction from the \$50 maximum.

Applicants for a mortgage broker's license are required to submit a nonrefundable application fee of \$200. The bill reduces the application fee to \$190.00.

Section 2: This act shall take effect July 1, 2008.

C. SECTION DIRECTORY:

None

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Anticipated revenues will cover expenditures related to mortgage broker testing.

2. Expenditures:

The Office of Financial Regulation has been appropriated \$1.4 million in budget authority in the Regulatory Trust Fund from which to cover expenditures related to making the mortgage broker's testing available in an electronic format.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There is a cost savings to the private sector in fee reductions. The exact amount of the impact is indeterminate at this time as the number of mortgage broker's exams has been declining since this time last year.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES