

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1578
By: Carona
Business & Commerce
4/8/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, there is no examination requirement to assure that persons entering the mortgage brokering industry have any level of knowledge or proficiency. C.S.S.B. 1578 requires pre-license testing for mortgage broker applicants.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 156.204(a), Finance Code, to require a mortgage broker to provide the savings and loan commissioner (commissioner) with satisfactory evidence of having taken and passed a prelicensing test offered by a testing company approved by the Finance Commission to demonstrate knowledge of the mortgage industry and the role and responsibilities of a mortgage broker, in addition to the other requirements to be eligible to be licensed as a mortgage broker.

SECTION 2. Effective date: September 1, 2003.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Amends As Filed S.B. 1578, Section 156.204(a)(5), Finance Code, to insert the phrase "a testing company approved by the Finance Commission" in place of "the American Association of Residential Mortgage Regulators." Deletes "another comparable test as is approved by the commissioner."

SECTION 2. No changes.