

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1667
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Business & Commerce
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Committee Report (Substituted)

DIGEST AND PURPOSE

H.B. 1493, 77th Legislature, sought to correct deficiencies in the Mortgage Broker License Act (MLBA) to authorize access to Federal Bureau of Investigations (FBI) criminal history records on all individuals applying for a mortgage broker license. The FBI has stringent restrictions on who can access such information. The Texas Savings and Loan Department's sunset language is unacceptable to the FBI. The Texas Savings and Loan Department has expressed that access to FBI criminal history records on applicants is essential to protect consumers and to enforce compliance with MLBA. C.S.S.B. 1667 requires each applicant to be fingerprinted and submit fingerprints, and other necessary information, with the application and authorizes the savings and loan commissioner to submit the fingerprints to the FBI. This bill provides that the Department of Public Safety is the recipient of the results of the record check. C.S.S.B. 1667 also establishes guidelines for obtaining criminal history record information on applicant for, or holder of, a mortgage broker or loan officer license, and limits the dissemination of such information to governmental entities or, as authorized by federal law, executive order, or rule.

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 and reenacts Section 156.206(b), Finance Code, as follows:

(b) Requires the savings and loan commissioner (commissioner) to obtain criminal history record information on an applicant that is maintained by the Department of Public Safety (DPS) and to obtain criminal history record information from, rather than on an applicant maintained by, the Federal Bureau of Investigation (FBI) on each applicant for a mortgage broker or loan officer license under this chapter. Requires each applicant to be fingerprinted and to submit fingerprints and other necessary information with the application. Authorizes the commissioner to submit the fingerprints to the FBI, and provides that DPS is designated to be the recipient of the results of the record check. Deletes redundant wording.

SECTION 2. Amends Section 156.206, Finance Code, by adding Subsection (d) to authorize criminal history information obtained from the FBI to be disseminated only to governmental entities or, as authorized by federal law, executive order, or rule, notwithstanding Subsection (c).

SECTION 3. Amends Chapter 411F, Government Code, by adding Section 411.1385, as follows:

Sec. 411.1385. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: SAVINGS AND LOAN COMMISSIONER. (a) Authorizes the commissioner to obtain from DPS, criminal history record information maintained by DPS that relates to a person who is an applicant for, or holder of, a mortgage broker or loan officer license issued under Chapter 156 (Mortgage Brokers), Finance Code.

(b) Prohibits criminal history record information obtained by the commissioner under Subsection (a) from being released or disclosed except under certain

circumstances.

(c) Authorizes criminal history information obtained from the FBI to be disseminated only to governmental entities or, as authorized by federal law, executive order, or rule, notwithstanding Subsection (b).

SECTION 4. Effective date: September 1, 2003.

SUMMARY OF COMMITTEE CHANGES

Differs from the original in the relating clause by including access to criminal history record information.

Differs from the original in SECTION 1 by reenacting Section 156.206(b), Finance Code.

Differs from the original by adding new SECTIONS 2 and 3 and redesignating the original SECTION 2 as SECTION 4.