

BILL ANALYSIS

Senate Research Center
85R18490 TSR-D

H.B. 3342
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that many people working in Texas as residential mortgage loan originators will soon be considered out of compliance with certain federal regulations regarding the mortgage industry. H.B. 3342 seeks to address this issue by adjusting the prelicensing education requirements for residential mortgage loan originators.

H.B. 3342 amends the Finance Code to change the period during which an individual fails to maintain a residential mortgage loan originator license that triggers the requirement that the individual retake the prelicensing education requirements prescribed by the S.A.F.E. Mortgage Licensing Act from at least five consecutive years to the period established by rule of the Finance Commission of Texas. H.B. 3342 requires the finance commission to adopt such rule not later than December 1, 2017. The bill applies only to an application for a license filed on or after December 1, 2017.

H.B. 3342 amends current law relating to the prelicensing education requirements for residential mortgage loan originators.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Finance Commission of Texas in SECTION 1 (Section 180.056, Finance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 180.056(h), Finance Code, to require an individual who fails to maintain a residential mortgage loan originator license for the period of time established by rule of the rulemaking authority, rather than for at least five consecutive years, to retake certain prelicensing education requirements.

SECTION 2. (a) Requires the Finance Commission of Texas, not later than December 1, 2017, to adopt the rules required under Section 180.056(h), as amended by this Act.

(b) Provides that the change in law made by this Act applies only to an application for a license filed on or after December 1, 2017. Provides that an application for a license filed before December 1, 2017, is governed by the law in effect on the date the application as filed, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2017.