



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1124

PRINTERS NO. 1596

PRIME SPONSOR: Scavello

### COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
Banking Fund	\$0	\$0

**SUMMARY:** Amends Title 7 (Banks and Banking) to make PA consistent with recently adopted Housing and Urban Development (HUD) regulations under the federal SAFE Act, by clarifying licensing provisions and requirements. This legislation would take effect in 60 days.

**ANALYSIS:** This legislation amends the Mortgage Licensing Act to restore a person's ability to originate, offer, negotiate, or service less than four mortgages loans in a calendar year, and to clarify that a seller of a dwelling or real estate via an installment sales contract is required to be licensed as a mortgage lender and have its employees licensed as mortgage loan originators.

The legislation will exempt non-profit organizations from mortgage loan originator licensing requirements, as the PA Department of Banking and Securities will have oversight per federal regulations. In addition, the legislation will eliminate the requirement that mortgage loan originators be W-2 employees, but require direct supervision and control of such non-W-2 employees by the lender or broker.

This legislation also clarifies that the required minimum net worth for a mortgage lender is \$250,000, removing the requirement that licensed lenders meet criteria established by the federally-regulated mortgage corporations. Also, it will ease the licensing requirements for branch offices in order to permit business to occur outside the mortgage lender and broker branch offices.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** April 22, 2013

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*