



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1588

PRINTERS NO. 1821

PRIME SPONSOR: Mercuri

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
Banking Fund	\$0	See Fiscal Impact

SUMMARY: Provides for permanent remote work for mortgage originators and clarification language throughout the Act. The language referring to remote work by mortgage originators would take effect immediately while the remainder of the legislative would take effect in 60 days.

ANALYSIS: This legislation amends Title 7 (Banks and Banking), Chapter 61 (Mortgage Loan industry Licensing and Consumer Protection), to permit mortgage originators to work remotely and to originate mortgages in remote locations.

Under the legislation, the term “branch” is clarified as an office or other location (rather than place of business) where a person engages in the mortgage loan business or a remote location. Remote location is defined as: a location, other than a licensee’s principal place of business or branch, where a mortgage originator sponsored by the licensee, is engaged in licensed activities under the following conditions:

1. The activities are conducted under the supervision of the licensee.
2. The licensee has written policies and procedures for working from the location.
3. Access to the licensee platforms and customer information is in accordance with the licensee’s written security plan.
4. In-person customer interaction does not occur at the remote location.
5. Physical records are maintained at the location.
6. The location is not advertised or represented to customers as the operating location of the licensee.
7. The location is not owned or controlled by the licensee.

The legislation also makes the additional changes to Chapter 61 for clarification purposes:

- Amends the definition of “installment sales contract” to reference the Consumer Credit Code (12 Pa. C.S.) to clarify that this is not done by the Motor Vehicle Sales Finance Act as written in current law.
- Removes the term “mortgage loan correspondent” and “wholesale table funder” throughout the Act.
- Removes mobile home financing and loan servicing from the Act.
- Eliminates duplication with federal law on mortgage loan lock in agreements.
- Makes mortgage servicing regulations consistent with the federal Consumer Financial Protection Bureau.

FISCAL IMPACT: This legislation would have an unknown fiscal impact on the Banking Fund, which would be dependent on any future change in the number of licensed mortgage originators and utilization of remote locations.

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House Appropriations Committee (R)

DATE: June 21, 2021

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