

BILL ANALYSIS

Senate Research Center

S.B. 1578
By: Carona
Business & Commerce
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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. As proposed, 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 the American Association of Residential Mortgage Regulators to demonstrate knowledge of the mortgage industry and the role and responsibilities of a mortgage broker, or another comparable test as is approved by the commissioner in addition to other requirements to be eligible to be licensed as a mortgage broker.

SECTION 2. Effective date: September 1, 2003.