

MAINE STATE LEGISLATURE

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INSURANCE AND FINANCIAL SERVICES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 900, L.D. 1303, Bill, "An Act To Register Nonbank Loan Officers"

Amend the bill in section 2 in subsection 1-A in the 2nd line from the end (page 1, line 28 in L.D.) by inserting after the following: "fee of" the following: 'up to'

Further amend the bill in section 2 in subsection 1-A in the last line (page 1, line 29 in L.D.) by inserting after the following: "\$200" the following: 'in total. An applicant's registration of a loan officer within 90 days of the date that registration would otherwise be required does not constitute a violation of this subsection'

Further amend the bill in section 3 in subsection 2 in the 7th line (page 1, line 40 in L.D.) by inserting after the following: "and" the following: 'the character and fitness'

Further amend the bill in section 5 by striking out all of subsection 5-A and inserting in its place the following:

'5-A. A licensee may conduct the business of making supervised loans only through a loan officer who possesses a current, valid registration certificate. A loan officer must be registered at the loan officer's principal licensed work location and may then work from any licensed location of the supervised lender. The registration of a loan officer is valid only when that person is employed or retained and supervised by a licensed

Revised

COMMITTEE AMENDMENT "A" to H.P. 900, L.D. 1303

supervised lender. When a loan officer ceases to be employed by a licensed supervised lender, the supervised lender shall promptly notify the administrator in writing.'

Further amend the bill in section 9 by striking out all of that part designated "**§10-201.**" and inserting in its place the following:

'§10-201. Registration and annual reregistration

A person desiring to engage or continue in business in this State as a credit services organization shall apply to the administrator for registration under this article on or before January 31st of each year. The application must be in a form prescribed by the administrator. The administrator may refuse the application if it contains erroneous or incomplete information. At the time of application and on an ongoing basis during the term of any such registration, the applicant shall apply to the administrator for registration of all loan officers employed or retained by the applicant. An application for registration as a loan officer must be filed in a manner prescribed by the administrator and include the name, address and work location of the loan officer and such additional information as is reasonably requested by the administrator. An applicant's registration of a loan officer within 90 days of the date that registration would otherwise be required does not constitute a violation of this section. A registration may not be issued unless the administrator, upon investigation, finds that the financial responsibility, character and fitness of the applicant, and where applicable, its partners, officers or directors and the character and fitness of its loan officers, warrant belief that the business will be operated honestly and fairly within the purposes of this Title.

The application shall must include an initial fee of \$200. Annual reregistration shall must include a fee of \$100. Applicants and registrants must pay an additional fee of up to \$20 for each loan officer, up to a maximum of \$200 in total.

A registered credit services organization may conduct business only through a loan officer who possesses a current, valid registration certificate. A loan officer must register at the loan officer's principal registered work location and may then work from any registered location of the credit services organization. The registration of a loan officer is valid only when that person is employed or retained and supervised by a registered credit services organization. When a loan officer ceases to be employed by a registered credit services organization, the credit services organization shall promptly notify the administrator in writing.'

Further amend the bill by inserting after section 11 the following:

'Sec. 12. Appropriations and allocations. The following appropriations and allocations are made.

PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF

Office of Consumer Credit Regulation 0091

Initiative: Allocates funds for a 1/2-time Senior Consumer Credit Examiner position and associated costs to register and track loan officers.

OTHER SPECIAL REVENUE FUNDS	2005-06	2006-07
POSITIONS - LEGISLATIVE COUNT	0.500	0.500
Personal Services	\$31,666	\$34,107
All Other	\$11,834	\$4,910
OTHER SPECIAL REVENUE FUNDS TOTAL	\$43,500	\$39,017'

SUMMARY

This amendment specifies that the registration of a loan officer within 90 days of the due date does not constitute a violation of the registration requirement provided in the bill. It amends the provision of the bill regarding the evaluation of the loan officers to limit the evaluation to consideration of their character and fitness. The amendment also strikes the provision of the bill that limited a loan officer to working for one lender or credit services organization. The amendment adds an appropriations and allocations section to the bill.

FISCAL NOTE REQUIRED
(See attached)

**122nd MAINE LEGISLATURE****LD 1303****LR 0679(02)****An Act to Register Nonbank Loan Officers****Fiscal Note for Bill as Amended by Committee Amendment "A"****Committee: Insurance and Financial Services****Fiscal Note Required: Yes**

Fiscal Note

	2005-06	2006-07	Projections 2007-08	Projections 2008-09
Appropriations/Allocations				
Other Special Revenue Funds	\$43,500	\$39,017	\$36,609	\$37,483
Revenue				
Other Special Revenue Funds	\$43,680	\$39,200	\$38,340	\$40,909

Fiscal Detail and Notes

Assumes the Office of Consumer Credit Regulation in the Department of Professional and Financial Regulation will require an additional Other Special Revenue Funds allocation for a half-time Senior Consumer Credit Examiner and associated costs, to register and track loan officers. Estimated revenue assumes 397 supervised lender companies and 225 loan broker companies, half of which will be licensed each year. It is further assumed that 50% of the companies have an average of 4 loan officers, therefore paying a fee of \$80 (\$20 per) and 50% are assumed to have 10 loan officers, therefore paying the maximum fee of \$200.