

HB 757 -- MORTGAGE LOAN ORIGINATORS

SPONSOR: Bondon

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Financial Institutions by a vote of 11 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 7 to 0.

Currently, mortgage loan originators have prelicensing education requirements of at least 20 hours. This bill states that a prelicensing education course completed by an applicant will not satisfy the education requirement if the course precedes an application by a certain time period, as determined by the Nationwide Mortgage Licensing System and Registry (NMLSR).

The bill requires certain persons, as outlined in the bill, related to a mortgage loan originator to furnish their fingerprints to the NMLSR for submission to the Federal Bureau of Investigation and any governmental agency for a state, national, and international criminal history background check. The bill allows the Director of the Division of Finance to use the NMLSR as an agent for transmitting information to and from the Federal Department of Justice or any other governmental agency.

Currently, the law requires that each residential mortgage loan broker maintain at least one full-service office in Missouri. The bill allows this requirement to be waived for persons exclusively engaged in the business of loan processing or underwriting.

PROPONENTS: Supporters say that this bill will get Missouri in line with federal requirements. The education requirements in the bill are based on best practices from the industry and federal regulators. The fingerprint portion of the bill gives the state specific authority to collect fingerprints, which is also an industry standard.

Testifying for the bill were Representative Bondon; Missouri Division of Finance; Missouri Bankers Association; and the Mortgage Bankers Association of Missouri.

OPPONENTS: There was no opposition voiced to the committee.