

Fiscal Services Division Legislative Services Agency Fiscal Note

HF 737 (Successor to HF 115) – Mortgage Brokers Licensing (LSB 1524 HV)
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 Fiscal Note Version - New

Description

House File 737 establishes a registration and criminal background check for mortgage bankers and brokers. The Bill establishes registration fees based upon the costs of the annual registration. The Bill also establishes a separate fee to cover the costs of the criminal background checks.

Assumptions

1. The Banking Division of the Department of Commerce would utilize three employees to start the registration process.
2. Approximately 700 Mortgage Brokers Originator Licenses would be issued the first year (FY 2007) and 840 the second year (FY 2008).
3. Approximately 1,006 Mortgage Bankers Originator Licenses would be issued the first year (FY 2007) and 1,106 the second year (FY 2008).
4. The Division would establish fees so that revenue deposited o the State General Fund would cover the costs of sustaining the Board’s operations.
5. Historically, fees for professional licenses have included at least 15.0% additional costs to cover the indirect cost of services provided by the Division.
6. The annual license fee would be approximately \$110.
7. The \$13 per criminal background check fee will be paid to the Department of Public Safety.

Fiscal Impact

The estimated fiscal impact of HF 737 would be as follows:

	FY 2007	FY 2008
Revenue:		
Background Checks	\$ 22,178	\$ 3,120
Registration Fees Brokers	77,000	92,400
Registration Fees Bankers	110,660	121,660
Total Revenue	\$ 209,838	\$ 217,180
Expenditures:		
Salaries	\$ 150,000	\$ 154,500
Support	27,000	27,000
Capital Outlay	10,500	
Background Check Fees	22,178	3,120
Total Expenditures	\$ 209,678	\$ 184,620
General Fund Net Impact	\$ 160	\$ 32,560
FTE Positions	3.0	3.0

Source

Banking Division of the Department of Commerce

/s/ Holly M. Lyons

March 16, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
