

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB290

Chairperson: Senator Mike Gloor

Committee: Banking, Commerce and Insurance

Date of Hearing: January 28, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 290 is a bill introduced at the request of the Nebraska Department of Banking and Finance (Department) relating to the Residential Mortgage Licensing Act. The bill would do the following:

PROVIDE AND CLARIFY DUTIES FOR LICENSEES

The bill would amend §45-737 which currently provides identical duties for mortgage banker licensees (the firms) and MLO licensees (individuals). Many of those duties can only be performed by the firms, so the bill would provide that §45-737 is applicable only to the firms, and propose a separate statute for MLO duties. MLO duties would include notification to the Department within ten days of events such as bankruptcy, criminal indictments, and suspension/revocation proceedings; and notification within thirty days of items such as change of employer and change of address. The bill would further amend §45-737 to clarify the types of orders and proceedings that the firms must report to the Department, and would provide that such notices to the Department may be sent electronically. (Sections 4 and 5 of the bill).

NOTICES SENT BY THE DEPARTMENT

The bill would amend §45-729 to provide that the 120-day period for calculating abandonment of a license application would run from the date the Department sends the applicant electronic notice of the items that are deficient, rather than from the date that the deficiency notice was mailed. All applications are filed through the electronic Nationwide Mortgage Licensing System and Registry ("NMLSR"), and regulators send deficiency notices to applicants through the system, not the mail. The NMLSR records the date the notice is sent. This change would allow the Department to calculate the 120-day period from the date of the electronic notice, rather than requiring the Department to mail a duplicative notice to the applicant. (Section 3 of the bill).

CONSUMER FINANCIAL PROTECTION BUREAU REPORTS

The bill would amend §45-741, which provides that as part of an investigation or examination of licensee, the Department may rely on reports prepared by a licensee or registrant for certain federal agencies or federally related entities, to provide that the Department would also be able to rely on reports which were prepared for the Consumer Financial Protection Bureau (CFPB). (Section 6 of the bill).

REPEAL OBSOLETE REFERENCE

The bill would repeal an obsolete reference to the July 31, 2010 start date for registration of financial institution mortgage loan originators. (§45-727(2)); (Section 2 of the bill).

Principal Introducer: _____

Senator Pete Pirsch