

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 169 (Chairman, Commerce and Government Matters Committee)
(Departmental - Labor, Licensing and Regulation)

Commerce and Government Matters

Referred to Finance

**Mortgage Lenders - Frequency of Examination by the Commissioner of Consumer
Credit**

This amended departmental bill alters the frequency of required examinations of licensed mortgage lenders by the Commissioner of Consumer Credit by authorizing the Commissioner to establish a schedule for such examinations. The bill delineates the factors that must be considered by the Commissioner in establishing that schedule. Current law requires examinations of each business once every three years.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing and Regulation has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: This bill allows the Commissioner of Consumer Credit to examine each in-state and out-of-state mortgage lender as frequently as determined necessary in the judgement of the Commissioner. It is anticipated that the overall workload associated with these examinations, as well as any corresponding income from applicable fees charged to lenders, would remain the same.

The Office of Legislative Audits recently found that examinations of 168 of the 1,700 lenders

licensed to do business in Maryland were not performed within the currently required three-year time frame. The potential for a continued shortfall of examinations will depend on actual experience with a new schedule from the Commissioner. Since that schedule remains an unknown at this time, Fiscal Services is currently unable to determine the potential for fiscal or workload deficiencies.

Information Source(s): Department of Labor, Licensing and Regulation (Commissioner of Consumer Credit); Department of Fiscal Services (Office of Legislative Audits)

Fiscal Note History: First Reader - January 26, 1996
ncs Revised - House Third Reader - March 19, 1996

Analysis by: Guy Cherry
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710