

## STATEMENT OF PURPOSE

### RS18408C2

The purpose of this bill is to repeal Idaho's existing Residential Mortgage Practices Act and enact a new Idaho Residential Mortgage Practices Act, preserving existing regulatory oversight language and incorporating the requirements of The Safe and Fair Enforcement Mortgage Licensing Act of 2008 (the S.A.F.E. Act), found in Title V of The Housing and Economic Recovery Act of 2008. The federal S.A.F.E. Act mandates licensing or registration of all mortgage loan originators, and requires states to implement a system of licensure and regulation meeting the standards of the S.A.F.E. Act by July 31, 2009. This bill organizes the provisions of the Idaho Residential Mortgage Practices Act into three distinct parts. Part 1 includes provisions of general applicability to the entire act. Part 2 includes provisions applicable to mortgage brokers and mortgage lenders operating in Idaho and preserves Idaho's existing regulatory oversight consistent with the requirements of the S.A.F.E. Act. Part 3, entitled the Idaho S.A.F.E. Mortgage Licensing Act of 2009, implements the requirements of the S.A.F.E. Act to mortgage loan originators operating in Idaho. Finally, this bill, as authorized by the S.A.F.E. Act, would establish a state mortgage recovery fund in place of a surety bond requirement for mortgage brokers, mortgage lenders, and mortgage loan originators.

### FISCAL NOTE

Depending on future mortgage market conditions, some increase in license revenue may result from passage of this bill based on the S.A.F.E. Acts expansion of the definition of mortgage loan origination, effective December 2010. Any such revenue increase may be offset by a reduction in the total number of mortgage licensees due to economic conditions, and by a shift in the approval process of continuing education providers from the Department of Finance to the Nationwide Mortgage Licensing System and Registry pursuant to the S.A.F.E. Act.

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