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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/06

SPONSOR Boitano LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Individual Loan Originator Licensing Study SM 1

ANALYST Baca

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

Senate Memorial 1 requests that a study group be formed to study the extent of any existing or potential problems under present unregulated status of the loan originating industry, and that the working group report its findings and recommendations for proposed legislation to the interim legislative Mortgage Authority Act Oversight Committee by no later than October 1, 2006. The study group is to be composed of one person from each of the following:

New Mexico Mortgage Lenders Association,  
 New Mexico Financial Services Association,  
 New Mexico Realtors Association,  
 New Mexico Manufactured Housing Association,  
 Consumer Protection Division of the Attorney Generals Office, and  
 Financial Institutions Division of the Regulation and Licensing Department.

Copies of this memorial are to be transmitted to each of the participating organizations.

### FISCAL IMPLICATIONS

The bill contains no appropriation. As has been done with other similar studies, it is assumed that each participating organization will absorb costs associated with the study within their existing budgets.

**SIGNIFICANT ISSUES**

The bill addresses concerns that many persons working with consumers in the loan origination of mortgage loans are not currently licensed or regulated by the state. Absent any training or experience requirements for a person to engage in assisting consumers to obtain mortgage loans loan origination, it is feared that consumers may not be as well served as they should be.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The proposed study may not be conducted.

LB/yr