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FISCAL IMPACT REPORT

SPONSOR Sanchez, B **ORIGINAL DATE** 2/23/07 **LAST UPDATED** 2/24/07 **HB** _____
SHORT TITLE Study Consumer Lending Practices and Regulation **SM** 41
ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to,
HB 92, SB 393

SOURCES OF INFORMATION

LFC Files

Responses Received From
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

The memorial calls for the director of the financial institutions division of the regulation and licensing department to establish a consumer lending study committee to study the existing regulatory framework for consumer lending, consumer lending practices and consumer lending needs. The memorial attends to the concern that current statutes and rules relating to consumer have not been comprehensively updated to reflect recent trends in consumer financing.

FISCAL IMPLICATIONS

It is unknown what implications to the resources (personnel, costs of surveys, etc.) will be necessary in order for the Financial Institutions Division to complete the study.

SIGNIFICANT ISSUES

The memorial requires the Director of the Financial Institutions Division of the Regulation and Licensing Department to include as part of the study Pawnbrokers. The Financial Institutions Division does not regulate Pawnbrokers. However, the Financial Institution does regulate various types of loans as indicated by the study.

ADMINISTRATIVE IMPLICATIONS

The amount of time that a Financial Institutions Division employee or employees will need to allocate to this study is unknown. It could divert time from the individual's regular duties.

RELATIONSHIP

HB 92, SB 393

ALTERNATIVES

The committee membership could be chosen by an agency other than the Financial Institution Division. Perhaps the Office of the Attorney General could establish a membership made up of representatives of all segments of the consumer loan industry and consumers within the state.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consumer lending regulatory environment will remain as it is today with or without the study unless the legislature acts upon any recommendations made as a result of the study.

CS/mt