

A MEMORIAL

REQUESTING THE FINANCIAL INSTITUTIONS DIVISION OF THE REGULATION AND LICENSING DEPARTMENT TO STUDY THE FEASIBILITY OF ENCOURAGING BETTER ACCESS TO RECORDS AND PROMOTION OF LOCAL BUSINESS BY REQUIRING MORTGAGE LOAN COMPANIES LENDING IN NEW MEXICO TO HAVE A REGISTERED OFFICE IN THE STATE AND ENACTING CERTAIN RESIDENCY REQUIREMENTS FOR MORTGAGE LOAN COMPANY MANAGERS.

WHEREAS, the choice of entering into a mortgage is one of the largest and most long-term decisions individuals make in their lifetime, and mortgage loan companies are integral in providing the services necessary for entering into a mortgage; and

WHEREAS, a company with clear ties to a state or community may be better situated to provide meaningful financial advice and assistance to a person making such a large financial commitment; and

WHEREAS, mortgage loan companies require many financial and other personal records in conducting business and are required by law to preserve those records for at least six years; and

WHEREAS, often those records are kept out-of-state, making it difficult for consumers of these loans to obtain copies of the records or for entities required to provide

oversight of these companies to inspect the records; and

WHEREAS, the financial institutions division of the regulation and licensing department is charged with oversight of mortgage loan companies lending in New Mexico, but, if the company is located out-of-state, it can be difficult, due to travel and budgetary constraints, for the division to inspect those out-of-state companies properly; and

WHEREAS, several of New Mexico's neighboring states have enacted laws requiring mortgage loan companies operating in the state to have a registered office in the state and for mortgage loan company managers to be residents of the state;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the financial institutions division of the regulation and licensing department be requested to work with individuals in the private mortgage loan industry including, but not limited to, state chartered banks, mortgage brokers, federally chartered banks, mortgage loan originators, credit unions and consumers to study ways to reform the mortgage loan industry to promote closer ties between mortgage loan companies and their local communities and to provide greater access to mortgage loan company records for consumers and for necessary oversight; and

BE IT FURTHER RESOLVED that in conducting the study, the division examine the feasibility of requiring mortgage loan

companies to have a registered office in the state and certain residency requirements for mortgage loan company managers, including the legality, and possible financial impact, of such requirements and any necessary exceptions to such requirements; and

BE IT FURTHER RESOLVED that the division examine the impact that mortgage loan registered office requirements and mortgage loan manager residency laws have had on neighboring states that have enacted such laws; and

BE IT FURTHER RESOLVED that the division report its findings to the appropriate legislative interim committee by November 1, 2011, including possible statutory changes; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the superintendent of regulation and licensing and the legislative council service.