

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF PROPOSED
ARM 2.59.1738 pertaining to renewal)	AMENDMENT
fees for mortgage brokers, lenders,)	
servicers, and originators)	NO PUBLIC HEARING
)	CONTEMPLATED

TO: All Concerned Persons

1. On February 16, 2018, the Department of Administration proposes to amend the above-stated rule.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration no later than 5:00 p.m. on February 2, 2018, to advise us of the nature of the accommodation that you need. Please contact Wayne Johnston, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2918; TDD (406) 841-2974; facsimile (406) 841-2930; or e-mail to banking@mt.gov.

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

2.59.1738 RENEWAL FEES (1) Licenses issued under Title 32, chapter 9, part 1, MCA, expire December 31. Licensees shall submit their renewal applications by December 1 of each year to ensure issuance of the license to qualified renewal applicants by January 1 of the following year. The renewal fees for the license period January 1 through December 31 are:

(a) mortgage broker entity, \$500.00, (except as provided in 32-9-117(1)(b), MCA);

(b) mortgage broker branch, \$250.00;

(c) mortgage lender entity, \$750.00;

(d) mortgage lender branch, \$250.00;

(e) mortgage loan originator, \$400.00;

(f) mortgage servicer entity, \$750.00; and

(g) mortgage servicer branch, \$250.00.

~~(2) The renewal fees listed in (1) are reduced by 50 percent for 2017. This section sunsets on March 1, 2017.~~

AUTH: 32-9-117, MCA

IMP: 32-9-117, 32-9-130, MCA

STATEMENT OF REASONABLE NECESSITY: The department is adding "(except as provided in 32-9-117(1)(b), MCA)" to this rule because this provision

existed prior to the insertion of (2), which sunset on March 1, 2017. The intent of the amendment is to make the renewal fees consistent with the initial license application fees that exist in statute. In addition, the department is earmarking the individual fees in (1) to provide additional clarity.

This amendment pertains to a mortgage broker who is both an individual mortgage loan originator licensee and the owner of a mortgage broker entity. The department does not believe it would be fair to charge separate renewal fees to an individual who is licensed as a mortgage loan originator as well as an owner of a mortgage broker entity.

Under this amendment, a person who owns a mortgage broker entity and is also individually licensed as a mortgage loan originator will pay a single license renewal fee of \$500. This represents a \$400 decrease in renewal fees for licensees that meet these criteria. There are 128 mortgage broker entities currently licensed in Montana. The division has determined 34 mortgage broker entities have an owner who is also individually licensed as a mortgage loan originator. The department predicts that all affected licensees will renew their licenses. This proposed change to the rule will reduce department revenues by approximately \$13,600.

The department is deleting (2) because this provision sunset on March 1, 2017.

4. Concerned persons may present their data, views, or arguments concerning the proposed action to Kelly O'Sullivan, Legal Counsel, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; or e-mailed to banking@mt.gov; and must be received no later than 5:00 p.m., February 9, 2018.

5. If persons who are directly affected by the proposed action wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to the person listed in 4 above no later than 5:00 p.m., February 9, 2018.

6. If the Division of Banking and Financial Institutions receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be 13 persons based on the 128 existing mortgage broker licensees.

7. An electronic copy of this proposal notice is available through the department's web site at <http://doa.mt.gov/administrativerules>. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that if a discrepancy exists between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In

addition, although the department works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods due to system maintenance or technical problems.

8. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request that includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to Wayne Johnston, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to banking@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. The department has determined that under 2-4-111, MCA, the proposed amendment of the above-stated rule will not significantly and directly affect small businesses.

By: /s/ John Lewis
John Lewis, Director
Department of Administration

By: /s/ Michael P. Manion
Michael P. Manion, Rule Reviewer
Department of Administration

Certified to the Secretary of State January 2, 2018