

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 of mortgage brokers, mortgage	)	
lenders, mortgage servicers, and	)	NO PUBLIC HEARING
mortgage loan originators	)	CONTEMPLATED

TO: All Concerned Persons

1. On October 10, 2020, 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 September 9, 2020, to advise us of the nature of the accommodation that you need. Please contact Heather Hardman, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2922; TDD (406) 841-2974; facsimile (406) 841-2930; or e-mail to [banking@mt.gov](mailto: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, 2021, are:

- (a) Mortgage Broker Entity, ~~\$375.00~~, \$125.00 (except as provided in 32-9-117(1)(b), MCA);
- (b) Mortgage Broker Branch, ~~\$187.50~~ \$62.50;
- (c) Mortgage Lender Entity, ~~\$562.50~~ \$187.50;
- (d) Mortgage Lender Branch, ~~\$187.50~~ \$62.50;
- (e) Mortgage Loan Originator, ~~\$300.00~~ \$100.00;
- (f) Mortgage Servicer Entity, ~~\$562.50~~ \$187.50;
- (g) Mortgage Servicer Branch, ~~\$187.50~~ \$62.50.

AUTH: 32-9-117, 32-9-130, 32-9-134, MCA  
IMP: 32-9-117, 32-9-130, 32-9-134, MCA

STATEMENT OF REASONABLE NECESSITY: The department proposes to reduce renewal fees for all mortgage industry license types by two-thirds for the 2021 renewal period due to the COVID-19 pandemic and the economic upheaval it has spawned. The department realizes the mortgage industry has struggled with

unprecedented uncertainty and disruption in this difficult time. The industry has experienced an increased demand for mortgage services, while its originators are working from home and trying to meet borrowers' needs without face-to-face interactions. Borrowers who apply for loans sometimes have major life disruptions at the last minute in the process, causing loans to fall apart. New mortgage loan originators have experienced long wait times to schedule tests and fingerprinting due to stay-at-home orders and social distancing requirements. Servicers have had foreclosure moratoriums and have been asked to work with borrowers in extending loan modifications. The department recognizes the economic consequences of the COVID-19 pandemic have been both wide and deep. Given these circumstances, the department concluded it should reduce renewal fees by two-thirds for the 2021 renewal period which is paid in 2020. This amount was chosen to balance the need to offer short-term relief to those affected by the pandemic with the department's long-term need to generate sufficient revenue to cover the cost of carrying out its regulatory duties.

In Montana, there are currently licensed:

- 180 mortgage broker entities;
- 230 mortgage broker branches;
- 209 mortgage lender entities;
- 452 mortgage lender branches;
- 169 mortgage servicer entities;
- 109 mortgage servicer branches; and
- 3,280 mortgage loan originators.

The department expects that not all the current licensees will renew their licenses for 2021. However, based on prior years' renewals, the department predicts approximately 80 percent of its mortgage loan originators, 95 percent of mortgage companies, and 95 percent of mortgage company branch licensees will renew their licenses for 2021. Last year, the 2020 license renewal fees were reduced by 25 percent. If the department reduces renewal fees by two-thirds for 2021, this will reduce cumulative costs to licensees by approximately \$524,800. The department can adequately fulfill its mission with this reduction in fees.

The department is also correcting the authority citations.

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](mailto:banking@mt.gov); and must be received no later than 5:00 p.m., September 25, 2020.

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., September 9, 2020.

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 463 persons based on the 4,629 existing mortgage brokers, lenders, servicers, and loan originator licensees.

7. An electronic copy of this proposal notice is available through the department's website at <http://doa.mt.gov/administrativerules>. The department strives to make its online version of the notice conform to the official published version, but advises all concerned persons that if a discrepancy exists between the official version and the department's online version, only the official text will be considered. In addition, although the department works to keep its website accessible at all times, concerned persons should be aware that the website 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 Heather Hardman, 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](mailto: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 impact small businesses.

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

By: /s/ Don Harris  
Don Harris, Rule Reviewer  
Department of Administration

Certified to the Secretary of State August 18, 2020.