

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

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

TO: All Concerned Persons

1. On November 9, 2019, 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 October 4, 2019, 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.

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~~ \$375.00, (except as provided in 32-9-117(1)(b), MCA);

(b) Mortgage Broker Branch, ~~\$250.00~~ \$187.50;

(c) Mortgage Lender Entity, ~~\$750.00~~ \$562.50;

(d) Mortgage Lender Branch, ~~\$250.00~~ \$187.50;

(e) Mortgage Loan Originator, ~~\$400.00~~ \$300.00;

(f) Mortgage Servicer Entity, ~~\$750.00~~ \$562.50;

(g) Mortgage Servicer Branch, ~~\$250.00~~ \$187.50.

~~(2) The renewal fees listed in (1) are reduced by 75 percent for 2019. This section sunsets on March 1, 2019.~~

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

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

STATEMENT OF REASONABLE NECESSITY:

The Division of Banking and Financial Institutions (division) is funded through licensing fees and strives to keep licensing fees consistent with each licensing program's expenditures. The mortgage program is currently generating more revenue than it is spending, and the revenue generated exceeded estimates. Under 32-9-117, MCA, renewal fees must be commensurate with program costs. A 25 percent permanent reduction will reduce the financial burden of license fees while providing sufficient revenue to cover division expenditures for the immediate and foreseeable future.

The division will continue to monitor its revenue and expenses and, if necessary, increase or decrease the renewal fees to keep revenues in line with expenses.

In Montana, there are currently licensed:

- 165 mortgage broker entities;
- 171 mortgage broker branches;
- 198 mortgage lender entities;
- 382 mortgage lender branches;
- 160 mortgage servicer entities;
- 113 mortgage servicer branches; and
- 3,206 mortgage loan originators.

The proposed changes will reduce cumulative costs to licensees by approximately \$449,975.00.

The division is deleting (2) because this provision sunsetted on March 1, 2019.

4. Concerned persons may present their data, views, or arguments concerning the proposed action in writing 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., October 21, 2019.

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., October 18, 2019.

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 439 persons based on the 4,395 existing mortgage 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; 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 September 10, 2019.